

# AGENDA

TORRES STRAIT ISLAND REGIONAL COUNCIL

**AUGUST 2021**

Tuesday 17<sup>th</sup> August 2021, 10:30am – 5:00pm

Wednesday 18<sup>th</sup> August 2021, 9:00am – 5:00pm

Video Conference

## **COUNCIL ORDINARY MEETING**

**Tuesday 17<sup>th</sup> August 2021**

### **Agenda Items**

- |   |                          |   |
|---|--------------------------|---|
| 1.  | <u>10:30am – 10:35am</u> | <u>Welcome and Opening Remarks</u>  |
| 2.  | <u>10:35am – 10:40am</u> | <u>Apologies</u>  |
| 3.  | <u>10:40am – 10:45am</u> | <u>Declaration of Conflict of Interest (COI) (Prescribed and Declarable)</u>  |
| 4.  | <u>10:45am – 10:50am</u> | <u>Confirmation of Previous Council Ordinary Meeting Minutes</u> <ul style="list-style-type: none"><li>• 20<sup>th</sup> &amp; 21<sup>st</sup> July 2021 – Iama</li></ul> |
| 5.  | <u>10:50am – 11:15am</u> | <u>Outstanding Council Ordinary Meeting Action Items</u>  |
| 6.  | <u>11:15am – 11:30am</u> | <u>Standing Agenda Items:</u> <ul style="list-style-type: none"><li>• Chief Operating Officer - Housing Authority (verbal)</li></ul>                                      |
| 7.  | <u>11:30am – 12:15pm</u> | <u>BUSINESS SERVICES – Monthly Financial Update</u>   |
| <br><b><u>LUNCH 12:15pm – 1:15pm</u></b>        |                          |   |
| 8.  | <u>1:15pm – 2:45pm</u>   | <u>BUSINESS SERVICES – Asset Management Plan</u>  |
| 9.  | <u>2:45pm – 3:45pm</u>   | <u>BUSINESS SERVICES – Operational Plan – Q4</u>  |
| <br><b><u>AFTERNOON TEA 3:45pm – 4:00pm</u></b> |                          |   |
| 10.   | <u>4:00pm – 4:15pm</u>   | <u>CORPORATE AFFAIRS – Community Grant Program</u>  |
| 11.   | <u>4:15pm – 4:30pm</u>   | <u>LEGAL – Correction of Minutes July 2020 – <span style="color: red;">Late</span></u>  |
| 12.   | <u>4:30pm – 4:45pm</u>   | <u>ENGINEERING – Tender Award – Kubin &amp; St Pauls Weirs Renewal</u>  |
| 13.   | <u>4:45pm – 5:00pm</u>   | <u>ENGINEERING – Tender Award – Badu, Kubin and St Pauls Wastewater Lagoon De-Sludge</u>  |

**COUNCIL ORDINARY MEETING**  
**Wednesday 18<sup>th</sup> August 2021**  
**Agenda Items**

14. 9:00am – 9:05am Welcome and opening prayer.
15. 9:05am – 10:30am **Deputation 1:** – Dementia Research Update – Australian Institute of Tropical Health and Medicine – Mr Fintan Thompson

**MORNING TEA – 10:30am – 10:45am**

16. 10:45am – 11:45am **Deputation 2:** - TSIMA – Update Council on RIBS program in Torres Strait Region – Ms Diat Alferink
17. 11:45am – 12:15pm BUILDING SERVICES – Update

**LUNCH 12:15pm – 1:15pm**

18. 1:15pm – 1:15pm COUNCIL MOVE INTO CLOSED BUSINESS
19. 1:15pm – 1:45pm ENGINEERING – CB – Tender Award – TSIRC Metal Waste Legacy Stockpile Clean-Up
20. 1:45pm – 2:00pm ENGINEERING – CB – Superintendent Award – TSIRC Metal Waste Legacy Stockpile Clean Up
21. 2:00pm – 2:15pm OCEO – CB – SeaSwift Tender – verbal update
22. 2:15pm – 2:30pm OCEO – CB – Elphinstone Close – verbal update
23. 2:30pm – 3:00pm OCEO – CB – Employment Matter - Late
24. 3:00pm – 3:00pm COUNCIL MOVE OUT OF CLOSED BUSINESS

AFTERNOON TEA 3:00pm – 3:15pm

25. 3:15pm – 4:00pm COMMUNITY SERVICES – Special Holidays 2022 - Late
26. 4:00pm – 4:05pm Next Council Meeting dates – 21<sup>st</sup> and 22<sup>nd</sup> September 2021 - Kirriri
27. 4:05pm – 4:25pm Business Arising from Information Reports
28. 4:25pm – 4:55pm Strategic Matters
29. 4:55pm – 5:00pm Closing Remarks and Prayer

# TORRES STRAIT ISLAND REGIONAL COUNCIL

## AGENDA REPORT

<b>ORDINARY MEETING:</b>	August 2021
<b>DATE:</b>	17/08/2021 and 18/08/21
<b>ITEM:</b>	Agenda Item for Noting by Council
<b>SUBJECT:</b>	Operational Plan 2020/21 Q4 Update
<b>AUTHOR:</b>	Mette Nordling, Manager of Governance and Compliance

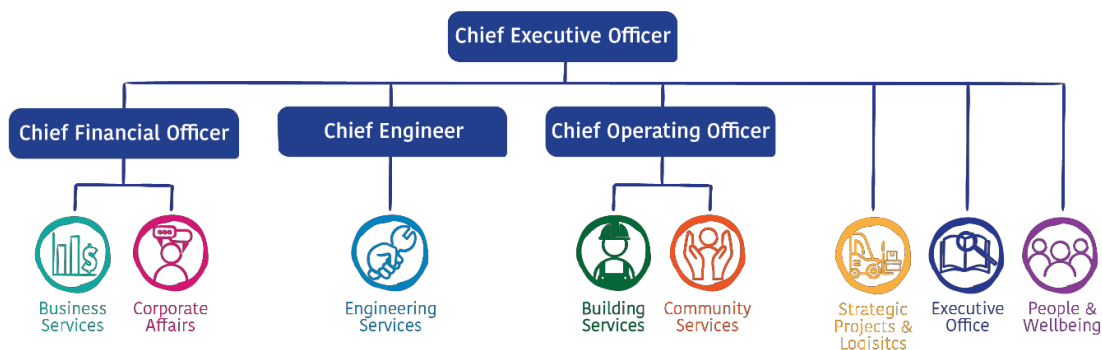
### Recommendation:

Council resolves to note the Operational Plan 2020-21 Quarter 4 Update.

### Background:

Pursuant to Section 174 of the *Local Government Regulation 2012*, Council adopted its Operational Plan for the 2020/21 period, during its Ordinary Meeting on 21 July 2020.

The Operational Plan is structured around Council's corporate structure as at 21 July 2020, which was updated and endorsed to that shown below in the same meeting:




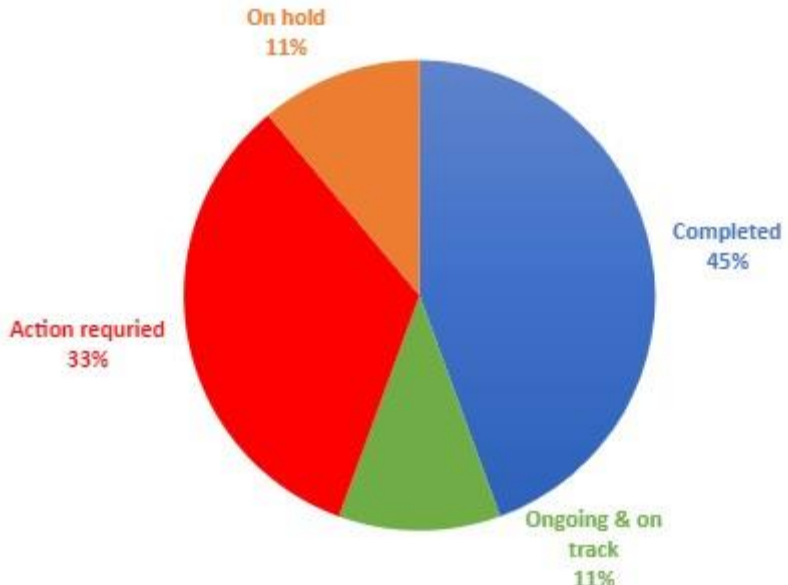

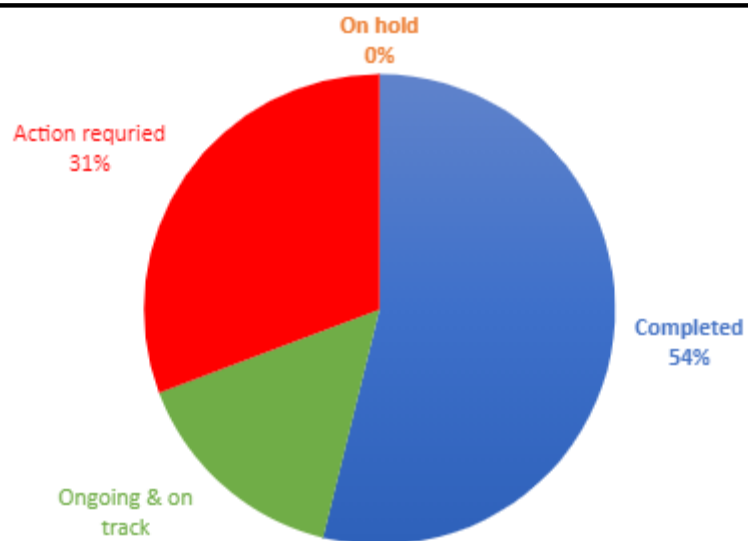

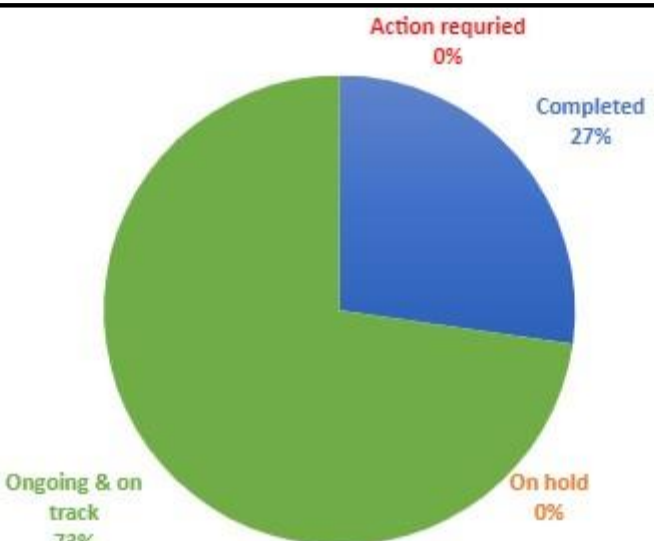
Each of the 86 objectives listed in the Operational Plan, link back to a relevant *Strategic Delivery Pillar* of Council's current Corporate Plan 2020-25; these pillars are as follows:

	People	<p>Outcome 1: We preserve cultural heritage, history and place.</p> <p>Outcome 2: Our communities are safe, healthy and active.</p> <p>Outcome 3: We ensure accessibility to community support services.</p> <p>Outcome 4: We are a transparent, open and engaging council.</p>
	Sustainability	<p>Outcome 5: We plan effectively for the future of our individual communities and region.</p> <p>Outcome 6: Our communities remain resilient to the effects of climate change and natural disasters.</p> <p>Outcome 7: Our communities are consulted around liveable places, aligned to lifestyle and environmental suitability.</p> <p>Outcome 8: We manage council affairs responsibly to the benefit of our communities.</p> <p>Outcome 9: We actively reduce our environmental footprint and manage our resources sustainably.</p>
	Prosperity	<p>Outcome 10: We advocate and foster regional prosperity through enterprise development.</p> <p>Outcome 11: We invest in the retention of key skills within our region.</p> <p>Outcome 12: We bring opportunity to our region and put our culture on the world stage.</p>



## Operational Plan Progress:

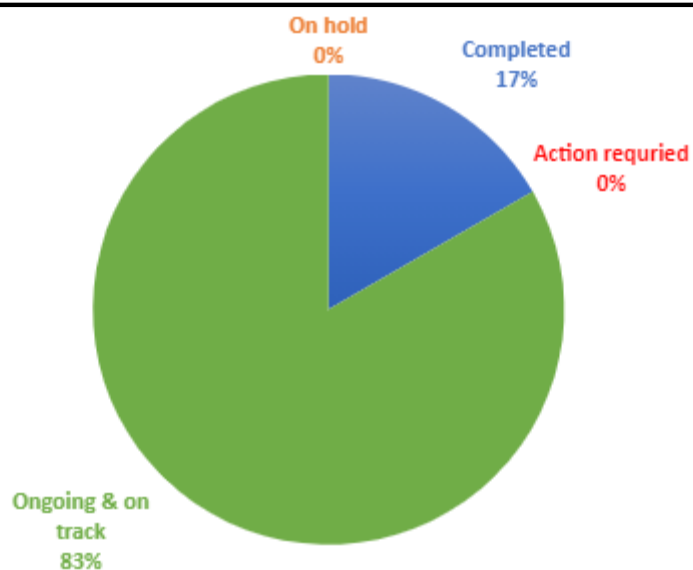
Council's Operational Plan 2019-20 Q4 Dashboard is as follows:

Department:	Total Objectives:	Progress										
<div></div> <div>Business Services</div>	9	<div></div> <table><thead><tr><th>Category</th><th>Percentage</th></tr></thead><tbody><tr><td>Completed</td><td>45%</td></tr><tr><td>Action required</td><td>33%</td></tr><tr><td>Ongoing &amp; on track</td><td>11%</td></tr><tr><td>On hold</td><td>11%</td></tr></tbody></table>	Category	Percentage	Completed	45%	Action required	33%	Ongoing & on track	11%	On hold	11%
Category	Percentage											
Completed	45%											
Action required	33%											
Ongoing & on track	11%											
On hold	11%											
<div></div> <div>Corporate Affairs</div>	13	<div></div> <table><thead><tr><th>Category</th><th>Percentage</th></tr></thead><tbody><tr><td>Completed</td><td>54%</td></tr><tr><td>Action required</td><td>31%</td></tr><tr><td>Ongoing &amp; on track</td><td>15%</td></tr><tr><td>On hold</td><td>0%</td></tr></tbody></table>	Category	Percentage	Completed	54%	Action required	31%	Ongoing & on track	15%	On hold	0%
Category	Percentage											
Completed	54%											
Action required	31%											
Ongoing & on track	15%											
On hold	0%											
<div></div> <div>Engineering Services</div>	11	<div></div> <table><thead><tr><th>Category</th><th>Percentage</th></tr></thead><tbody><tr><td>Ongoing &amp; on track</td><td>73%</td></tr><tr><td>Completed</td><td>27%</td></tr><tr><td>Action required</td><td>0%</td></tr><tr><td>On hold</td><td>0%</td></tr></tbody></table>	Category	Percentage	Ongoing & on track	73%	Completed	27%	Action required	0%	On hold	0%
Category	Percentage											
Ongoing & on track	73%											
Completed	27%											
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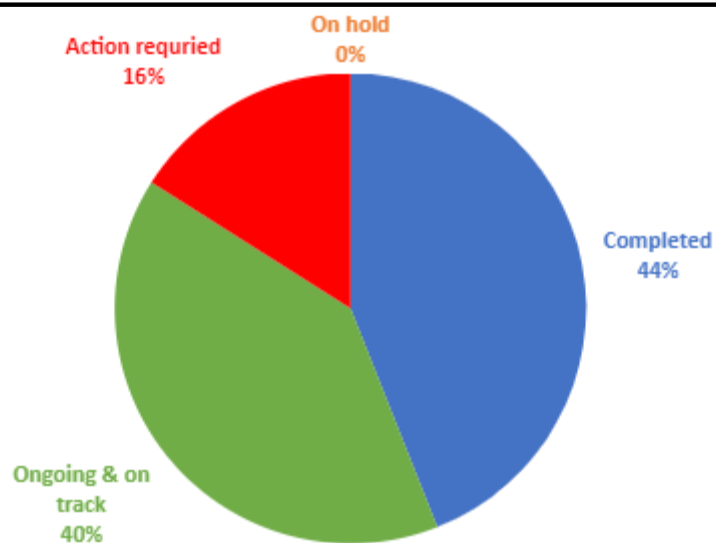
Building  
Services

6



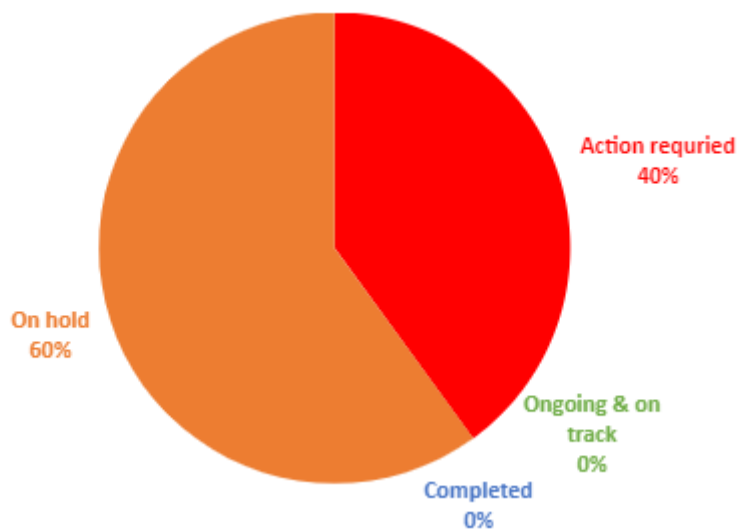
Community  
Services



25



Strategic  
Projects &  
Logistics

5



<div><div>Executive Office</div></div>	7	<div><div><div>Action required 14%</div><div>On hold 0%</div><div>Completed 14%</div><div>Ongoing &amp; on track 72%</div></div></div>
<div><div>People &amp; Wellbeing</div></div>	10	<div><div><div>On hold 0%</div><div>Action required 40%</div><div>Completed 60%</div><div>Ongoing &amp; on track 0%</div></div></div>

### Statutory Requirements:

*Local Government Act 2009 (Qld)*

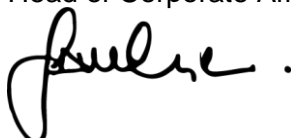
*Local Government Regulation 2012 (Qld)*

### Conclusion:

That Council notes the Operational Plan 2020-21 Quarter 4 Update.

#### Endorsed:

Luke Ranga  
Head of Corporate Affairs



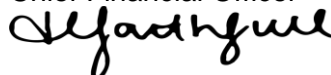
#### Approved:

David Baldwin  
Acting Chief Executive Officer



#### Recommended:

Hollie Faithfull  
Chief Financial Officer



### Attachments:

- Table providing breakdown of objectives, process, and comments
- Operational Plan 2020/21

Objective number	Annual Plan Item	Delivery target	Responsible function	Start Quarter	Complete Quarter	Q4 update	Q4 notes
	<b>TSIRC Operational Plan 20/21</b>						
	<b>Business Services</b>						
1	Continue to evolve Council's long-term financial planning and quantify regional program delivery, service levels and associated costs.	Successful delivery of framework & modelling.	Financial Accounting & Assets	1	4	Complete	Ongoing commitment to improvement of current reporting and evolving of Council's long term planning. Council budget and long-term financial plan endorsed at Council meeting in July and Asset Management Plans are being presented at the August OM.
2	Develop stronger link between Asset Management Plans and Councils budget development.	Framework delivered.	Financial Accounting & Assets	1	4	Complete	Asset Management plans to be presented to Council at the August OM. These will assist in better planning for the future around infrastructure and service level requirements. Council Officers will continue to refine these documents in the future.
3	Evolve & deliver Council's Asset Revaluation program.	100% program completion	Financial Accounting & Assets	4	4	Complete	Asset revaluation has been finalised. Asset revaluation has been evolved to ensure that all asset class managers are heavily involved in the process. More robust and structured processes have ensured sufficient substantiation and faster audit finalisation with no notable issues.
4	Collaborate with key Council operational functions to deliver effective debt management program(s).	Framework identified. >50% program delivery.	Financial Accounting & Assets	1	4	Complete	Debt recovery policy and new credit application form have been reviewed by external parties including internal audit and Audit Committee. Final review to be undertaken by Executive Team. Debt Recovery policy to be presented to SARG and Council in September.
5	Deliver Corporate Overhead Analysis program, through effective cost allocation modelling.	Program modelling developed & delivered.	Management Accounting	1	4	Action required	Direct costing from corporate overhead departments has commenced with mobile and printing costs allocated to relevant departments in 20/21. The next project to be finalised is the allocation of fleet.
6	Implementation of statistical dash boards and metric reporting to enable real time data capability.	Successful implementation of agreed dashboard scope.	Financial Accounting & Assets	1	4	On hold	The resource that was to implement the dashboards, has been vacant since December 2020, therefore the project has been put on hold until there are enough resources to manage the project.
7	Deliver IT Transformation Strategy & identified program deliverables.	Strategy complete & roadmap identified.	Financial Accounting & Assets	2	4	Action required	Council has submitted a funding application through the Building Better Region (BBR) Fund to develop Council's IT Strategy. Council is still awaiting notification regarding status of funding application.
8	Evolve Community Services frontline IT capability.	Gap analysis conducted for all communities. Recommendation paper delivered.	Financial Accounting & Assets	1	4	Action required	Council Officers have requested feedback from Divisional and Regional Managers regarding how information technology services within the communities can be evolved to provide better services to community members. It was determined that this was not the most appropriate medium to obtain feedback as little was received. A video conference meeting is currently being arranged for this topic to be workshopped.
9	Further develop Council's disaster management & business continuity technology capabilities.	Pilot program completed across two sites. Roadmap identified.	Financial Accounting & Assets	1	4	Ongoing & on track	Council Officers are working with Mangano discussing the challenges and architecture required to implement a SD WAN solution. Mangano to report back with designs to Council Officers.  Council Officers are also communicating with Council current telecommunication supplier about investigating the possibility of obtaining high speed connections for each division. Representatives of Council's supplier will be travelling to the region to undertake a feasibility study including reviewing current infrastructure to provide connection.
	<b>Corporate Affairs</b>						
10	Continue Council's core brand refresh across all digital mediums & community channels.	Web & intranet sites implemented. Brand guidelines delivered.	Compliance & Governance	1	3	Action required	•Draft Brand Guidelines presented to the Culture, Arts, Land and Heritage Committee in June 2021. •Intranet phase 1 implemented and live •Website commenced
11	Grow the Youmpla Voice program & community specific engagement models.	1 campaign per community.	Compliance & Governance	1	4	Complete	•Community survey conducted
12	Evolve employee engagement tools for Council's vision, mission, values & service delivery excellence.	Engagement program delivered to all sites.	Compliance & Governance	1	4	Action required	•Employee survey has been delayed due to competing priorities •Further engagement tools to be developed based on outcome of survey
13	Further develop Council's strategic planning tools, embracing digitisation & automation.	Implementation of integrated planning automation & dashboards.	Compliance & Governance	1	4	Complete	•Smartsheet built for Creative services request developed •Smartsheet for Operational Plan updates developed •Smartsheet for 2021/22 Operational Plan underway •Smartsheet for 2021/22 Annual report completed and use commenced
14	Evolve Council's ethical procurement standards & policies.	Policy published. Training delivered across all stakeholder groups.	Compliance & Governance	1	4	Complete	•Policy endorsed •Procedures under review •Training conducted with BSU and Engineering •New contract templates developed and trial underway
15	Further develop a good governance culture and compliance framework across Council.	Framework implemented. Engagement tools developed.	Compliance & Governance	1	4	Complete	•Governance and risk policies developed and endorsed •Enterprise Risk Management Guidelines developed and endorsed •Governance framework under development
16	Delivery of group insurance evaluation and cost efficiency program.	Program delivered.	Compliance & Governance	4	4	Complete	•Membership of LG Mutual renewed and insurance savings obtained
17	Evolve Business Continuity Planning Processes (BCP) & exercises.	Gap analysis completed. Program framework identified.	Compliance & Governance	2	4	Action required	•Annual training exercise to be planned.
18	Implementation of customer contact centre & automation tools.	IVR technology implemented. Data capability delivered.	Enterprise development & Delivery	1	3	Action required	A meeting is to be scheduled with Manager IT to discuss the phone system capabilities. Initial investigations indicate that Council's phone system does not have the capability in its current set up to implement the newly proposed system. This meeting will take place in August 2021.
19	Development of Council's Visitor Management Strategy, tools & implementation roadmap.	Strategy published. Implementation roadmap identified.	Enterprise development & Delivery	2	4	Ongoing & on track	This objective is to be transferred to Community Services as per previous update
20	Delivery of Council's Enterprise Development Strategy, identifying key sector opportunities.	Strategy published.	Enterprise development & Delivery	1	3	Ongoing & on track	Due to competing priorities and a meeting with the committee being re-scheduled this trip will now happen later in 2021. Dates are yet to be determined.

Objective number	Annual Plan Item	Delivery target	Responsible function	Start Quarter	Complete Quarter	Q4 update	Q4 notes
21	Refresh of Council's community grant program.	Successful program delivery to all communities.	Enterprise development & Delivery		1	2 Complete	<ul style="list-style-type: none"> <li>•Program adopted</li> <li>•Continuous updates</li> <li>•New forms and criteria published</li> </ul>
22	Grow strategic domestic & international knowledge alliances.	Framework developed & 2 agreements in place.	Enterprise development & Delivery		2	3 Complete	The second project has been completed. Community Services worked with Sydney Uni on a program around Operational Planning processes
	Engineering Services						
23	Seawall program (stage 2) design works for Poruma, lama, Warraber & Masig Communities.	Design works complete. Tendering and Construction plan determined	Major Infrastructure		1	4 Ongoing & on track	<p>Poruma detailed design works completed and In-house Bid for Council Civil Crew to undertake the proposed seawalls works have been approved by PGC.</p> <p>Preliminary designs have been issued for Masig, Warraber and lama with surveying and geotechnical investigations completed. All communities are presently at Community Consultation phase.</p>
24	Seawall program (stage two) construction.	Boigu & Poruma Construction works underway.	Major Infrastructure		1	4 Ongoing & on track	<p>- Boigu seawalls construction is progressing well with revised PC date of 7th October 2021. Wave return wall installation works are underway throughout the community and cemetery. Bund wall works are on hold due to wet weather and site conditions.</p> <p>- In-House Bid for Council Civil Crew to undertake the proposed seawalls works at Poruma has been approved by the PGC. The project is currently at procurement stage with barge forecasted to mobilise to site in mid August 2021.</p>
25	Deliver the Torres Strait Tide Gauge Project.	Funding arrangement formalised and works underway.	Major Infrastructure		1	4 Ongoing & on track	<p>- Tidal studies are ongoing. 12 month tidal study analysis to be issued to Council in January 2021.</p> <p>- New access ladder at lama tidal gauge site has been installed in May 2021.</p> <p>- Maintenance trip planned for October 2021 by DES (Annual Maintenance trip).</p> <p>- All construction works on site has been completed to date.</p>
26	Complete water lagoon cover repairs/replacements for Saibai, Erub, Mer & Ugar Communities.	Works complete.	Water Management		1	2 Complete	Lagoon cover replacement works have been completed on all sites. The contract is currently under defect liability period. In June 2021, the contract has been varied to include similar works (Lagoon cover replacement & associated plumbing works) for Boigu water lagoon utilising the same contractor and superintendent.
27	Deliver Water & Wastewater project - Critical infrastructure/legislative compliance upgrades. (ICCP – MULTIPLE PROJECTS).	Multiple projects completed, some into future years.	Wastewater Services Water Management		1	4 Ongoing & on track	Multiple Water & Wastewater ICCIP funded projects have been completed, some currently underway (works in progress), some identified projects on hold and require scope changes and for completion over multiple FY's as scheduled for completion prior to 30th June 2022.
28	Deliver regional Smart Water Meter project.	Project completed.	Water Management		1	4 Ongoing & on track	SMW successfully installed at 139/15 communities.
29	Construct Saibai sewerage treatment plant effluent outfall pipe.	Works complete.	Wastewater Services		1	4 Complete	Project has reached Practical Completion and is currently in Defect Liability Period.
30	Metal Waste -Clean Up project.	Planning finalised, works commenced.	Waste Services		1	4 Ongoing & on track	Tender evaluation have been completed. The project is currently at tender award stage and has been submitted to the August 2021 Council Ordinary Meeting for Council resolution to award tender to preferred tenderer/contractor.
31	Complete Erub Airport Road upgrade works.	Works completed	Transport Management		1	4 Complete	Scoped works funded under TMR TIDS and R2R have been completed. Minor defects and rectification works have been completed.
32	Badu Aerodrome fence, Safety improvements Saibai Aerodrome - apron upgrade (Helipad), and Dauan access road to Helipad.	Works complete.	Transport Management		1	4 Ongoing & on track	<p>- Badu Aerodrome Fencing Upgrade and safety improvements have been completed.</p> <p>- Saibai Aerodrome Apron Upgrade Tender has been awarded in June 2021 subject to approval of TMR TIDS funding re-allocation.</p> <p>- Dauan Helipad Access Road Upgrade Projects is currently on hold due to budget shortfall. TSIRC is seeking additional funding opportunities.</p>
33	Water & Wastewater Projects (W4Q – COVID). MULTIPLE PROJECTS	Works complete	Wastewater Services Water Management		1	4 Ongoing & on track	<p>- 190kL desalination unit purchase - Completed</p> <p>- Leak detection equipment and monitoring program for Mer, Badu &amp; St Pauls - Mer completed. Badu &amp; St Pauls on track to be completed in 2020/21 FY.</p> <p>- Boigu Lagoon Cover Replacement Project - Project is currently . Funding extended to 31 December 2021</p> <p>- Mabuag Well, pump station, telemetry and riser upgrade Project - Completed.</p> <p>- Mer sewerage treatment ablation and shower block - EoT for funding approved until 30/09/2021</p> <p>- Warraber sewerage treatment plant fencing replacement - Completed.</p> <p>- St Pauls wastewater lagoon fencing replacement - Completed.</p> <p>- Ugar bores - bag filter and pipework replacement - Completed.</p> <p>- lama and Mer Reservoir magflow and power supply installation - Completed.</p> <p>- Erub 80mm water main replacement project - Project is under construction and EoT for funding approved until 30/09/21.</p>
	Building Services						
34	Implementation of desired operating model in alignment and consultation with key stakeholder delivery groups	Operating Model implemented	All departmental functions		1	4 Complete	Partially completed in terms of internal structure as per 21/22 budget. Key stakeholder is QBUILD and this will continue in terms of fortnightly meeting to monitor inflow and outflow of works.
35	Delivery of fuel bowser upgrade program	Implementation roadmap identified Program delivery of greater than 60%	Construction		2	4 Ongoing & on track	A cross departmental collaboration project that is on track
36	Evolve core project management capability and efficiencies through software implementations	Gap analysis completed Identified software implemented	Construction		1	4 Ongoing & on track	Developed and implemented including the Job Estimation System
37	Refresh council asset and capital works program	Program framework & roadmap published	Repairs & Maintenance		1	4 Ongoing & on track	Framework published into procure with improved cross departmental collaboration to improve management of assets and improve coordination of capital works program
38	Develop and grow local engagement modelling	Development of framework with key stakeholders	All departmental functions		3	4 Ongoing & on track	framework developed to increase local engagement as per demand and continuity of works.
39	Work with key partners to develop sustainable and increased durability housing concepts	Host workshop with key partners Recommendation paper delivered	Construction		1	4 Ongoing & on track	improved State Housing, cross departmental and business units to improve management to housing concepts and responses based on demand
	Community Services						

Objective number	Annual Plan Item	Delivery target	Responsible function	Start Quarter	Complete Quarter	Q4 update	Q4 notes
40	Delivery of Food Safety program: - Community education & awareness. - Licensing Program Stage 1 - Commercial premises. - Licensing Program Stage 2 - Community licences.	1 campaign per community.  All applicable commercial/other premises compliant.	Environmental Health		1	4 Action required	food safety awareness on going, 22 new imalert subscriptions, for reporting period. total of 81 for the year. no licences for the reporting period. EHW training under taken during the reporting period
41	Delivery of education & awareness programs on water sanitation, waste management & sewerage.	1 campaign community.	Environmental Health		1	4 Complete	EHW undertake presentaions include waste management and water. EHW assisted with boil alert notifications
42	Deliver illegal dumping hotspot program.	Program fully implemented within two communities.	Environmental Health		2	4 Complete	program completed, survey undertaken on Badu, awareness sessions and clean up.
43	Delivery of Mosquito Management program: -Inspection, Albopictus survey. -Education, awareness, control activities. -Assist the Dengue Action Response Team (DART). -Implement Mosquito management plan.	Program & applicable plan(s) implemented.	Environmental Health		1	4 Complete	program completed for this year.
44	Complete Environmental Health Worker development & certification program(s).	Annual Professional development workshop delivered.	Environmental Health		2	3 Complete	EHW completed training in Health, Housing, I auditor, biosecurity and pest management in this quarter.
45	Delivery of Animal Management program: -Domestic animal compliance. -Veterinary services. -Compliance & enforcement program.	Bi-annual vet visits.  Compliance education program delivered to each community.	Environmental Health		1	4 Complete	Vet visit completed 4-16 May, parasitic trials on Mer, Badu and Hammond. Vet at Moa for horse program
46	Develop local law & disturbance awareness program in collaboration with regional compliance and enforcement partners.	Program & framework delivered.	Environmental Health		1	2 Complete	Draft Procedure and Policy completed. info sheet completed
47	Delivery of Biosecurity Act compliance program.	100% of EHW workforce compliant.	Environmental Health		1	4 Complete	EHW have undertaken Biosecurity training, Manager participating in regional Biosecurity Working Group. and Torres Strait Invasive Species Advisory Group.
48	Delivery of healthy lifestyle tools & awareness program(s) in conjunction with community identified areas of need.	Community need/gap analysis completed.  Program framework delivered	Community Health & Wellbeing		1	4 Ongoing & on track	Review of Keriba Way Program This will include additional training for HLO implementation of Keriba Way Program in all communities where there is an HLO.
49	Development & delivery of the Community Volunteer program.	Develop & implement framework.	Community Health & Wellbeing		3	4 Complete	Funding ceased on 30/06/2021. Seeking ongoing funding for additional hours and 1 FTE for State Sports and Rec.
50	Complete Healthy Lifestyle Officer Development & Certification Program(s).	Annual Professional development workshop delivered.	Community Health & Wellbeing		2	3 Ongoing & on track	Review of Keriba Way Program This will include additional training for HLO implementation of Keriba Way Program in all communities where there is an HLO.
51	Conduct IKC program gap analysis & in collaboration with State Library develop community driven KPIs for regional footprint.	Community need/gap analysis & full program completed.  Program KPI framework delivered.	Indigenous Knowledge Centres		1	2 Ongoing & on track	Review of IKC program undertaken in partnership with State Library of Queensland
52	Delivery of core IKC programs: -First 5 Forever Program. -Public/Community Library Program. -Roll out of Fresh Start to all IKC. -Finalise Masig footprint utilising Idea's Box components	100% program delivery to existing IKC footprint.  Successful establishment of Masig IKC.	Indigenous Knowledge Centres		1	4 Ongoing & on track	Funding ceases on 30/06/2022
53	Review, evolve & deliver home care support services to aged care program participants in accordance with state and federal standards.	Delivery of review paper & associated recommendations	Aged Care		1	4 Ongoing & on track	Final discussions in progress with suppliers to look at back office systems to support app and finalise set up of new supplier for the acquisition of management software. Mobile devices purchased and on hand for set up and migration of information.
54	Review, evolve & deliver Aragus Child Care Centre (Badu) & Hammond After School Care, embedding Torres Strait Islander and Aboriginal cultural perspectives.	Delivery of review paper & associated recommendations.	Child Care		1	4 Ongoing & on track	Educators and management are currently working on the new quality improvement plans for each service to capture areas for improvement in both program and service delivery. Cultural practices will be embedded in the plan to ensure cultural inclusivity and connection to country to support children's identity.
55	Research current & future models of child care service delivery and develop business case aligned to community specific requirements.	Delivery of regional childcare business case & recommendation paper.	Child Care		3	4 Ongoing & on track	Report of findings yet to be finalised and presented to Council at time of Q\$ reporting. Item ongoing for 21/22 year.
56	Increase rental collections rate(s).	Regional collection rate of >80%.	Housing Services		1	4 Complete	7 Divisions are collecting 80% and above rental payments and collection and 6 divisions are collection 90 % and above rental payments and collection.
57	Drive an active reduction in current debt levels.	Development of debt management strategy.	Housing Services		1	4 Ongoing & on track	At current 89% and above debts are recuperated and being paid on a monthly basis since January 2021.
58	Undertake tenants survey & develop strategic recommendations report.	Annual survey completed.  Recommendation report delivered.	Housing Services		1	2 Action required	Tenants surveys have now been completed by each communities/ divisions and majority of the problematic issues that communities are facing is "repairs & maintenance" of their household that are not completed when they report through the blue maintenance phones provided at the local council offices. The other issues are overcrowding of properties, not enough bedrooms to cater for needs of all property tenancy holders which continues to be identified as a health & safety issue. Survey findings is outstanding and yet to be presented.
59	Successfully complete full registration under QRSCH	Full registration completed.	Housing Services		1	2 Complete	Full registration requirements are met and will be reviewed within the next two months (September 2021) to report all other relevant information that Department of Housing & Public Works require and also TSIRC.
60	Provide advice on development and lead implementation of a standardised approach to visitor management, including visitor entry and exit, accommodation and travel.	Provide strategic advice& recommendations for Visitor Management Strategy.  Deliver on strategy roadmap milestones.	Divisional Offices		1	4 Ongoing & on track	employment of Visitors Management Strategy Manager Confirm funding for 21/22 working on delivering roadmap milestones closely with Corporate Affairs.
61	Strengthen financial governance through online training and professional development.	Annual Professional development workshop delivered.	Divisional Offices		1	4 Action required	Annual Professional Development required on completion of standardising of operation procedures. Alternative training methods on Financial Governance training is required and be investigated with Training Officer, People & Wellbeing.
62	Evolve local disaster preparedness, response and recovery in accordance with state legislation and guidelines.	Develop template & procedure per community.	Divisional Offices		1	4 Complete	Divisional managers are working closely with the Disaster Coordinator to communicate updates to the community. Review ad necessary update of Community Disaster Plans undertaken in reporting period between Divisional Managers and Disaster Coordinator.

Objective number	Annual Plan Item	Delivery target	Responsible function	Start Quarter	Complete Quarter	Q4 update	Q4 notes
63	Establish standardised operating procedures of Divisional Offices, improving timeliness and quality of customer service.	Develop & implement standard operating procedure for divisional office management.	Divisional Offices	1	3	Action required	Working Group committee established to identified, review and implement divisional administration functions that require actions End of Year Procedures needs to be strengthen for EOF 21/22 Divisional Administration procedures needs to be developed urgently to allow for quality customer services and financial governance. Daily Summary Sheets to be uploaded into ECM to commence 21/22
64	Drive and deliver effective community engagement events through local Divisional Offices.	4 events delivered per community.	Divisional Offices	1	4	Ongoing & on track	A permanent events co-ordinator has been employed to support divisional offices to support and drive events regionally.
	Strategic projects & Logistics						
65	Implement project allocation and delivery framework.	Framework identified & implemented.	Logistics	1	3	On hold	Function is no longer in original form and is currently being remodel based on operational needs with primarily focus on fuel and fleet.
66	Mobilisation of Cairns operational footprint.	Cairns site 100% operational.	Strategic Projects	1	3	On hold	Logistic functions/model being independently reviewed.
67	Implement community freight support service.	Model & roadmap identified for implementation.	Logistics	1	4	On hold	Logistic functions/model being independently reviewed.
68	Finalise fuel & Gas best practise fulfilment model.	Gap analysis conducted. Model developed & successfully delivered to all communities.	Logistics	1	4	Action required	
69	Develop fleet service fulfilment model, incorporating community & regional partnerships.	Gap analysis conducted. Model developed & successfully delivered to all communities.	Logistics	2	4	Action required	Work is currently underway. Timing on delivery will be dependant on filling the vacant management position and remodeling the function based on operational need.
	Executive Office						
70	Poruma Land, Saibai Land Transfer & Ugar Land Transfer: Facilitate the progression of transfer of Deeds of Grant in Trust from Council to community-based entity that has been fully endorsed by the community to be the trustee.	Process completed.	Legal Services	3	4	Ongoing & on track	Correspondence sent to Minister requesting appropriate support and resourcing to TSIRC and PBCs for the Ugar land transfer and Saibai land transfer. Meetings being held with Department of Resources. Meeting scheduled with TSRA and Department of Resources re PBC involvement.
71	Evolve Council's Enterprise Divestment Strategy (aligned to Enterprise Development Strategy).	Develop framework in alignment with Enterprise Development Strategy.	Legal Services	1	4	Ongoing & on track	Draft Divestment Policy submitted to Economic Growth Standing Committee in February 2021. Awaiting consideration at the next Committee meeting. Dauan Kiosk Divestment proposal put to Council in May 2021 but not endorsed by Trustee due to financial capacity queries relating to outgoings.
72	Landing Holding Act (LHA) Katter Lease Resolution: To advocate for the grant of pending LHA entitlements in all Divisions.	Process completed.	Legal Services	1	4	Ongoing & on track	The project is ongoing and progressing well in coordination with the Department of Resources and DATSIP.
73	Template execution for (Regional) Infrastructure & Housing ILUA: To develop an ILUA for each division of the electorate to cover all frequently used Future Acts under the Native Title Act 1993 (Cth) maximise expediency in Native Title validation.	Remaining communities completed.	Legal Services	1	2	Ongoing & on track	Dauan, Mer and Poruma ILUAs are the only proposed ILUAs outstanding and are currently at consultation stage (TSIRC awaiting outcome). No proposed ILUA for Hammond Island due to ongoing native title claim.
74	Support the development of regional governance via One Boat and regional planning.	Assist regional leadership in consultation process. Support model identified.	Legal Services	1	4	Action required	Holding Redlich has completed work as briefed. Council to advise what further work is required for this project in FY21/22.
75	Provide a regional legal framework which addresses both State and Traditional Lore requirements.	Framework developed for consultation.	Legal Services	3	4	Complete	The regional legal framework is made up of State and Federal law, local laws, TSRA ranger program, native title system and traditional lore.  Legal Services is available to assist as required in navigating the intersection between State and Traditional Lore.
76	Effective management of DOGIT Land as a Trustee.	Trustee requirements delivered accordingly.	Legal Services	1	4	Ongoing & on track	Proposed updated Trustee Policy to be presented to Trustee for formal adoption next financial year. Undocumented commercial land occupation project ongoing into next financial year. Trustee information report on rent and commercial leasing tabled at June 2021 trustee meeting.
	People & Wellbeing						
77	Complete negotiations of new certified agreement with workforce.	Negotiations complete. Agreement developed.	Employee Relations	1	4	Action required	Certified Agreement vote to be conducted 6/7 to 11/7. The CA will then be submitted to the Qld Industrial Relations Commission for certification.
78	Develop Council's Diversity & Inclusion policy.	Policy delivered.	Employee Relations	3	4	Action required	Draft policy being presented to July SARG seeking endorsement to present at July OM of Council.
79	Implementation of learning & development strategy.	Strategy developed & implemented.	Learning & Development	2	4	Complete	L&D Strategy has been implemented. L&D needs identified across Council and training conducted and planned to ensure compliance where required.
80	Grow Council's existing apprenticeship & traineeship program.	Fulfilment of traineeship placements.	Learning & Development	1	4	Complete	Apprenticeships ongoing into 2021/22.
81	Refresh Council's Transitional Action Plan (TAP).	Plan delivered.	Recruitment Services	2	4	Action required	Objective to be transitioned to 2021/22FY - funds budgeted to engage a consultant to conduct refresh on the TAP.
82	Evolve Council's recruitment process & systems, focusing on regional accessibility.	Software implemented. Local applicant feedback captured.	Recruitment Services	2	3	Complete	Cloud based recruitment system implemented and integrated into day-to-day operations. Hiring managers using the system effectively. System has added value by automating and streamlining the recruitment process.
83	Develop employee benefit & wellbeing programs.	Program parameters identified.	Safety & Wellbeing	2	3	Action required	New salary framework will come into affect once the new Certified Agreement is implemented (following certification from QIRC). CA has provided a 1.5% pay increase for all award base pay employees at its inception to be back-paid to Sept 2020. Employee recognition program awaiting approval from Senior Mgt Team.
84	Evolve WHS policies & procedures.	Applicable policies implemented.	Safety & Wellbeing	1	3	Complete	New WHS Policy endorsed by Council at its May OM. Further development of a safety management system will occur in 2021/22FY.
85	Implement WHS systems.	System implementations complete.	Safety & Wellbeing	1	3	Complete	Mango implementation successful and the program is being well used across Council.
86	Increase WHS support & representative footprint within region.	Candidates identified & appointed.	Safety & Wellbeing	1	4	Complete	WHS Officer has increased the awareness of WHS requirements across Divisions. Next step - HSR elections to be held early in 2021/22FY will further increase the WHS footprint.



# Torres Strait Island Regional Council Operational Plan 2020/21







# Acknowledgement

The Torres Strait Island Regional Council (TSIRC) acknowledges our Native Title Holders, our Elders past and present, and all members of the Communities we serve within the

5 clusters of Zenadth Kes; the Gudaw Maluligal Nation of the Top Western Islands, Maluligal Nation of the Western Islands, Kemer Kemer Meriam Nation of the Eastern Islands, Kulkalgal Nation of the Central Islands, and the Kaiwalagal Kaurareg Aboriginal Nation of the Inner Islands.

We recognise their continuing connection to land and sea, and the strength of a cultural heritage and belief system that spans past, present and future generations.



# Message from the CEO



Firstly, I would like to acknowledge the true custodians of the lands we serve across the length and breadth of Zenadth Kes. I acknowledge and pay my respects to Elders past, present and emerging.

As Queensland navigates its road to recovery from the global pandemic and enacts mitigation measures to prevent further outbreaks, the many downstream economic and social impacts will still be felt throughout the 2020-

2021 period. So now, more than ever we remain steadfast on driving a corporate culture of operational efficiency and innovation, and a key focus for this period on the reignition of strategic programs of work and regional infrastructure delivery, as aligned to our Corporate Plan (2020-2025) aspirations.

Council's operating model (as shown on page 5) aligns to our strategic delivery areas and ensures our diverse and extraordinary team is well placed to face the unprecedented environment we operate in today, and ultimately continue on our mission of improving our communities' livability in all we do.

A handwritten signature in black ink, appearing to read 'Bruce Ranga'. The signature is stylized and fluid.

**Bruce Ranga**  
Chief Executive Officer  
June 2020



# Values



## RESPECT

We have respect for each other and the communities we serve.



## COURAGE

We are courageous leaders, who think innovatively.



## ACCOUNTABILITY

We are accountable and responsive to our communities.



## RESILIENCE

We are builders of a sustainable and resilient region.



## ONE

We are one team who achieves together.

# Vision

*"For our communities and council to be Autonomous, Prosperous and Sustainable"*

### Autonomous:

We achieve autonomy when we empower our people and community through rigorous engagement, consultation and participation. An autonomous Council fuels both local and regional self-sufficiency.

### Prosperous:

We are prosperous when we are flourishing, thriving, or have success; This can be in our faith, culture, traditions, happiness, fortune or health and wellbeing.

### Sustainable:

We are sustainable when we deliver social, economic or environmental solutions that enhance current community needs and long term aspirations.

# Mission

*"To improve our communities' livability in all we do"*

### Liveability:

Liveability is the sum of the factors that add up to a community's quality of life - including the built and natural environments, economic prosperity, social stability and equity, educational opportunity, and cultural, entertainment and recreational possibilities.



# Strategic Planning

Council develops strategic plans to set priorities for core business operations and guide our budgetary management.

Our Operational Plan (2020-2021) sets out Council's key annual objectives in alignment with the annual budget and the three strategic delivery pillars of our Corporate Plan (2020-2025):



People

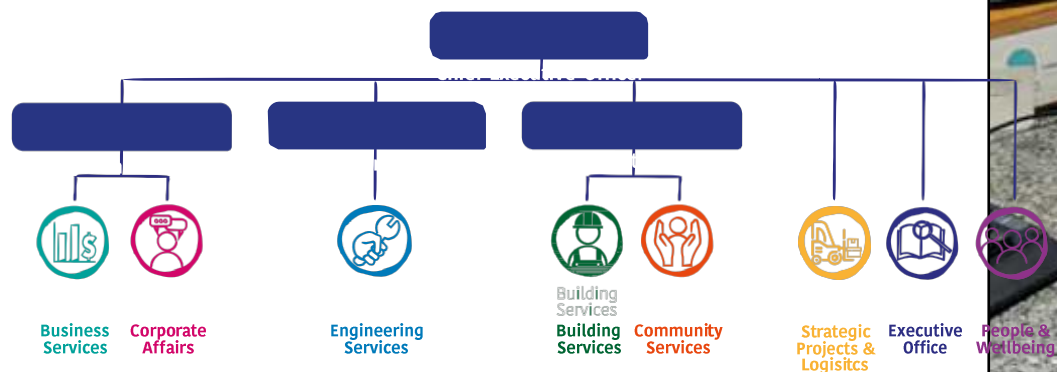


Sustainability



Prosperity

Delivery objectives and outcomes within this Plan are aligned to the following operating model:








For more information on Council's strategic planning process, please visit: <http://www.tsirc.qld.gov.au/your-council/publications/plans>







# Business Services

No.	Objective	Corp. Plan	Function	Q1	Q2	Q3	Q4	Delivery/Target
1.	Continue to evolve Council's long-term financial planning and quantify regional program delivery, service levels and associated costs.		Financial Accounting & Assets	●	●	●	●	• Successful delivery of framework & modelling.
2.	Develop stronger link between Asset Management Plans and Councils budget development.		Financial Accounting & Assets	●	●	●	●	• Framework delivered.
3.	Evolve & deliver Council's Asset Revaluation program.		Financial Accounting & Assets				●	• 100% program completion.
4.	Collaborate with key Council operational functions to deliver effective debt management program(s).		Financial Accounting & Assets	●	●	●	●	• Framework identified. • >50% program delivery.
5.	Deliver Corporate Overhead Analysis program, through effective cost allocation modelling.		Financial Accounting & Assets	●	●	●	●	Management Accounting

- Program modelling developed & delivered.










# Business Services

No.	Objective	Corp. Plan	Function	Q1	Q2	Q3	Q4	Delivery/Target
6.	Implementation of statistical dash boards and metric reporting to enable real time data capability.		Financial Accounting & Assets	●	●	●	●	<ul style="list-style-type: none"> <li>Successful implementation of agreed dashboard scope.</li> </ul>
7.	Deliver IT Transformation Strategy & identified program deliverables.		Financial Accounting & Assets		●	●	●	<ul style="list-style-type: none"> <li>Strategy complete &amp; roadmap identified.</li> </ul>
8.	Evolve Community Services frontline IT capability.		Financial Accounting & Assets	●	●	●	●	<ul style="list-style-type: none"> <li>Gap analysis conducted for all communities.</li> <li>Recommendation paper delivered.</li> </ul>
9.	Further develop Council's disaster management & business continuity technology capabilities.		Financial Accounting & Assets	●	●	●	●	<ul style="list-style-type: none"> <li>Pilot program completed across two sites.</li> <li>Roadmap identified.</li> </ul>








# Corporate Affairs

No.	Objective	Corp. Plan	Function	Q1	Q2	Q3	Q4	Delivery/Target
10.	Continue Council's core brand refresh across all digital mediums & community channels.		Governance & Compliance	●	●	●		<ul style="list-style-type: none"> <li>Web &amp; intranet sites implemented.</li> <li>Brand guidelines delivered.</li> </ul>
11.	Grow the Youmpla Voice program & community specific engagement models.		Governance & Compliance	●	●	●	●	<ul style="list-style-type: none"> <li>1 campaign per community.</li> </ul>
12.	Evolve employee engagement tools for Council's vision, mission, values & service delivery excellence.		Governance & Compliance	●	●	●	●	<ul style="list-style-type: none"> <li>Engagement program delivered to all sites.</li> </ul>
13.	Further develop Council's strategic planning tools, embracing digitisation & automation.		Governance & Compliance	●	●	●	●	<ul style="list-style-type: none"> <li>Implementation of integrated planning automation &amp; dashboards.</li> </ul>
14.	Evolve Council's ethical procurement standards & policies.		Governance & Compliance	●	●	●	●	<ul style="list-style-type: none"> <li>Policy published.</li> <li>Training delivered across all stakeholder groups.</li> </ul>








# Corporate Affairs

No.	Objective	Corp. Plan	Function	Q1	Q2	Q3	Q4	Delivery/Target
15.	Further develop a good governance culture and compliance framework across Council.		Governance & Compliance	●	●	●	●	<ul style="list-style-type: none"> <li>Framework implemented.</li> <li>Engagement tools developed.</li> </ul>
16.	Delivery of group insurance evaluation and cost efficiency program.		Governance & Compliance				●	<ul style="list-style-type: none"> <li>Program delivered.</li> </ul>
17.	Evolve Business Continuity Planning Processes (BCP) & exercises.		Governance & Compliance		●	●	●	<ul style="list-style-type: none"> <li>Gap analysis completed.</li> <li>Program framework identified.</li> </ul>
18.	Implementation of customer contact centre & automation tools.		Enterprise Development & Delivery	●	●	●		<ul style="list-style-type: none"> <li>IVR technology implemented.</li> <li>Data capability delivered.</li> </ul>
19.	Development of Council's Visitor Management Strategy, tools & implementation roadmap.		Enterprise Development & Delivery		●	●	●	<ul style="list-style-type: none"> <li>Strategy published.</li> <li>Implementation roadmap identified.</li> </ul>



# Corporate Affairs

No.	Objective	Corp. Plan	Function	Q1	Q2	Q3	Q4	Delivery/Target
20.	Delivery of Council's Enterprise Development Strategy, identifying key sector opportunities.		Enterprise Development & Delivery	●	●	●		<ul style="list-style-type: none"> <li>Strategy published.</li> </ul>
21.	Refresh of Council's community grant program.		Enterprise Development & Delivery	●	●			<ul style="list-style-type: none"> <li>Successful program delivery to all communities.</li> </ul>
22.	Grow strategic domestic & international knowledge alliances.		Enterprise Development & Delivery		●	●	●	<ul style="list-style-type: none"> <li>Framework developed &amp; 2 agreements in place.</li> </ul>









# Engineering Services

No.	Objective	Corp. Plan	Function	Q1	Q2	Q3	Q4	Delivery/Target
23.	Seawall program design works for Poruma, Iama, Warraber & Masig Communities.		Major Infrastructure	●	●	●	●	• Design works complete.
24.	Seawall program stage two construction.		Major Infrastructure	●	●	●	●	• Boigu and Poruma construction works underway.
25.	Deliver the Torres Strait Tide Gauge Project.		Major Infrastructure	●	●	●	●	• Project delivered.
26.	Complete water lagoon cover repairs/replacements for Saibai, Erub, Mer & Ugar Communities.		Water Management	●	●			• Works complete.
27.	Deliver Water & Wastewater project - Critical infrastructure/legislative compliance upgrades. (ICCIP – MULTIPLE PROJECTS).		Water Management/ Waste Water Services	●	●	●	●	• Multiple projects completed, some into future years.



# Engineering Services

No.	Objective	Corp. Plan	Function	Q1	Q2	Q3	Q4	Delivery/Target
28.	Deliver regional Smart Water Meter project.		Water Management/ Waste Water Services	●	●	●	●	• Project completed.
29.	Construct Saibai sewerage treatment plant effluent outfall pipe.		Waste Water Services	●	●	●	●	• Works complete.
30.	Quantify & deliver Metal Waste & Clean Up project.		Waste Water Services	●	●	●	●	• Planning finalised, works underway.
31.	Complete Erub Airport Road upgrade works.		Transport Management	●	●	●	●	• Works completed
32.	Badu Aerodrome fence and safety improvements		Transport Management	●	●	●	●	• Works complete.
	Saibai Aerodrome apron upgrade (Helipad) Dauan access road to Helipad.		Transport Management					
33.	Water & Wastewater Projects (W4Q – COVID).		Waste Water Services	●	●	●		



- Works complete.





# Building Services

No.	Objective	Corp. Plan	Function	Q1	Q2	Q3	Q4	Delivery/Target
34.	Implementation of desired operating model in alignment and consultation with key stakeholder delivery groups.		All Functions	●	●	●	●	<ul style="list-style-type: none"> <li>Operating model implemented.</li> </ul>
35.	Delivery of fuel bowser upgrade program.		Construction		●	●	●	<ul style="list-style-type: none"> <li>Implementation roadmap identified.</li> <li>Program delivery of &gt;60%.</li> </ul>
36.	Evolve core project management capability and efficiencies through software implementations.		Construction	●	●	●	●	<ul style="list-style-type: none"> <li>Gap analysis completed.</li> <li>Identified software implemented.</li> </ul>
37.	Refresh council asset and capital works program.		Repairs & Maintenance	●	●	●	●	<ul style="list-style-type: none"> <li>Program framework &amp; roadmap published.</li> </ul>
38.	Develop and grow local engagement modelling.		All Functions			●	●	<ul style="list-style-type: none"> <li>Development of framework with key stakeholders.</li> </ul>
39.	Work with key partners to develop sustainable and increased durability housing concepts.		Construction	●	●	●	●	<ul style="list-style-type: none"> <li>Host workshop with key partners.</li> <li>Recommendation paper delivered.</li> </ul>



# Community Services

No.	Objective	Corp. Plan	Function	Q1	Q2	Q3	Q4	Delivery/Target
40.	Delivery of Food Safety program: - Community education & awareness. - Licensing Program Stage 1 - Commercial premises. - Licensing Program Stage 2 - Community licences.		Environmental Health	●	●	●	●	<ul style="list-style-type: none"> <li>1 campaign per community.</li> <li>All applicable commercial/other premises compliant.</li> </ul>
41.	Delivery of education & awareness programs on water sanitation, waste management & sewerage.		Environmental Health	●	●	●	●	<ul style="list-style-type: none"> <li>1 campaign community.</li> </ul>
42.	Deliver illegal dumping hotspot program.		Environmental Health		●	●	●	<ul style="list-style-type: none"> <li>Program fully implemented within two communities.</li> </ul>
43.	Delivery of Mosquito Management program: - Inspection, Albopictus survey. - Education, awareness, control activities. - Assist the Dengue Action Response Team (DART).		Environmental Health	●	●	●	●	<ul style="list-style-type: none"> <li>Program &amp; applicable plan(s) implemented.</li> </ul>
44.	- Implement Mosquito management plan. Complete Environmental Health Worker development & certification program(s).		Environmental Health		●	●		<ul style="list-style-type: none"> <li>Annual Professional development workshop delivered.</li> </ul>










# Community Services

No.	Objective	Corp. Plan	Function	Q1	Q2	Q3	Q4	Delivery/Target
45.	Delivery of Animal Management program: - Domestic animal compliance. - Veterinary services. - Compliance & enforcement program.		Environmental Health	●	●	●	●	<ul style="list-style-type: none"> <li>• Bi-annual vet visits.</li> <li>• Compliance education program delivered to each community.</li> </ul>
46.	Develop local law & disturbance awareness program in collaboration with regional compliance and enforcement partners.		Environmental Health	●	●			<ul style="list-style-type: none"> <li>• Program &amp; framework delivered.</li> </ul>
47.	Delivery of Biosecurity Act compliance program.		Environmental Health	●	●	●	●	<ul style="list-style-type: none"> <li>• 100% of EWH workforce compliant.</li> </ul>
48.	Delivery of healthy lifestyle tools & awareness program(s) in conjunction with community identified areas of need.		Community Health & Wellbeing	●	●	●	●	<ul style="list-style-type: none"> <li>• Community need/gap analysis completed.</li> <li>• Program framework delivered.</li> </ul>
49.	Development & delivery of the Community Volunteer program.		Community Health & Wellbeing			●	●	<ul style="list-style-type: none"> <li>• Develop &amp; implement framework.</li> </ul>








# Community Services

No.	Objective	Corp. Plan	Function	Q1	Q2	Q3	Q4	Delivery/Target
50.	Complete Healthy Lifestyle Officer Development & Certification Program(s).		Community Health & Wellbeing		●	●		<ul style="list-style-type: none"> <li>Annual Professional development workshop delivered.</li> </ul>
51.	Conduct IKC program gap analysis & in collaboration with State Library develop community driven KPIs for regional footprint.		Indigenous Knowledge Centres	●	●			<ul style="list-style-type: none"> <li>Community need/gap analysis &amp; full program completed.</li> <li>Program KPI framework delivered.</li> </ul>
52.	Delivery of core IKC programs: - First 5 Forever Program. - Public/Community Library Program. - Roll out of Fresh Start to all IKC. - Finalise Masig footprint utilising Idea's Box components.		Indigenous Knowledge Centres	●	●	●	●	<ul style="list-style-type: none"> <li>100% program delivery to existing IKC footprint.</li> <li>Successful establishment of Masig IKC.</li> </ul>
53.	Review, evolve & deliver home care support services to aged care program participants in accordance with state and federal standards.		Aged Care	●	●	●	●	<ul style="list-style-type: none"> <li>Delivery of review paper &amp; associated recommendations.</li> </ul>
54.	Review, evolve & deliver Aragon Child Care Centre (Badu) & Hammond After School Care, embedding Torres Strait Islander and Aboriginal cultural perspectives.		Child Care	●	●	●	●	<ul style="list-style-type: none"> <li>Delivery of review paper &amp; associated recommendations.</li> </ul>





# Community Services

No.	Objective	Corp. Plan	Function	Q1	Q2	Q3	Q4	Delivery/Target
55.	Research current & future models of child care service delivery and develop business case aligned to community specific requirements.		Child Care			●	●	<ul style="list-style-type: none"> <li>Delivery of regional childcare business case &amp; recommendation paper.</li> </ul>
56.	Increase rental collections rate(s).		Housing Services	●	●	●	●	<ul style="list-style-type: none"> <li>Regional collection rate of &gt;80%.</li> </ul>
57.	Drive an active reduction in current debt levels.		Housing Services	●	●	●	●	<ul style="list-style-type: none"> <li>Development of debt management strategy.</li> </ul>
58.	Undertake tenants survey & develop strategic recommendations report.		Housing Services	●	●			<ul style="list-style-type: none"> <li>Annual survey completed.</li> <li>Recommendation report delivered.</li> </ul>
59.	Successfully complete full registration under QSR SCH.		Housing Services	●	●			<ul style="list-style-type: none"> <li>Full registration completed.</li> </ul>



# Community Services

No.	Objective	Corp. Plan	Function	Q1	Q2	Q3	Q4	Delivery/Target
60.	Provide advice on development and lead implementation of a standardised approach to visitor management, including visitor entry and exit, accommodation and travel.		Divisional Offices	●	●	●	●	<ul style="list-style-type: none"> <li>Provide strategic advice &amp; recommendations for Visitor Management Strategy.</li> <li>Deliver on strategy roadmap milestones.</li> </ul>
61.	Strengthen financial governance through online training and professional development.		Divisional Offices	●	●	●	●	<ul style="list-style-type: none"> <li>Annual Professional development workshop delivered.</li> </ul>
62.	Evolve local disaster preparedness, response and recovery in accordance with state legislation and guidelines.		Divisional Offices	●	●	●	●	<ul style="list-style-type: none"> <li>Develop template &amp; procedure per community.</li> </ul>
63.	Establish standardised operating procedures of Divisional Offices, improving timeliness and quality of customer service.		Divisional Offices	●	●	●		<ul style="list-style-type: none"> <li>Develop &amp; implement standard operating procedure for divisional office management.</li> </ul>
64. local	Drive and deliver effective community engagement events through Divisional Offices.		Divisional Offices	●	●	●	●	<ul style="list-style-type: none"> <li>4 events delivered per community.</li> </ul>










# Strategic Projects and Logistics

No.	Objective	Corp. Plan	Function	Q1	Q2	Q3	Q4	Delivery/Target
65.	Implement project allocation and delivery framework.		Logistics	●	●	●		<ul style="list-style-type: none"> <li>Framework identified &amp; implemented.</li> </ul>
66.	Mobilisation of Cairns operational footprint.		Strategic Projects	●	●	●		<ul style="list-style-type: none"> <li>Cairns site 100% operational.</li> </ul>
67.	Implement community freight support service.		Logistics	●	●	●	●	<ul style="list-style-type: none"> <li>Model &amp; roadmap identified for implementation.</li> </ul>
68.	Finalise fuel & Gas best practise fulfilment model.		Logistics	●	●	●	●	<ul style="list-style-type: none"> <li>Gap analysis conducted.</li> <li>Model developed &amp; successfully delivered to all communities.</li> </ul>
69.	Develop fleet service fulfilment model, incorporating community & regional partnerships.		Logistics		●	●	●	<ul style="list-style-type: none"> <li>Gap analysis conducted.</li> <li>Model developed &amp; successfully delivered to all communities.</li> </ul>





# Executive Office

No.	Objective	Corp. Plan	Function	Q1	Q2	Q3	Q4	Delivery/Target
70.	Poruma Land, Saibai Land Transfer & Ugar Land Transfer: Facilitate the progression of transfer of Deeds of Grant in Trust from Council to community-based entity that has been fully endorsed by the community to be the trustee.		Legal Services			●	●	<ul style="list-style-type: none"> <li>Process completed.</li> </ul>
71.	Enterprise Develop Development Strategy).		Legal Services	●	●	●	●	<ul style="list-style-type: none"> <li>Develop framework in alignment with Enterprise Development Strategy.</li> </ul>
72.	Landing Holding Act (LHA) Katter Lease Resolution: To advocate for the grant of pending LHA entitlements in all Divisions.		Legal Services	●	●	●	●	<ul style="list-style-type: none"> <li>Process completed.</li> </ul>
73.	Template execution for (Regional) Infrastructure & Housing ILUA: To develop an ILUA for each division of the electorate to cover all frequently used Future Acts under the Native Title Act 1993 (Cth) maximise expediency in Native Title validation.		Legal Services	●	●			<ul style="list-style-type: none"> <li>Remaining communities completed.</li> </ul>
74.	Support the development of regional governance via One Boat and regional planning.		Legal Services	●	●	●	●	<ul style="list-style-type: none"> <li>Assist regional leadership in consultation process.</li> <li>Support model identified.</li> </ul>







# Executive Office

No.	Objective	Corp. Plan	Function	Q1	Q2	Q3	Q4	Delivery/Target
75.	Provide a regional legal framework which addresses both State and Traditional Lore requirements.		Legal Services			●	●	<ul style="list-style-type: none"> <li>Framework developed for consultation.</li> </ul>
76.	Effective management of DOGIT Land as a Trustee.		Legal Services	●	●	●	●	<ul style="list-style-type: none"> <li>Trustee requirements delivered accordingly.</li> </ul>



## People and Wellbeing

No.	Objective	Corp. Plan	Function	Q1	Q2	Q3	Q4	Delivery/Target
77.	Complete negotiations of new certified agreement with workforce.		Employee Relations	●	●	●	●	<ul style="list-style-type: none"> <li>Negotiations complete.</li> <li>Agreement developed.</li> </ul>
78.	Develop Council's Diversity & Inclusion policy.		Employee Relations			●	●	<ul style="list-style-type: none"> <li>Policy delivered.</li> </ul>
79.	Implementation of learning & development strategy.		Learning & Development		●	●	●	<ul style="list-style-type: none"> <li>Strategy developed &amp; implemented.</li> </ul>
80.	Grow Council's existing apprenticeship & traineeship program.		Learning & Development	●	●	●	●	<ul style="list-style-type: none"> <li>Fulfilment of traineeship placements.</li> </ul>
81.	Refresh Council's Transitional Action Plan (TAP).	2020/21			●	●	●	






Recruitment  
Services  
delivered.

- Plan





## People and Wellbeing

No.	Objective	Corp. Plan	Function	Q1	Q2	Q3	Q4	Delivery/Target
82.	Evolve Council's recruitment process & systems, focusing on regional accessibility.		Recruitment Services		●	●		<ul style="list-style-type: none"> <li>Software implemented.</li> <li>Local applicant feedback captured.</li> </ul>
83.	Develop employee benefit & wellbeing programs.		Safety & Wellbeing		●	●		<ul style="list-style-type: none"> <li>Program parameters identified.</li> </ul>
84.	Evolve WHS policies & procedures.		Safety & Wellbeing	●	●	●		<ul style="list-style-type: none"> <li>Applicable policies implemented.</li> </ul>
85.	Implement WHS systems.		Safety & Wellbeing	●	●	●		<ul style="list-style-type: none"> <li>System implementations complete.</li> </ul>
86.	Increase WHS support & representative footprint within region.		Safety & Wellbeing	●	●	●	●	<ul style="list-style-type: none"> <li>Candidates identified &amp; appointed.</li> </ul>

# How we manage our Operational Risk

The Local Government Regulation 2012 requires the management of risk to be included in Council's Annual Operational Plan. Annual operational plan contents s 175 (1) - the annual operational plan for a local government must – (b) state how the local government will – (ii) manage operational risks.

The Council's risk management vision is 'creating excellence in risk, work health and safety and business continuity management'. The objectives are managing risk exposure, consistently and systematically to maximise community outcomes. This effectively leverages the benefit of opportunities, manages uncertainty, builds organisational resilience and minimises the impact of adverse events to ensure sustainability.

Risk management for Council's local government area is governed by the Enterprise Risk Management Framework which is integral to the overarching Corporate Governance Framework. This approach is aligned with AS/NZS ISO 31000: 2018 Risk Management and is tailored to the specific business and the organisational context of Council at an operational, tactical and strategic level.

The framework provides procedures, systems, policies and strategies that focus on effective risk management leadership through engagement and consultation.

In addition to ongoing risk reviews at corporate, operational and local level, the Executive Leadership Team participates in an annual workshops to review the corporate risk profiles and ensure risks are managed effectively to a level as low as is reasonably practicable taking into consideration emerging issues, global trends, threats and opportunities. Risks are also reviewed regularly through engagement of the Risk Managers, the Work Health and Safety Advisory Committee and the Audit Committee. These Committees support good governance through consultation and engagement with Council Executive Leadership, Managers and Officers.

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By identifying and actively managing risks and with the implementation of numerous risk treatment strategies, business continuity plans, incident management protocols, inspections and audits, security plans and work health and safety initiatives, the Council is equipped to ensure that risks are managed to a level as low as is reasonably

**practicable whilst optimising restricted opportunities available.**





Torres Strait Island  
REGIONAL COUNCIL

[www.tsirc.qld.gov.au](http://www.tsirc.qld.gov.au)

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# TORRES STRAIT ISLAND REGIONAL COUNCIL

## AGENDA REPORT

<b>COMMITTEE MEETING:</b>	August 2021
<b>DATE:</b>	17 & 18 <sup>th</sup> August 2021
<b>ITEM:</b>	Agenda Report for Noting
<b>SUBJECT:</b>	BSU Update
<b>AUTHOR:</b>	Peter Jacques Head of Building Services

### Recommendation:

That the Council note the information contained in this report.

### Purpose:

This report outlines the current business activities of the BSU.

### Staffing:

All apprentices currently employed by TSIRC have now reverted to the BSU who will ensure their training meets the needs of the Individual.

3 TSIRC staff carpenters have been promoted to Assistant Supervisors being Ivan Lui, Ishmael Baira and Billy Bourne.

All BSU Island staff were collected on Poruma for a 3 Day Training Session all staff successfully complete training in Asbestos Awareness, Working at Heights, Confined Spaces and First Aid.

### Partnerships: Qbuild Program

#### Unplanned Maintenance R & M Jobs

**BSU to have all responsive w/o over 180 days completed and invoiced by 30 September 2021**

**BSU to have all responsive w/o over 120 days completed and invoiced by 30 December 2021**

**BSU to have all responsive w/o over 90 days completed and invoiced by 30 March 2022**

BSU had Grand Total of 1636 jobs at the beginning of the program we now have a total of 837 down 799 since beginning of program. 31/5/21.

Of the 615 jobs over 100 days outstanding at 31/5/21 BSU have completed 433. BSU will have all jobs over 100 Days completed by 30 September meeting all expectations.

#### NAHA UPGRADES

**BSU to have 25% of all projects (54 Projects) completed by 30 September 2021**

**BSU to have 60% of all projects (130) completed by 30 September 2021**

**BSU to have 80% of all projects (174) completed by 30 September 2021**

- BSU will have 154 75% of all projects completed by 30 September 2021 and the remaining 203 by December 2021, not including new work.
- BSU will complete all Home Ownerships by 30 September along with al DOE/Hips which are include in the 174 projects.

### Invoicing for the Month of July

Unplanned Maintenance \$ 564,579.00

Up Grades \$1,200,659.00

Outstanding Invoices \$429,797.83 this amount was held up by certificates that would have seen the works financially complete.

### Capital Works

W4Q.R3 Ugar Guesthouse Upgrade	ALL MATERIALS ON SITE DUE FOR COMPLETION 16/8/16
Erub Staircase Refurbishment	COMPLETED.
Erub 5 Star Accom Upgrade	COMPLETED
Lot 162 St Pauls - House Rebuild	Under Construction
Masig Mechanic Shed Repairs Insurance	Ordering Materials
W4Q.R3 Poruma Airport Waiting Shed	Been delays with Sea SWIFT START OF CONSTRUCTION IS IMMENIENT
W4Q.R3 Saibai Airport Waiting Shed	Materials Ordered
W4Q.R3 Masig Builder/Mechanics Workshop	Materials Ordered
W4Q.R3 Dauan Comm Hall (Only Comm Hall Now Scope Change)	Tender Awarded
W4Q.R3 lama Covered Sporting Facility	Tender Awarded
Saibai Fuel	Tender Awarded
Ugar Fuel	Awaiting final liaison Councillor
Mer Fuel	Ready for Tender
Mer Offices & Workshop - WIP	Under Construction

## **Open Purchase orders**

BSU is awaiting payment of \$1,279,393.94 on top of this month's Invoices

<b>100% completed projects by island 20/21 financial year excluding R &amp; M's</b>			
Island	Jobs	Value	
Badu	48	\$1,660,288.10	
Boigu	18	\$ 856,852.00	
Dauan	14	\$ 448,752.42	
Erub	43	\$ 464,481.06	
Hammond	14	\$ 399,531.90	
Iama	48	\$ 692,197.70	
Kubin	12	\$ 296,427.53	
Mabuiag	18	\$1,433,852.27	
Mer	20	\$ 592,910.50	
Poruma	15	\$ 754,582.97	
Saibai	21	\$1,392,928.28	
St Pauls	14	\$ 588,151.29	
Ugar	14	\$1,010,151.29	
Warrabar	44	\$1,468,933.12	
Yorke	90	\$1,800,989.03	

## **Capital Purchase**

BSU hope to purchase a Telehandler shortly, instead of hiring one from contractors at a rate of up to \$22k a day. This will necessitate the hiring of a full time and Part time Plant operator from the Islands and train them in the operation and management of the equipment.

DNC plumbing have advised TSIRC that they are purchasing a Barge to move their equipment through out the Islands and would welcome the opportunity to Tender for transportation of BSU equipment and the removal of Builders waste from the Island.

## **Recommendation:**

That the Council note this report

## **ESO**

*Peter Jacques*

**Endorsed:**

Peter Jacques  
Position – Head of Building



David Baldwin  
Position: Acting Chief Executive Officer

*Ilario Sabatino*

**Recommended:**

Ilario Sabatino  
Position – Chief Operations Officer



# TORRES STRAIT ISLAND REGIONAL COUNCIL

## COUNCIL REPORT

<b>ORDINARY MEETING:</b>	August 2021
<b>DATE:</b>	17 & 18 August 2021
<b>ITEM:</b>	Agenda Item for Resolution
<b>SUBJECT:</b>	Adoption of Council's Strategic Asset Management Plan and Asset Management Plans
<b>AUTHOR:</b>	Hollie Faithfull, Chief Financial Officer

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### Recommendation

That Council resolves to:

1. endorse the Torres Strait Island Regional Council's Strategic Asset Management Plan;  
and
2. endorse the following Torres Strait Island Regional Council's Asset Management Plans:
  - a. Corporate Buildings
  - b. Community Buildings
  - c. Recreation
  - d. Transport
  - e. Wastewater
  - f. Water
  - g. Waste
  - h. Fleet
  - i. ITC  
and
3. delegate authority to the Chief Executive Officer in accordance with the *Local Government Act 2009* to implement and exercise the functions and powers assigned to the Chief Executive Officer under the endorsed plans, including the power to make any further minor administrative amendments to the plans as they arise.

### Executive Summary:

Council carries out asset management activities on behalf of the community for assets with a replacement cost in excess of \$1.6 Billion as at 30 June 2021. The *Local Government Act 2009* requires Council to develop and adopt a long-term (10-year) asset management plan that defines and articulates how asset management is undertaken. Council is specifically required to estimate operating and capital renewal/replacement budgets over a 10-year period.

### Background:

The Strategic Asset Management Plan (SAMP) has been developed to meet the requirements of the *Local Government Act 2009* and the *Local Government Regulation 2012* which require Council to develop and adopt a Long Term Asset Management Plan.

The SAMP is underpinned by 9 individual Asset Management Plans (AMPs) which have been developed for the following asset classes:

<b>Asset Classes</b>	<b>Asset Class Manager</b>
Corporate Buildings	Operations Engineer – Assets
Community Buildings	Manager, Housing
Recreation	Operations Engineer – Assets
Transport	Manager, Engineering Operations
Wastewater	Manager, Water and Wastewater
Water	Manager, Water and Wastewater
Waste	Waste and Sustainability Engineer
Fleet	Manager, Fuel & Fleet
ITC	Manager, Information Technology Services

An AMP is a long-range planning document that can be used to provide a rational framework for understanding the following:

- The assets owned and services provided.
- The present and future demands on the infrastructure assets that are critical for delivering the organisations level of service.
- The current estimate of financial commitments.
- The current and proposed policies, strategies and programs that are necessary to meet the long-term provision of services.
- The business risk exposure associated with the potential failure of assets to meet the expected levels of service.
- The linkages necessary between strategic business objectives & the service that the assets are delivering.
- The organisational continuity that will span organisational changes and the transfer of asset management knowledge between successive generations of utility managers.

Each of the AMPs provides details on the following topics:

1. The assets covered by the particular AMP.
2. Levels of service.
3. Factors influencing future demand.
4. Asset condition ratings.
5. Estimated annual operational expenditure on asset maintenance activities.
6. Estimated costs of new and renewal assets over the next 10 years.
7. Identify funding needs.
8. Asset Management Improvement Plans – details of key actions that will be undertaken for the improvement asset management practices relative to the asset class.

During the 2018-2019 financial year audit, Council received a deficiency relating to our AMPs being out of date.

Reference	Issue
	Internal control deficiencies
	Deficiencies
19FR-1	Asset management plans out of date – The asset management plans had not been updated since 2016.

Extract from Interim Management Letter: Prior Year Issues

Due to limited Council resources coupled with COVID-19, Management was unable to undertake a review and update of all nine AMP's in 2019-2020 financial year. This was communicated with Audit Committee and External Auditors at the time.

#### Officers Comments:

Coordinated by the Assets Team in conjunction with the Asset Class Managers (ACM) and external consultants, all nine AMPs have been reviewed and updated along with Council SAMP. This process involved transitioning Council's current SAMP and AMPs to the updated version of the Institute of Public Works & Engineering Australia (IPWEA) NAMS+ templates and modelling.

Below is a high-level summary of the process undertaken by Council Officers in reviewing and updating the SAMP and AMPs:

1. 2021 AMP Drafted  
AMPs updated to the most recent NAMS template incorporating updated figures to the financial modelling.
2. AMP Workshop and walk through of Corporate Building AMP with Councillors  
At Councillor's two-week workshop in Cairns in May 2021, Councillors were walked through the concepts of Asset Management and all key components of the draft Building Corporate AMP. This workshop was facilitated by Jones Lang LaSalle (JLL).
3. Asset Class Managers Review  
AMPs workshops were undertaken with each Asset Class Manager (ACM) the week commencing 12<sup>th</sup> July 2021. Workshop were facilitated by JLL in conjunction with Council's Assets Team. Key outcome of workshop was to ensure the fundamental contents and assumptions reflected the knowledge and experience on-ground and was representative of the asset class as a whole.
4. IPWEA Peer Review  
IPWEA was engaged to conduct a peer review of the draft Corporate Building AMP to assess its maturity based on a number of best practice standards such as ISO standards, International Infrastructure Management Manual (IIMM) and the National Asset Management Framework (NAF). Feedback and recommendations from this AMP were applied across the remaining eight AMPs.

5. JLL Peer Review

JLL was engaged to provide support to Council staff in the preparation of the AMPs and to conduct a review of all 9 AMPs to assess compliance with IMM and NAF.

While the IPWEA templates provide a framework to move towards best practice, our current focus is achieving core compliance with local government legislation, but most importantly addressing the deficiency currently noted on the External Audit plan: “*Asset management plans out of date*”.

Our focus on this iteration of AMP reviews is to develop a robust improvement plan and prescribed framework embedded in Council’s structure that is committed to continuous improvement on a regular basis.

**Consultation:**

- Business Services.
- Asset Class Managers.
- Executive Team.
- Jones Lang LaSalle (JLL).
- Institute of Public Works Engineering Australasia (IPWEA).

**Links to Strategic Plans:**

These plans strategically aligns to specific delivery objectives under all the Sustainability pillar of Council’s Corporate Plan.

**Risk:**

Financial:

The estimated available funding for SAMP period is \$400.5 million or \$40 million on average per year as per the long term financial plan. This is a shortfall of approximately (\$29.6 million) per annum over the life of the plan.

Council’s Backlog Ratio will continue to remain in a deficit position based on current funding levels.

The SAMP and AMPs can be used to help lobby for future infrastructure funding from government.

Statutory:

The Strategic Asset Management Plan and the Asset Management Plans have been prepared to meet the requirements of the Legislation governing asset management.

Section 167 of the *Local Government Regulation* states that:

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.



**Conclusion:**

Council resolves to adopt the SAMP and AMPs and delegates to the Chief Executive Officer to implement these and make further minor administrative amendments as they arise.



Recommended:  
Hollie Faithfull  
**Chief Financial Officer**



Approved:  
David Baldwin  
**Acting Chief Executive Officer**

**Attachments:**

1. Strategic Asset Management Plan
2. Asset Management Plan – Building Community
3. Asset Management Plan – Building Corporate
4. Asset Management Plan – Fleet
5. Asset Management Plan – Information Technology and Communication
6. Asset Management Plan – Recreation
7. Asset Management Plan – Roads and Transport
8. Asset Management Plan – Waste Management and Landfill
9. Asset Management Plan – Wastewater Network
10. Asset Management Plan – Water Supply Network



# **STRATEGIC ASSET MANAGEMENT PLAN**

Torres Strait Island Regional Council  
Strategic Asset Management Plan

Document Control		Strategic Asset Management Plan (IIMM)			
Document ID : ECM (Record #)					
Rev No	Date	Revision Details	Author	Reviewer	Approver
V1.0	August 2021	Revision to new template Adopted by Council August 2021	Norman Griffett Tony Wynen	JLL	Tony Wynen

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The Institute of Public Works Engineering Australasia

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## EXECUTIVE SUMMARY

Torres Strait Islands Regional Council is responsible for the delivery of services and many services require the acquisition, operation, maintenance, renewal, and disposal of an extensive range of physical assets. These assets have a significant financial value currently estimated at \$1,566,535,979 the asset have a revised valuation as at 30 June 2021 after the annual revaluation of \$1,627,847,751.

These assets include land, buildings, parks, recreation areas, roads, footpaths, drainage systems, and associated operating assets and provide service essential to our community's quality of life. All classes are referred to in section 2.3.1

The Strategic Asset Management Plan (SAMP) is frequently referred to as the Asset Management Strategy and it considers the objectives in our Organisational Strategic Plan, and develops the related asset management objectives, principles, framework and strategies for delivery.

### Strategic issues

Over the coming decade, it is predicted that the Torres Strait Islands Regional Council will undergo ongoing change. It is anticipated that the population will grow to over 8,400 impacting on housing and amenities within our communities.

The future will see the climate change have a growing impact of infrastructure and services.

### Current situation

Our aim is to continually improve maturity of asset management activities where the benefits exceed the costs. Costed improvement actions and target dates have been identified and documented in the Improvement Plan.

This SAMP is based on a low to medium level of confidence information. Successful implementation of the Improvement Plan will increase the levels of confidence.

Financial projections are predicated on existing service levels remaining largely the same over the next 10 years whilst catering for the predicted increase in population.

The projected operating outlays necessary to provide the services covered by this SAMP are based on best projections made in Council's Long Term Financial Plan growth forecasts.

Based on the projections the following can be determined:

1. The projected operations and maintenance of existing and new assets over the 10-year planning period is estimated at \$205,370,908 or \$20,537,091 on average per year.
2. The projected required renewal costs (including upgraded and new assets) over the 10-year planning period is estimated at \$135,643,647 or \$13,564,365 on average per year.
3. The projected expansion and acquisition (factored into the LTFP) over the 10-year planning period is estimated at \$54,000,000 or \$5,400,000 on average per year.

The combined projection of asset management expenditure (including operating costs) over the next 10 years is estimated at \$395,504,555 or \$39,550,456 on average per year.

The estimated available funding for this period is \$400,469,917 or \$40,046,992 on average per year as per the long-term financial plan. This is a shortfall of approximately (\$29,587,468) per annum over the life of the plan. These projections will be reviewed and refined progressively every year.

The reality is that only what is funded in the long-term financial plan can be provided. The emphasis of this SAMP is to communicate the consequences that this will have on the service provided and risks, so that decision making is “informed” and determine a funding strategy where required.

The allocated funding shows a deficit of (\$29,587,468) on average per year of the projected expenditure required to provide services in the AM Plan compared with planned expenditure currently included in the long Term Financial Plan. This is shown in the figure below.

Council’s Backlog Ratio will continue to remain in a deficit position based on current funding opportunities’.

By the end of 2021, Council will finalise many of its Asset Management data activities to ensure that funds are being appropriately allocated to correct asset classes while ensuring service levels are being maintained. This will ensure optimum service levels are maintained for each asset class and funding allocated accordingly.

## **Risks**

There are risks associated with providing the service and not being able to complete all identified initiatives and projects. We have identified major risks as:

- Fragmented data and systems.
- Lack of confidence in the recorded quantity and condition of assets within the communities;
- Low confidence decision support; and
- Resourcing of ongoing in-service monitoring and evaluation.

We will endeavour to manage these risks within available funding by:

- Continuing to capture an updated profile of all assets within our communities.
- Continuing to implement a consolidated TechOne system;
- Prioritising and allocating resources to critical assets; and
- Implementing priority actions from the Improvement Plan.

## **Asset management approach**

The key outcomes from the SAMP include:

- Levels of service – specifies the services and levels of service to be provided,
- Risk Management – identifies the risk profile and rating of the asset class,
- Future demand – how this will impact on future service delivery and how this is to be met,
- Lifecycle management – how to manage its existing and future assets to provide defined levels of service,
- Financial summary – what funds are required to provide the defined services,
- Asset management practices – how we manage provision of the services,
- Monitoring – how the plan will be monitored to ensure objectives are met,
- Asset management improvement plan – how we increase asset management maturity.

## **The next steps**

Implementation of the SAMP will include the following improvement activities:

- Asset Management Group (AMG) formed reporting to executive level to provide organisational understanding of the assets Whole of Life (WOL), and how this can be influenced and managed responsibly
- Further educate Asset Class managers and staff on planning principles and understanding of their responsibilities to manage and maintain asset service levels.
- Seek council assistance and endorsement of acceptable service levels for communities and using this to determine minimum service levels to trigger priority action.
- Implementation of NAMS+ (IPEWA) to assist and improve data integrity and analysis using the analysis tools retained within the product
- TechOne enhancement Project to further improve on identification and defect management



## 1. INTRODUCTION

The Strategic Asset Management Plan (SAMP) “includes documented information that specifies how organisational objectives are to be converted into asset management objectives, the approach for developing asset management plans and the role of the asset management system in supporting achievement of the asset management objectives”<sup>1</sup>.

This SAMP is an integral part of the organisation’s planning framework. This includes the organisational strategic plan, asset management (AM) policy, AM strategy/SAMP, AM plans for individual portfolios and operational plans and work programs. There is a clear alignment from the organisational vision and objectives, AM policy, AM objectives, AM plans, operational plans, work programs through to performance measures as shown in Figure 1.



**Figure 1: Asset Management Planning Framework**

Source, IIMM Fig 4.2.2, p 4|22.

The SAMP underpins a business process vital to the achievement of the strategic objectives, much in the same way as a financial strategy.

### 1.1 Scope of Asset Management System

#### 1.1.1 Asset Management System

The AM system is “the set of inter-acting elements of an organisation to establish AM policies and objectives, and processes to achieve those objectives”<sup>2</sup>.

The AM system is applied to the delivery of AM objectives services/products from the following asset portfolios:

- Buildings Community
- Buildings Corporate
- Fleet
- Information Technology and Communications
- Recreational assets
- Roads and Transport assets
- Waste Management and Landfill
- Waste Water Network
- Water Supply Network

<sup>1</sup> IPWEA, 2015, IIMM, Sec 4.2.3, p 4|28.

<sup>2</sup> IPWEA, 2015, IIMM, Sec 2.1.1, p 2|3.

The AM system scope is determined after consideration of:

- AM objectives
- External and internal issues relevant to the purpose of the organisation
- Stakeholder requirements
- Interaction/linkages with other management systems
- Criteria for AM decision making.<sup>3</sup>

## **1.2 Purpose and Structure of Asset Management System**

The AM system is to assist the organisation achieve its AM objectives. It includes “all the functions, people, processes, information and tools that deliver AM objectives”<sup>4</sup>. The AM objectives are the results to be achieved from the AM system. AM objectives are guided by organisational objectives and the AM policy and drive AM practices undertaken by the organisation.<sup>5</sup>

The AM system structure includes

- AM Policy
- AM Plans for the asset portfolios detailed in Sec 1.1
- Integration of AM processes, activities and data with other organisational functions including service delivery, quality, accounting, risk management, safety and human resources
- Reporting of AM objectives and resources to achieve the objectives in annual budgets
- Reporting of AM objectives achievements in annual reports.

## **1.3 The SAMP and our Planning Framework**

The SAMP is an integral component of our planning framework. It is derived from the Organisation’s strategic plan and sets the structure for AM Plans for included asset portfolios. The AM Plans are linked to the long-term financial plan which forms the basis for development of annual budgets to deliver agreed levels of service for available resources. The annual budget sets the framework for annual work plans and division and staff performance targets.

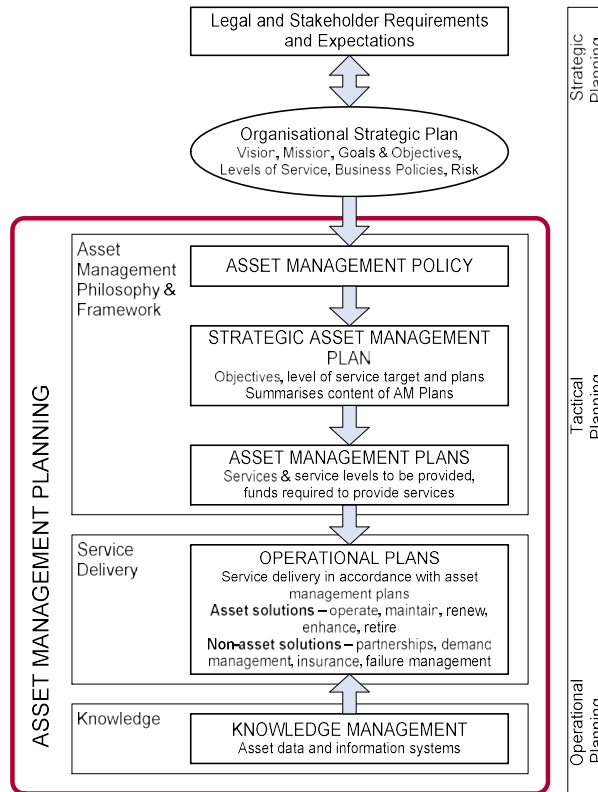
Figure 2 shows how the AM system fits within our planning framework.

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<sup>3</sup> IPWEA, 2015, IIMM, Sec 2.1.1, p 2 | 3.

<sup>4</sup> IPWEA, 2015, IIMM, Sec 2.1.1, p 2 | 3.

<sup>5</sup> IPWEA, 2015, IIMM, Sec 2.1.3, p 2 | 13.



**Figure 2: Strategic Asset Management fit in Planning Process**

## 1.4 Asset Management Objectives

The AM objectives are developed from our strategic plan and:

- Review of risks including the potential impacts from failure of:
  - assets, or
  - AM activities on achieving AM objectives, individually or in combination
- Review of the importance of assets related to their intended outcomes, objectives and product or service requirements
- A check on the applicability of AM objectives during the AM planning process.<sup>6</sup>

AM objectives are to be specific, measurable, achievable, relevant and time bound (SMART). AM objectives are developed in Section 4.

AM plans are to be formulated and documented to achieve the AM objectives. This includes documentation of decision-making criteria, processes for managing the complete life cycle of assets, addressing risks and opportunities, activities to be undertaken, resources, responsibilities, timelines, performance criteria and financial implications.<sup>7</sup>

## 1.5 Responsibility for the SAMP

The Operations Engineer Assets is responsible for development and maintenance of the SAMP. The SAMP will be reviewed at regular intervals by senior management as part of the AM System review, with review outcomes reported to the Torres Strait Island Regional Council (elected Council).

## 1.6. SAMP Planning Horizon

The SAMP has a planning horizon of 10 years. It is based on the detail in AM Plans and generally developed with a 20-year planning horizon.

The SAMP has a life of 4 years is to be reviewed and updated in line with our 4-year strategic planning cycle.

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<sup>6</sup> ISO 2014, ISO 55002, Sec 6.2.1, p 9

<sup>7</sup> IPWEA, 2015, IIMM, Sec 4.2.3, p 4|29.

## 2. STRATEGIC ORGANISATIONAL CONTEXT

This section details the most significant issues and risks and opportunities facing the organisation over the period of the plan and presents options for addressing those issues including those that cross all parts of the organisation (Human Resources, Information Technology, Finance, etc.) as they contribute to the ability to achieve AM objectives.

### 2.1 Services Provided

We provide essential services to the Torres Strait Island Community residents, visitors and businesses including:

- Water services
- Wastewater services
- Waste services
- Civil works services
- Community Services
- Housing Services
- Environmental Health Services
- Health and wellbeing services
- Divisional administrative services
- Building services

These services are an essential component to the liveability and economic prosperity of the community.

### 2.2 Our Customers and Community

We provide services to a range of customers and community users. These include:

- Residents
- Visitors staying in the area
- Businesses and industry within the area, and
- Business and industry users and visitors passing through the area.

*Our challenge is to provide the services needed by the community at an appropriate level of service at optimum life cycle cost that are financially sustainable.*

Customer expectations are challenging the organisation to respond to changing conditions and preferences. These can include implementing strategies to improve conditions and increase attractiveness in the area while keeping costs down. Customer Experience was recently gauged in a formally survey conducted in 2021. It is also monitored in an on-going basis through customer requests and complaints.

### 2.3. ASSET PORTFOLIO

#### 2.3.1 Asset Quantity and Value

We manage a lot of assets to provide services to our community. The assets provide the foundation for the community to carry out its everyday activities, while contributing to overall quality of life.

Table 1: Asset Portfolio

Asset Class/Category	Number of Assets	Gross Replacement Cost
Building Community	829	Replacement value estimated at 30 June 2020 of \$558,025,100 with the inclusion of

		the 2021 desktop valuation the estimated replacement value indexation as of 30 June 2021 of 4% which equates to approximately \$580,346,104.
Building Corporate	219	Replacement value estimated at 30 June 2020 of \$107,077,404 with the inclusion of the 2021 desktop valuation the estimated replacement value indexation as of 30 June 2021 of 4% which equates to approximately \$111,360,500.
Fleet	230	Replacement value estimated at 30 June 2020 of \$8,026,850 these assets are not included as part of the 2021 desktop valuation due to their short term life span and higher depreciation rate.
ITC	49	Replacement value estimated at 30 June 2020 of \$2,222,316 these assets are not included as part of the 2021 desktop valuation due to their short term life span and higher depreciation rate.
Recreation	80	Replacement value estimated at 30 June 2020 of \$26,337,950.00 with the inclusion of the 2021 desktop valuation the estimate replacement value indexation as on 30 June 2021 of 4% which equates to approximately \$27,391,468.00.
Transport	1,632	Replacement value estimated at 30 June 2020 of <b>\$375,841,750</b> with the inclusion of the 2021 desktop valuation the estimated replacement value indexation at 30 June 2021 of 3.75% which equates to approximately <b>\$389,935,816</b> .
Waste Management & Landfills	22	Replacement value estimated at \$2,680.300 as at the 30 <sup>th</sup> June 2020 Valuation and with the 2021 desktop valuation increase of 4.0% would have a value of \$2,787,512.
Waste Water Network	706	Replacement value estimated at 30 <sup>th</sup> June 2020 of \$258,666,984 with the inclusion of the 2021 desktop valuation the estimated replacement value indexation at 30 <sup>th</sup> June 2021 of 4% which equates to approximately \$269,013,663.
Water Supply	644	Replacement value estimated at 30 <sup>th</sup> June 2020 of \$227,657,328 with the inclusion of the 2021 desktop valuation the estimated replacement value indexation at 30 <sup>th</sup> June

2021 of 4% which equates to approximately \$236,763,622

Torres Strait Island Regional Council: Asset Replacement Value

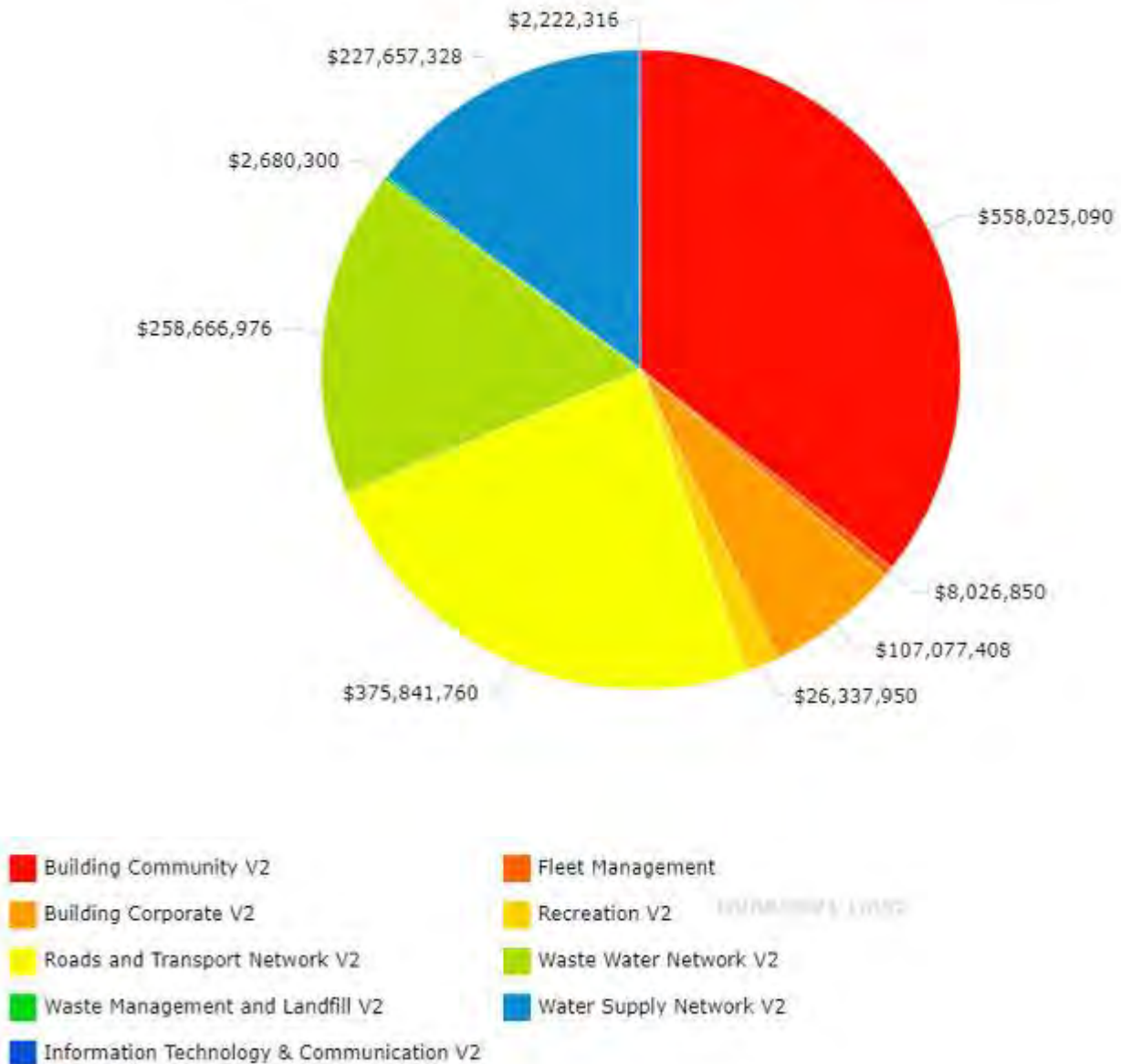


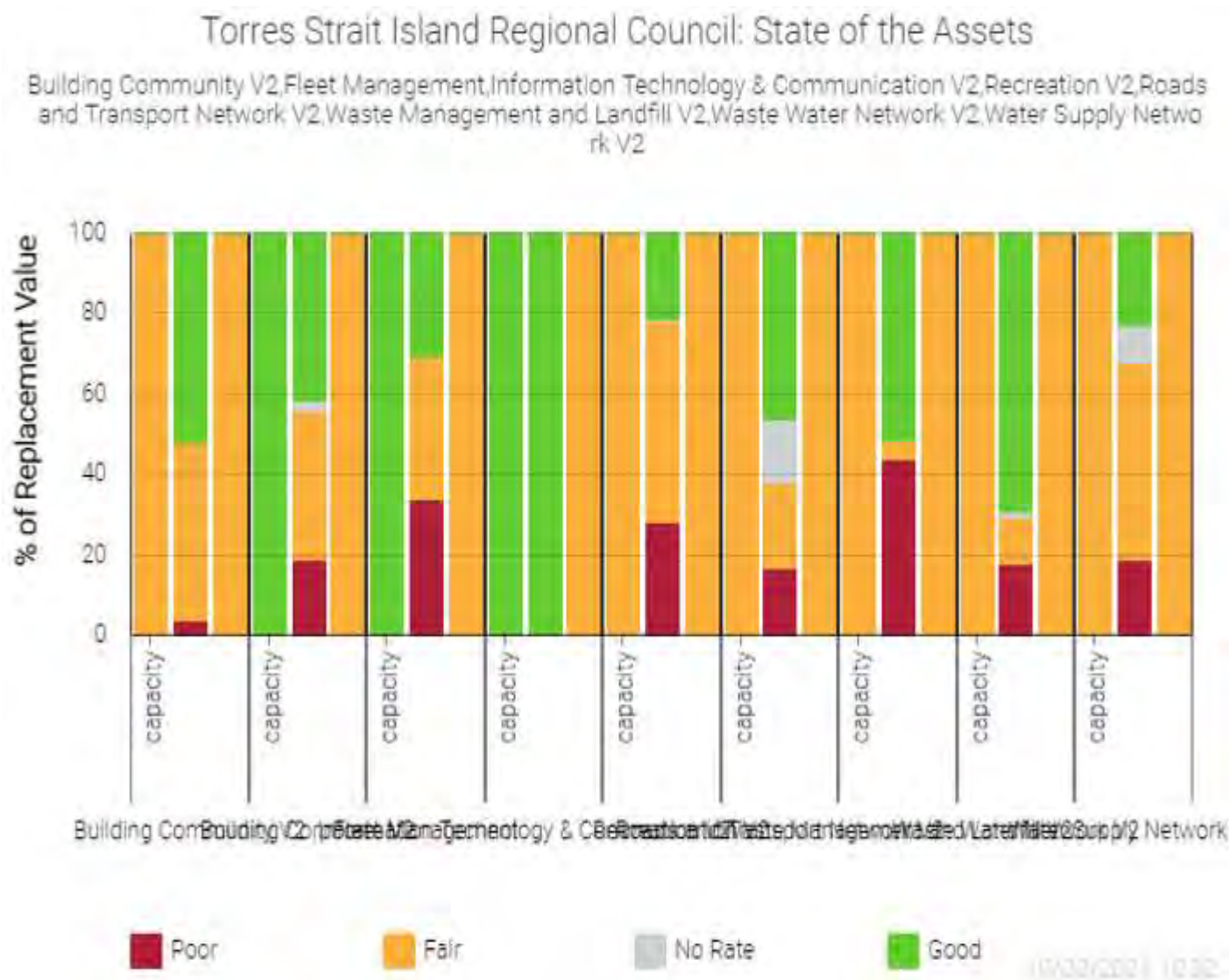
Figure 5: Asset Replacement Values

### 2.3.2 Asset Performance

Our State of the Assets Report monitors the performance of the assets under three community service indicators:

- condition/quality – how good is the service?
- function - does it meet users' needs?
- capacity/utilisation – is the service usage appropriate to capacity?

Figure 6 shows the state of the assets as a percentage of their replacement value.



**Figure 6: State of the Assets**

### 2.3.3 Asset register

This SAMP is based on information from our infrastructure asset register. Access to reliable asset information is critical to the success of good asset management in the organisation.

The asset register is regularly maintained and updated to include financially relevant data. In formulating this SAMP it has been recognised that additional information will be required to update the data to reflect non-financial strategic information to better improve the outcome of this process.



The Asset register is the primary record that retains most data needed to undertake this strategic review. With no other database of information currently available this has been the required source to access the data required to complete the review of the SAMP and AMP review process has identified several areas where improvement can be undertaken to enhance the maturity of the strategic review process. These changes will allow the current and future requirements to expanded and the maturity to move from Low to high.

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### 3 Strategic Issues and Options

#### 3.1 Demographic Change

Table 1 shows the demographic change expected over the planning period. This included changes in population and changes in population characteristics such as ageing of the population, migration, or loss of younger resident to other areas.

Table 2: Demographic Change and Demand Impact

Item	Present Position	Expected Position	Demand Impact
Population	7,403 (2016 census)	8,416 (2031)	Increasing pressure to maintain existing infrastructure and provide upgrade/new assets.
Population Characteristics	25.5% under the age of 10, 35% between the ages of 10 and 30, 31.3% between the ages of 30 and 60 and 8.2% over the age of 60	No projection data is available.	Could reduce demand for certain facilities and increase for others. Changing community requirements will impact on all infrastructure assets managed by TSIRC

#### 3.2 Legislative Requirements

Major legislative requirements are detailed in Table 2 together with expected changes that may impact future operations.

Table 3: Legislative Requirements

Legislation/Regulation	Major requirement
<b>All portfolios</b>	
Building Code of Australia	Building Construction & Maintenance
Local Government Act 2009	Overarching Governance
National Construction Code 2019	Technical Provisions for Design & Construction
Building Fire Safety Regulation 2008	Fire Safety Compliance
Public Health Act 2005	Ensure Facilities are safe, and Councils are for filling their obligations.
Building Act 1975.	Details Building policy, regulation, and technical provisions
Building Regulation 2006.	

Building Code of Australia. Electrical Safety Act 2002.	
Queensland Development Code	
WH&S Act 2011	Safety Compliance in the workplace
Local Laws	Safety Compliance in the workplace
Plumbing & Drainage Act 2018	Plumbing Standards
Energy Safety Regulation 2019	Electrical Compliance
Queensland Building & Construction Commission Act 1991	Building Authority
Transport Operation (Road Use Management) Act 1995 Qld Maintain roadworthiness	Maintain Roadworthiness
Transport Operations (Road Use Management – Vehicle Standards and Safety) Amendment Regulation (No.1) 2015	Maintain vehicle roadworthiness
Work Health and Safety Act 2011 (Qld)	Safety Compliance in the workplace
Police Powers and Responsibility Act 2000 Hoon Laws Qld	Anti-hooning law to prevent reckless and dangerous driving
Petroleum and Gas (Production and Safety) Act 2004	Standards and Safety requirements
Petroleum and Gas (Safety) Regulation 2018	Standards and Safety requirements. All liable petroleum and gas operations regulated by the Petroleum and Gas (Production and Safety) Act 2004 are required to complete a Petroleum and Gas Safety and Health Return Form in accordance with section 157 of the Petroleum and Gas (Safety) Regulation 2018. The annual Petroleum and Gas Fee is charged by RSHQ for safety and health services provided to petroleum and gas operations across Queensland. The fee is based on information supplied by industry in relation to volumes of gas stored on each island.
Privacy Act 2001 Crimes Act 1979 Criminal Code Act 1995	Cyber Security Laws t to ensure data is keep secure
Archives Act 1983	Authorisation disposal & destruction of records.
Freedom of Information Act 1982	Right to access individual documentation
Financial Management & Accountability Act 1997	Framework to provide public money and public property
Telecommunications Act 1997 Broadcasting Services Act 1992 Australian Communications and Media Authority Act 2005	Australian Communications & Media Authority to responsibly control the operation of facilities that supply communications
Public Health Act 2005	Ensure Facilities are safe, and Councils are for filling their obligations.
Transport Infrastructure Act 1994	Effective integrated planning and efficient management of a system of transport infrastructure.
Transport Operations (Marine Safety) Act 1994	To have a strategic overview of marine safety and related marine operational issues

Transport Planning and Coordination Act 1994	Achieving overall transport effectiveness and efficiency through strategic planning and management of transport resources.
Air Navigation Act 1937	An Act to provide for the application of the air navigation regulation and civil aviation regulations of the commonwealth to and in relation to air navigation within the state and provide in relation to liability for certain injury, loss, damage, or destruction by aircraft.
State Transport Act 193	An Act to provide for the better coordination and utilisation of transport facilities within the state, and for other purposes.
Transport Security (Counter- Terrorism) Act 2008	An Act to make particular provision for reducing risks arising out of terrorist acts against surface transport operations.
Environmental Protection Act 1994	EPA is the primary environmental regulator. They Partner with business, government, and community to reduce pollution and waste, protect human health and prevent degradation of the environment.
Waste Reduction and Recycling Act 2011	Ensure a shared responsibility between government, business and industry and the community in waste management and resource recovery
Waste Reduction and Recycling Regulation 2011	Fees for applications under the Waste Reduction and Recycling Act 2011 Management of used packaging materials Details about who is required to plan and report about waste management
Australian Guidelines for sewerage systems 1997 Act	Minimum standard for sewerage systems
Environmental protection Act 1994	Environmental Compliance
Water Health and Safety Act 2011	Safe Water drinking performance requirements
Water Supply (Safety and Reliability) Act 2008	Safe Water drinking
Water Act 2000	Sustainable Management of QLD water sources, effective operation of water authorities.

There are currently no known or expected change to legislation for the Torres Strait Island Regional Council asset portfolio that is expected to impact the following the organisations service delivery areas.

*The following areas have been recognised as potential risk areas that could have an impact on the future of maintaining a sustainable level of asset management*

### 3.3 Natural Assets

Natural assets provide core service functions such as water treatment, waste treatment, rainwater management, flood protection, recreation, habitat, and pollination. The presence and health of natural assets influence the levels of service that can be provided or supported by local governments, ultimately influencing the overall well-being and liveability of a community.

The services provided by natural assets are not guaranteed to last forever; particularly if they are not recognised/documented. Decisions made today and in the past by TSIRC and other stakeholders can lead to unintentional and undesirable consequences that risk the ability of natural assets to continue to provide the desired levels of service. Aquifers can be contaminated, leading to loss of a clean drinking water supply. Urban forests can be cut down in favour of development, leading to flooding caused by unattenuated stormwater. Natural drainage channels can be filled in for development, leading to increased reliance on piped drainage systems that require ongoing maintenance and ultimately, renewal.

Natural assets can be particularly vulnerable when there is no understood or accepted value to the natural assets as compared to the readily calculable benefits of development. Through proactive management of healthy natural assets, local governments are better equipped to deliver target levels of service.

TSIRC will continue to develop its approach to managing natural assets.

### 3.4 Impact of Climate Change

Key impacts of climate change include rising temperatures (projected 0.6-1.3°C increase by 2030), reduced average rainfall (projected 12% decrease by 2030), rising sea levels (projected increase 0.08- 0.17m by 2030), and increase in extreme weather events (flooding, high fire risk days, etc).

These will significantly impact on TSIRC assets by Reduced useful lives of assets, Increases in required maintenance and maintenance costs, and Increased risk of asset inundation from high sea levels and tidal events.

### 3.5 Economic Climate or Market Position

Our community is subject to change in economic climate generally arising from issues external to the area. Major changes are summarised in Table 3.

Table 4: Economic Climate or Market Position Impacts

Item	Projected Change	Expected Impact
Rising sea levels and increased storm tide activity in the wet season	Increased flood zone	Assets within new flood zone prone to significant water damage and impairment
Rising air and sea temperatures	Increased storm activity and/or severity	Higher levels of damage and corrosion to buildings associated materials.
High cost of fuel	Review replacement of equipment using combustion engines	Cost and availability of alternate vehicles and plant
Increased severity of weather events. season	Damage to infrastructure	Loss of communication services to community.

### 3.6 Stakeholder/Customer Expectations/Issues

Stakeholders include associated service providers, residents, business and industries that directly use our services, the wider community, governments and regulators. Customer expectations are challenging the organisations to respond to changing economic conditions and preferences. These can include implementing strategies to improve economic conditions and increase attractiveness in the area while keeping costs down. In 2021, Council commissioned a community satisfaction survey which was conducted internally. The survey was administered by multiple means including paper and electronic forms and was available to all within the Torres Strait Islands Regional Council Local Government Area. The survey covered a wide range of functions and services provided by Council. Overall, there were 107 responses which represents approximately 3% of the total population.

### 3.7 Organisational Issues

#### Asset Management System

Knowledge exists in many corporate locations that are currently managed by business managers in various departments. Each application that has a knowledge management component should have a system owner with an overarching governance structure that enables informed and transparent decisions.

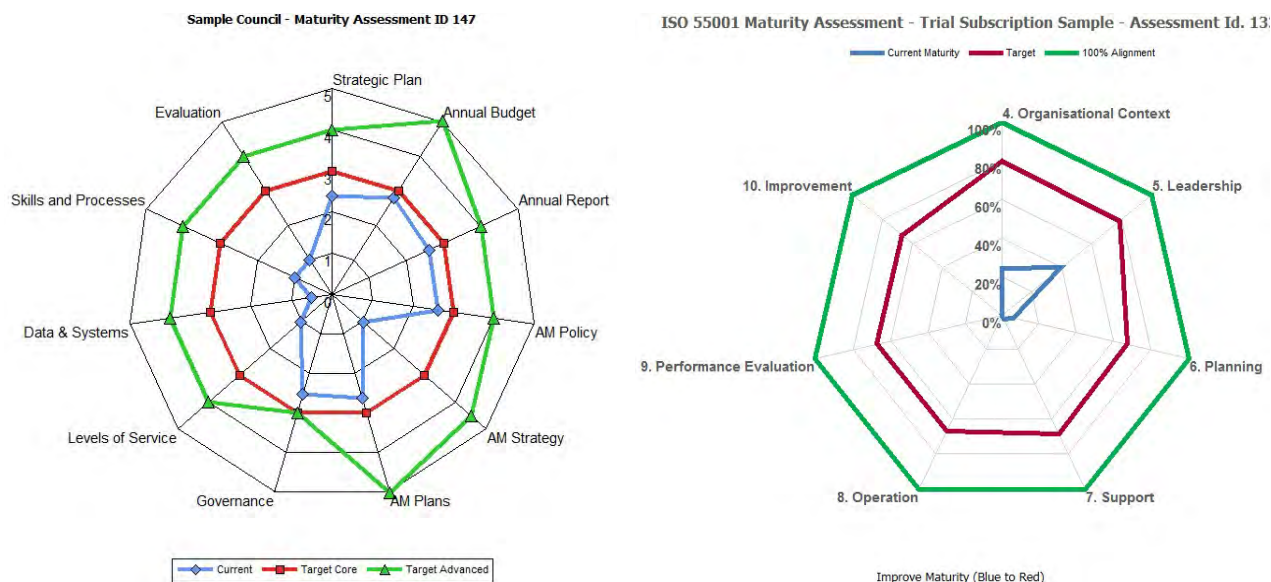
The development of accessible, integrated corporate knowledge across all information topics is essential to efficient evidence-based decision making.

Fragmentation of systems, data and business processes remains the main barrier to efficient and effective decision support.

The current lack of a systematic organisation wide approach to asset management has led to a fragmented approach to knowledge management and there is acknowledgement that migrating to a single enterprise software model will improve this situation.

#### 3.7 Asset Management Maturity

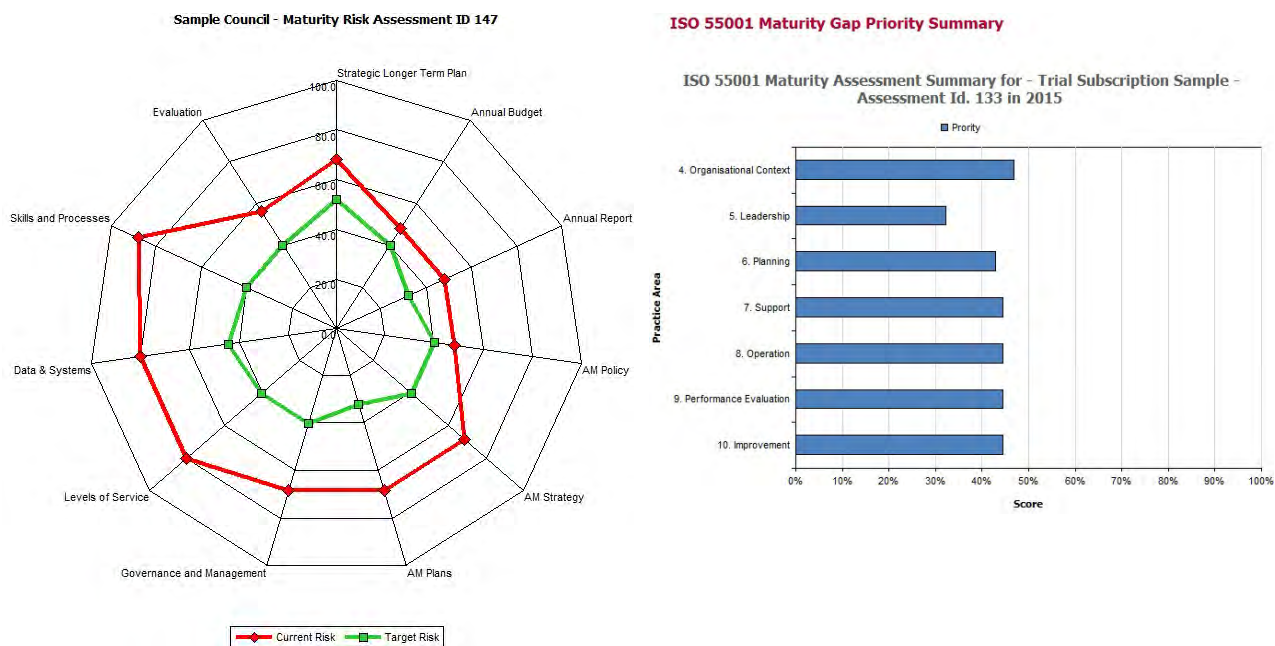
We have taken steps to improve our asset and financial management performance including assessing our asset management maturity against the 3 Frameworks of the Local Government Financial Sustainability National Assessment Framework (NAF)]. Our target is to achieve 'core' maturity with the Frameworks. Figure 3 shows the current and target 'core' and 'advanced' maturity scores for the eleven elements of the National Frameworks for asset and financial management.



**Figure 3: Maturity Assessment**

Improvement in 'core' maturity is indicated by movement of the blue ♦ (current maturity) line to the red ■ ('core' maturity) and green line ▲ (desired or aspirational target maturity).

The risk to the organisation from the current maturity is shown in Figure 4.



**Figure 4: Maturity Risk Assessment**

Reduction in risk from current NAF maturity is indicated by movement of the red ♦ (current risk) line to the green line ■ (desired or aspirational target risk).

Currently the maturity of the modelling has been listed as Low. Also, during this process several improvements have been identified and documented that having been implemented will see the maturity improve through medium to high. Much of this is still dependant on funding which has also been included as a key requirement to address the current shortfall and the process needed to ensure sustainable outcomes are achieved in the future.

*The future is dependent on improving the data and funding to maintain the asset base to the community requirements*

### 2.3.8 Financial Constraints

The purpose of this strategic asset management plan is to develop the strategies to achieve the asset management objectives through balancing of asset service performance, cost, and risk.

The development of appropriate strategies needs to be undertaken in the context of limited financial resources and competing funding priorities. Council has some very significant investment decisions to make in the next 12-24 months, including prioritising backlog asset renewals. Any continued growth brings with it additional capital, renewal, maintenance and operational costs and places extraordinary pressure on annual budgets

*Being able to adapt to the financial constraints through adequate planning.*

### 2.3.9 Opportunities and Risks

We have identified opportunities relevant to the services included in this strategic asset management plan including:

- Integration of inventory, performance, and service level data



Relevant risks to the strategic asset management plan in the future are:

- Data and system fragmentation.
- Low confidence decision support; and
- Resourcing of ongoing in-service monitoring and evaluation

Infrastructure risk management plans for these and other relevant risks are summarised with risk management activities and resource requirements incorporated in the relevant asset management plans.



## 4. ASSET MANAGEMENT OBJECTIVES

The AM objectives developed in this SAMP plan provide the essential link between the Council objectives and the AM plan(s) that describe how those objectives are going to be achieved. The AM objectives are developed from our strategic plan and a range of requirements including corporate goals and stakeholder, regulatory and legislative requirements.

The AM objectives are aligned to the Council objectives in the strategic plan, with the objective of establishing alignment from the Council objectives through the AM objectives to AM initiatives, projects and performance measures.

The AM objectives incorporate our desire to ensure that infrastructure assets are managed in an efficient and sustainable manner and asset cost is optimised over the asset's lifecycle. AM objectives transform the required outcomes (product or service) to be provided by the assets, into activities typically described in the asset management plans.

In line with the vision, the objectives of the strategic asset management plan are to:

- Ensure that our infrastructure services are provided in an economically optimal way, with the appropriate level of service to residents, visitors and the environment determined by reference to our financial sustainability.
- Safeguard our physical assets and employees by implementing appropriate asset management strategies and appropriate financial resources for those assets.
- Adopt the long-term financial plan as the basis for all service and budget funding decisions
- Meet legislative requirements for all our operations.
- Ensure resources and operational capabilities are identified and responsibility for asset management is allocated.
- Ensure operational and service delivery risks are adequately managed.
- Continually improve our asset, risk and financial management and service delivery performance; and
- Provide high level oversight of financial and asset management responsibilities through regular reporting to the Council on development and implementation of the Strategic Asset Management Plan, the Long-Term Financial Plan and Council's Annual Financial Statements.

Table 6 shows the AM objectives developed under each Council strategy and desired outcomes.

**Table 5: Asset Management Objectives**

No	Strategy	Desired Outcome
1	Develop a Long-Term Financial Forecast covering 10 years incorporating asset management plan expenditure projections with a sustainable funding position outcome.	Sustainable funding model to provide Council services.
2	Implement an Improvement Plan to realise 'core' maturity for the financial and asset management competencies within 2 years.	Improved financial and asset management capacity within Council.
3	Report six to twelve monthly to Council by Audit Committee/ CEO on development and implementation of Asset Management Strategy, AM Plans and Long-Term Financial Forecasts.	Oversight of resource allocation and performance.

4	Move from Annual Budgeting to Long Term Financial Forecasts	The long-term implications of Council services are considered in annual budget deliberations.
5	Incorporate Year 1 of Long-Term Financial Forecast revenue and expenditure projections into annual budgets.	Long Term Financial Forecasts drives budget deliberations.
6	Develop and annually review Asset Management Plans covering at least 10 years for all major asset classes (minimum 80% of asset value).	Identification of services needed by the community and required funding to optimise 'whole of life' costs.
7	Review and update asset management plans and Long-Term Financial Forecasts after adoption of annual budgets. Communicate any consequence of funding decisions on service levels and service risks.	Council and the community are aware of changes to service levels and costs arising from budget decisions.
8	Report Council's financial position at Fair Value in accordance with Australian Accounting Standards, financial sustainability, and performance against strategic objectives in Annual Reports.	Financial sustainability information is available for Council and the community.
9	Ensure Council's decisions are made from accurate and current information in asset registers, on service level performance, costs, and 'whole of life' costs.	Improved decision making and greater value for money.
10	Report on Council's resources and operational capability to deliver the services needed by the community in the Annual Report.	Services delivery is matched to available resources and operational capabilities.
11	Ensure responsibilities for asset management are identified and incorporated into staff position descriptions.	Responsibility for asset management is defined.

## 5. ASSET MANAGEMENT PLANNING APPROACH (ACTION PLAN)

The AM planning approach provides direction for AM Plans to achieve the Council objectives. This includes documentation of decision-making criteria, processes for managing the complete life cycle of assets, addressing risks and opportunities, activities to be undertaken, resources, responsibilities, timelines, performance criteria and financial implications.

### 5.1 Levels of Service

Service levels are defined in three ways, customer values, customer levels of service and technical levels of service.

**Customer Values** indicate:

- what aspects of the service is important to the customer?
- whether they see value in what is currently provided and
- **the likely trend over time based on the current budget provision**

**Customer Levels of Service** measure how the customer receives the service and whether the Council is providing value.

Customer levels of service measures used in the asset management plan are:

Quality/condition	How good is the service?
Function	Does it meet users' needs?
Capacity	Is the service usage appropriate to capacity?

Our current and projected customer levels of service for the services covered by this strategic asset management plan are shown in the AM Plans summarised in this strategic asset management plan.

**Technical Levels of Service** - Supporting the community service levels are operational or technical measures of performance. These technical measures relate to the allocation of resources to service activities that the Council undertakes to best achieve the desired community outcomes and demonstrate effective Council performance.

Technical service measures are linked to annual budgets covering:

- Operation – the regular activities to provide services such as availability, cleansing, mowing, etc.
- Maintenance – the activities necessary to retain an asset as near as practicable to an appropriate service condition (e.g., road patching, unsealed road grading, building and structure repairs, cleaning fire hydrants),
- Renewal – the activities that return the service capability of an asset similar to that which it had originally (eg road resurfacing and pavement reconstruction, pipeline replacement and building component replacement),
- Acquisition – the activities to provide a higher level of service (e.g., widening a road, sealing an unsealed road, replacing a pipeline with a larger size) or a new service that did not exist previously (e.g., a new library).

Service managers plan implement and control technical service levels to influence the customer service levels.

Together the community and technical levels of service provide detail on service performance, cost and whether service levels are likely to stay the same, get better or worse.

Our current and projected technical levels of service for the services covered by this strategic asset management plan are shown in the AM Plans summarised in this strategic asset management plan.

### 5.2 Demand Management

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

Non-asset solutions focus on providing the required service without the need for the organisation to own the assets and management actions including reducing demand for the service, reducing the level of service (allowing some assets to deteriorate beyond current service levels) or educating customers to accept appropriate asset failures. Examples of non-asset solutions include providing joint services from existing infrastructure such as aquatic centres and libraries that may be in another community area or public toilets provided in commercial premises.

Opportunities identified for demand management are shown in Table 7.

Table 6: Demand Management Opportunities

Service Impact	Demand Management Plan
Population	Review and plan for appropriate upgrades to facilities as the utilisation levels reach upper levels of utilisation.
Demographics	Review and plan for appropriate upgrades to align with accessibility needs of changing community demographic profile.
Grant funding Time Frame	Review and plan for appropriate upgrades to fleet as the utilisation levels reach upper levels of utilisation
Greater number of projects	Review and plan for appropriate upgrades to fleet as the utilisation levels reach upper levels of utilisation
Staffing	Forecast equipment in line with approved staffing structure.
Funding	Demand based on risk
Transitional Action Plan (TAP) – Accommodation/Facilities	Acquire new housing/facilities assets through new capital funding.
Legislative Compliance	Build transfer station on each island to facilitate recycling and resource recovery programs. Implement compost collection and processing for community. Establish refund scheme for cans, bottles, and other recyclable products
Water condition and storage	Acquire new water assets through new capital funding.

### 5.3 Infrastructure Risk Management

An assessment of risks associated with service delivery from infrastructure assets conducted for each relevant asset management plan identified critical risks that will result in loss or reduction in service from infrastructure assets or a 'financial shock' to the organisation. The risk assessment process identifies credible risks, the likelihood of the risk event occurring, the consequences should the event occur, develops a risk rating, evaluates the risk and develops a risk treatment plan for non-acceptable risks.

Critical risks, being those assessed as 'Very High' - requiring immediate corrective action and 'High' – requiring prioritised corrective action identified in the Infrastructure Risk Management Plan(s) and the adopted treatment plan are summarised in Table 8. These risks are regularly reported to management and Council/Board.

Table 7: Critical Risks and Treatment Plans

Service or Asset at Risk	What can Happen	Risk Rating (VH, H)	Risk Treatment Plan
All Building Corporate Assets	Inability to meet Capital Requirements.	VH	Adoption of new APM model for forward planning and recommendations for strategic groups i.e., AMG.
All Building Corporate & Community Assets	Sea level rises	VH	Seawall constructions or relocate building assets to higher ground (where feasible)

All Building Corporate & Community Assets	Asbestos Management-Exposure risks to Community & Staff.	VH	Asbestos register in place and asset reports in place however year review is due.
Sustainability and continuity	Loss of key staff leading to reinvention of data and knowledge.  (Staff retention)	VH	Adequate mature policies and procedure in place to capture and store relevant data.
Fuel Assets	13 x safe fuel facility	VH	Construct specific facilities in all remaining communities to Fuel standards
All ITC Assets	Inability to meet QAO Requirements.	VH	Adoption of new APM model for forward planning and recommendations for strategic groups i.e., AMG.
Waste Management	Unable to environmentally dispose of waste	VH	Possible creation of Transfer station to sort and recycle waste
Waste Water Assets	Misalignment of objectives between different authorities / governments causing inability to deliver corporate plan	H	Review effectiveness of government working groups (in progress) b) Further engagement of decision makers (as opposed to pure stakeholders) c) More formalised engagement with DLG d) Reduction in green tape e) Strengthened AMP linkages to conversations with stakeholders highlighting council needs and requirements f) Quality assurance through Environment and Health (planned) g) Additional dedicated resources h) Direct control of funding
Water Assets	Climate change (changing sea levels and rainfall)	VH	a) Land use planning allows for changes to high water marks. b) Building design for new houses (including materials). c) Raising houses. d) Temporary sea walls. e) Funding for permanent (engineered) sea walls - in progress. f) Active LDMG (local Disaster Management Group) and active plan (review and update every 6 months); stored on website. g) Disaster Management Officer in council, with Community Disaster Management Plans h) King Tide subgroup (management plan - protective and reactive mitigation). i) Drinking Water quality management plan

## 5.4 Operation and Maintenance Strategies

Operation activities affect service levels including quality and function, such as cleanliness, appearance, etc., through street sweeping and grass mowing frequency, intensity and spacing of street lights and cleaning frequency and opening hours of building and other facilities.

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, e.g. road patching but excluding rehabilitation or renewal.

Where maintenance expenditure levels are such that will result in a lesser level of service, the service consequences and service risks have been identified and service consequences highlighted in the respective AM Plan and service risks considered in the Infrastructure Risk Management Plan.

We will operate and maintain assets to provide the agreed level of service and approved in budgets in the most cost-efficient manner. Proposed operation and maintenance strategies in this SAMP are:

- Scheduling operation activities to deliver the defined level of service in the most efficient manner
- Undertaking maintenance activities through a planned maintenance system to reduce maintenance costs and improve maintenance outcomes. Undertake cost-benefit analysis to determine the most cost-effective split between planned and unplanned maintenance activities (50 – 70% planned desirable as measured by cost)
- Maintain a current infrastructure risk register for assets and present service risks associated with providing services from infrastructure assets and reporting Very High and High risks and residual risks after treatment to management and Torres Strait Islands Regional Council
- Review current and required skills base and implement workforce acquisition, training, and development to meet required operation and maintenance needs
- Review asset utilisation to identify underutilised assets and appropriate remedies, and over utilised assets and customer demand management options
- Maintain a current hierarchy of critical assets and required operation and maintenance activities
- Develop and regularly review appropriate emergency response capability
- Review management of operation and maintenance activities to ensure we are obtaining best value for resources used.

## 5.5 Renewal/Replacement Strategies

Renewal expenditure is major work which does not increase the asset's design capacity but restores, rehabilitates, replaces or renews an existing asset to its original or lesser required service potential. Work over and above restoring an asset to original service potential is upgrade/expansion or new works expenditure.

Renewal and replacement strategies proposed under this SAMP are:

- We will plan capital renewal and replacement projects to meet level of service objectives and minimise infrastructure service risks by:
- Planning and scheduling renewal projects to deliver the defined level of service in the most efficient manner
- Undertaking project scoping for all capital renewal and replacement projects to identify
  - the service delivery 'deficiency', present risk and optimum time for renewal/replacement
  - the project objectives to rectify the deficiency
  - the range of options, estimated capital and life cycle costs for each option that could address the service deficiency
  - and evaluate the options against evaluation criteria adopted by Council/Board, and
  - select the best option to be included in capital renewal programs
- Using *optimal* renewal methods (cost of renewal is less than replacement) wherever possible
- Maintain a current infrastructure risk register for assets and service risks associated with providing services from infrastructure assets and reporting Very High and High risks and Residual risks after treatment to management and Council/Board
- Review current and required skills base and implement workforce training and development to meet required construction and renewal needs
- Maintain a current hierarchy of critical assets and capital renewal treatments and timings required
- Review management of capital renewal and replacement activities to ensure we are obtaining best value for resources used.

### Renewal ranking criteria

Renewal ranking criteria was developed from consideration of renewal/replacement need for assets that:

- Have a high consequence of failure

- Have a high utilisation and subsequent impact on users would be greatest
- The total value represents the greatest net value to the organisation
- Have the highest average age relative to their expected lives
- Are identified in the AM Plan as key cost factors
- Have high operational or maintenance costs, and
- Where replacement with modern equivalent assets would yield material savings.

Criteria used for ranking renewal and replacement proposals is documented in the applicable AM Plans.

## 5.6 Asset Acquisition Strategies

New works are those works that create a new asset that did not previously exist, or works which upgrade or improve an existing asset beyond its existing capacity. They may result from growth, social or environmental needs. Assets (donated or gifted assets) may also be acquired at no cost to the organisation from land development or arising from government grants.

Strategies for acquisition and creation of new assets and upgrade of existing assets proposed in this SAMP are:

We will plan capital upgrade and new projects to meet level of service objectives by:

- Planning and scheduling acquisition of assets and upgrades to deliver the defined level of service in the most efficient manner
- Undertake project scoping for all capital acquisition projects to identify
  - the service delivery 'deficiency', present risk and required timeline for delivery of the asset acquisition
  - the project objectives to rectify the deficiency including value management for major projects
  - the range of options, estimated capital and life cycle costs for each option that could address the service deficiency
  - management of risks associated with alternative options
  - and evaluate the options against evaluation criteria adopted by Council/Board, and
  - select the best option to be included in capital programs
- Review current and required skills base and implement staff acquisition, training, and development to meet required construction and project management needs
- Review management of capital project management activities to ensure we are obtaining best value for resources used.

### Proposal for Acquisition of Assets by construction - Criteria

Acquisition of new assets and upgrade/expansion of existing assets are identified from various sources such as councillor or customer/community requests, proposals identified by strategic plans or partnerships with other organisations. Candidate proposals are inspected to verify need and to develop preliminary CAPEX and OPEX estimates. Verified proposals are ranked by priority and available funds and scheduled in future works programmes. The priority ranking criteria is detailed in the respective asset management plans.

## 5.7 Disposal Plan

Disposal includes any activity associated with disposal of a decommissioned asset including sale, demolition or relocation.

Assets identified for possible decommissioning and disposal are shown in the respective asset management plans summarised in this strategic asset management plan.

## 5.8 Service Consequences and Risk

The organisation has prioritised decisions made in adopting the asset management plans summarised in this strategic asset management plan to obtain the optimum benefits from its available resources.

The asset management plans are based on balancing service performance, cost and risk to provide an agreed level of service from available resources in our long-term financial plan.

### Deferred initiatives and projects

There are some operation and maintenance initiatives and capital projects that have been deferred for the next 10 years. These are shown in Appendix D. The major initiatives and projects include:

- Addressing transport asset backlog in its entirety – potentially much of the backlog is not resulting in lower levels of service.
- Addressing community desire to replace some assets for aesthetic reasons.
- Implement CCTV inspection regimes for stormwater assets (related to cost / benefit).
- Flood warning systems – relies upon external funding and regional approach.

Progress extensive parks / facility improvement programs without demonstrated need or funding model.

### Service consequences

Operation and maintenance initiatives and capital projects that have been deferred will maintain or create service consequences for users. The major service consequences include:

- Delaying project may result in unmet community needs and consequential lower community satisfaction levels and initiatives, activities, sports and the like not occurring.
- Continued exposure of community to a flood risk.
- Unmet backlog may result in lower LOS, impacting community safety, service delivery costs, asset function and community satisfaction.

Requirement for alternate path of travel for some vehicles (bridge loading restriction) and consequential impact on other assets and user concerns.

### Risk consequences

The operation and maintenance initiatives and capital projects that cannot be undertaken may maintain or create risk consequences for the organisation. The major service risks include:

- Reputational associated with degraded assets, inability to access facilities or services, aesthetic of assets.
- Public safety risk associated with degraded assets or lower level of service.
- Changes to transport user patterns, impacting other assets and increasing costs for road users – increased travel time, fuel etc.
- Cost implications associated with greater levels of maintenance to maintain LOS.
- Sections of community continue to be vulnerable to flood risk – emu river.
- Environmental concerns with waterways not addressed – reputations and environmental risk.

These risks have been included with the Infrastructure risk management plan summarised in the relevant asset management plan and risk management plans actions and expenditures included within lifecycle forecast expenditures.

## 5.9 Assumptions and Confidence Levels

This section details the key assumptions made in presenting the information contained in this strategic asset management plan and in preparing forecasts of required operating and capital expenditure and asset values, depreciation expense and carrying amount estimates. It is presented to enable readers to gain an understanding of the levels of confidence in the data behind the financial forecasts.



Key assumptions made in this asset management plan and risks that these may change are shown in Table 9.

**Table 9: Key Assumptions made in Strategic Asset Management Plan and Risks of Change**

Key Assumptions	Risks of Change to Assumptions
Grant funding remains at current levels	Grants subject to political risk – State and Federal level. Noted that such grants are now integral to LG (as an industry) sustainability.
Like for like asset replacement	Technology, standards, legislation can change, with consequential cost increases.
Renewal program based on useful life assumptions	Useful life may be greater than or less than expected, impacting on various financial measures.

The expenditure and valuations projections in this strategic asset management plan are based on best available data. Currency and accuracy of data is critical to effective asset and financial management.

The estimated confidence level for and reliability of data used in this strategic asset management plan is shown in Table 10.

**Table 10: Data Confidence Assessment for AM Plans summarised in Strategic AM Plan**

AM Plan	Confidence Assessment	Comment
Building Corporate	Low	The Current Asset Register was used as the best available data to forecast renewal life cycle for this AMP and has been supplemented by advice from the asset class manager.
Building Community	Low	The Current Asset Register was used as the best available data to forecast renewal life cycle for this AMP and has been supplemented by advice from the asset class manager.
Fleet	Low	The Current Asset Register was used as the best available data to forecast renewal life cycle for this AMP and has been supplemented by advice from the asset class manager.
Information Technology and Communication	Low	The Current Asset Register was used as the best available data to forecast renewal life cycle for this AMP and has been supplemented by advice from the asset class manager.
Recreation	Low	The Current Asset Register was used as the best available data to forecast renewal life cycle for this AMP and has been supplemented by advice from the asset class manager.
Roads and Transport Network	Low	The Current Asset Register was used as the best available data to forecast renewal life cycle for this AMP and has been supplemented by advice from the asset class manager.
Waste Management and Landfill	Low	The Current Asset Register was used as the best available data to forecast renewal life cycle for this AMP and has been supplemented by advice from the asset class manager.
Waste Water Network	Low	The Current Asset Register was used as the best available data to forecast renewal life cycle for this AMP and has been supplemented by advice from the asset class manager.
Water Supply network	Low	The Current Asset Register was used as the best available data to forecast renewal life cycle for this AMP and has been supplemented by advice from the asset class manager.

Overall data sources, the data confidence is assessed as low confidence level for data used in the preparation of this strategic asset management plan.

Actions to mitigate the adverse effects of data quality are included within Table 11 Improvement Plan.

## 5.10 Improvement Plan

The asset management improvement tasks identified from an asset management maturity assessment and preparation of this strategic asset management plan are shown in Table 11.

**Table 11: Improvement Plan**

Task No	Task	Responsibility	Resources Required	Timeline
1	TechOne Enhancement Project	Assets	Engineering, Assets, BSU	2 Years
2	Condition Assessments	All Classes	All Classes	12 Months
3	Tenancy Software	Housing	Housing	2 years
4	Advocacy	Executive Team & Councilors	Planning & Logistics	On going
5	DDA Compliance	Various	Various	On Going
6	Alignment of stakeholders	Department of Housing	Various	On Going
7	Develop & implement the Sustainability Matrix.	Assets and Heads of Department	TBD	2021/2022
8	Fleet Management, Vehicle Selection Criteria and Maintenance Scheduling and Requirements Review.	Fleet	Fleet, Executive & Council Endorsement	2022
9	Functional Assessments of ITC Assets	ITC	ITC	3 Years
10	Reinstated the Asset Management Group (AMG) consisting of all Asset Managers.	Assets	TBD	2021/2022
11	Develop a 10 Year Capital Works Project Program for Engineering Assets	Engineering	TBD	2021/2022
12	Functional assessments of Waste Landfill & Waste Collection	Engineering	TBD	3 Years
13	Install Transfer Station & Associated Equipment	Engineering	TBD	2022

## **6. FINANCIAL SUMMARY**

This section contains the collective financial requirements resulting from all the information presented in the previous sections of this SAMP and subordinate AM Plans and is designed to provide a whole of organisation perspective. The financial projections will be improved as further information becomes available on desired levels of service and current and projected future asset performance.

### **6.1 Financial Indicators and Projections**

#### **Asset Renewal Funding Ratio**

The Asset Renewal Funding Ratio indicates whether lifecycle forecast renewal and replacement expenditure are able to be financed in the long-term financial plan. It is calculated by dividing the lifecycle forecast renewal expenditure shown in the AM Plans by the estimated capital renewal budget provided in the long-term financial plan. Over the next 10 years, we are forecasting that we will have a deficiency of the funds required for the optimal renewal and replacement of assets.

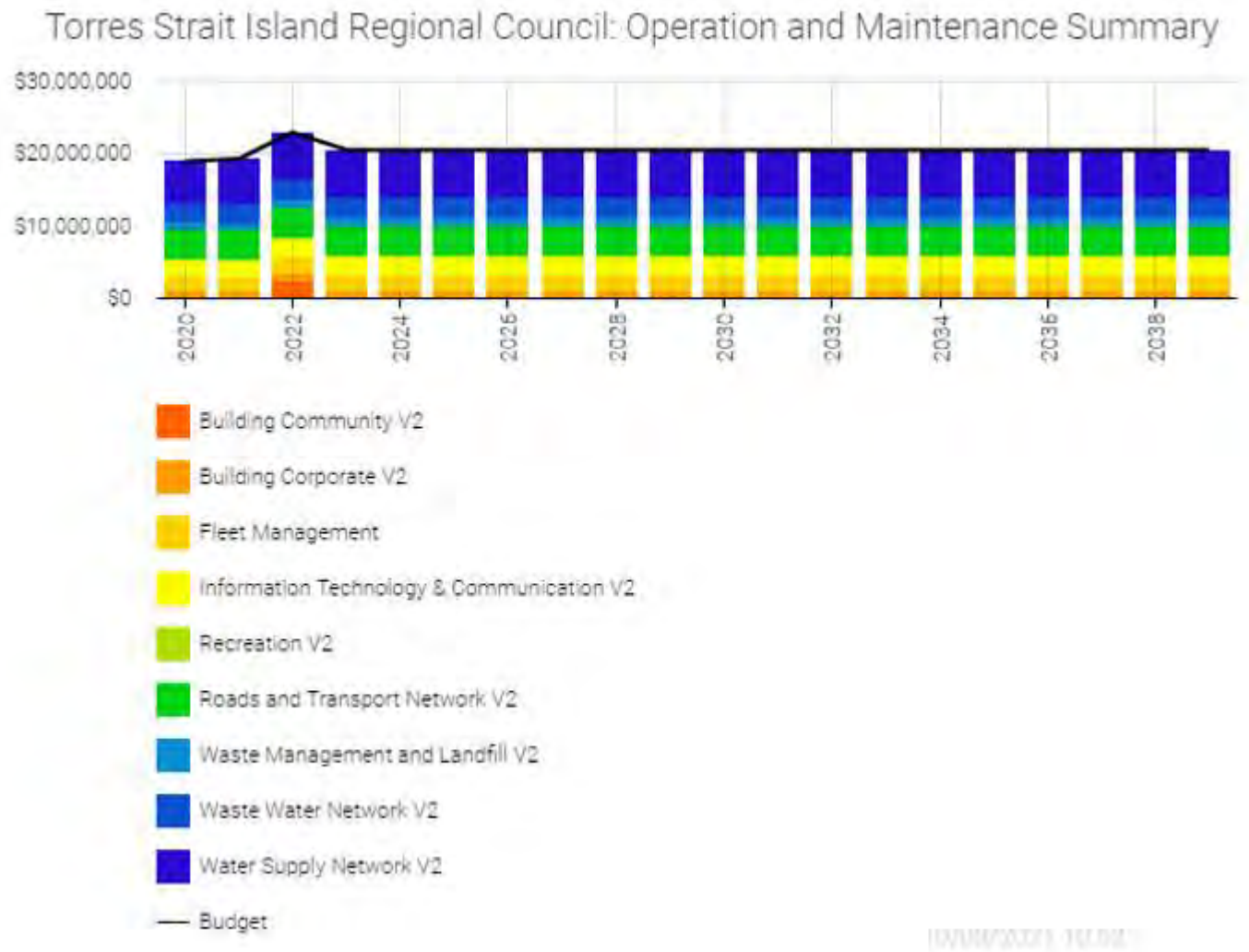
### **6.2 Funding Strategy**

The funding strategy to provide the services covered by this strategic asset management plan and supporting asset management plans is contained within the organisation's financial strategy and 10-year long term financial plan.

### **6.3 Expenditure Forecasts**

#### **Operation and Maintenance Expenditure Projections**

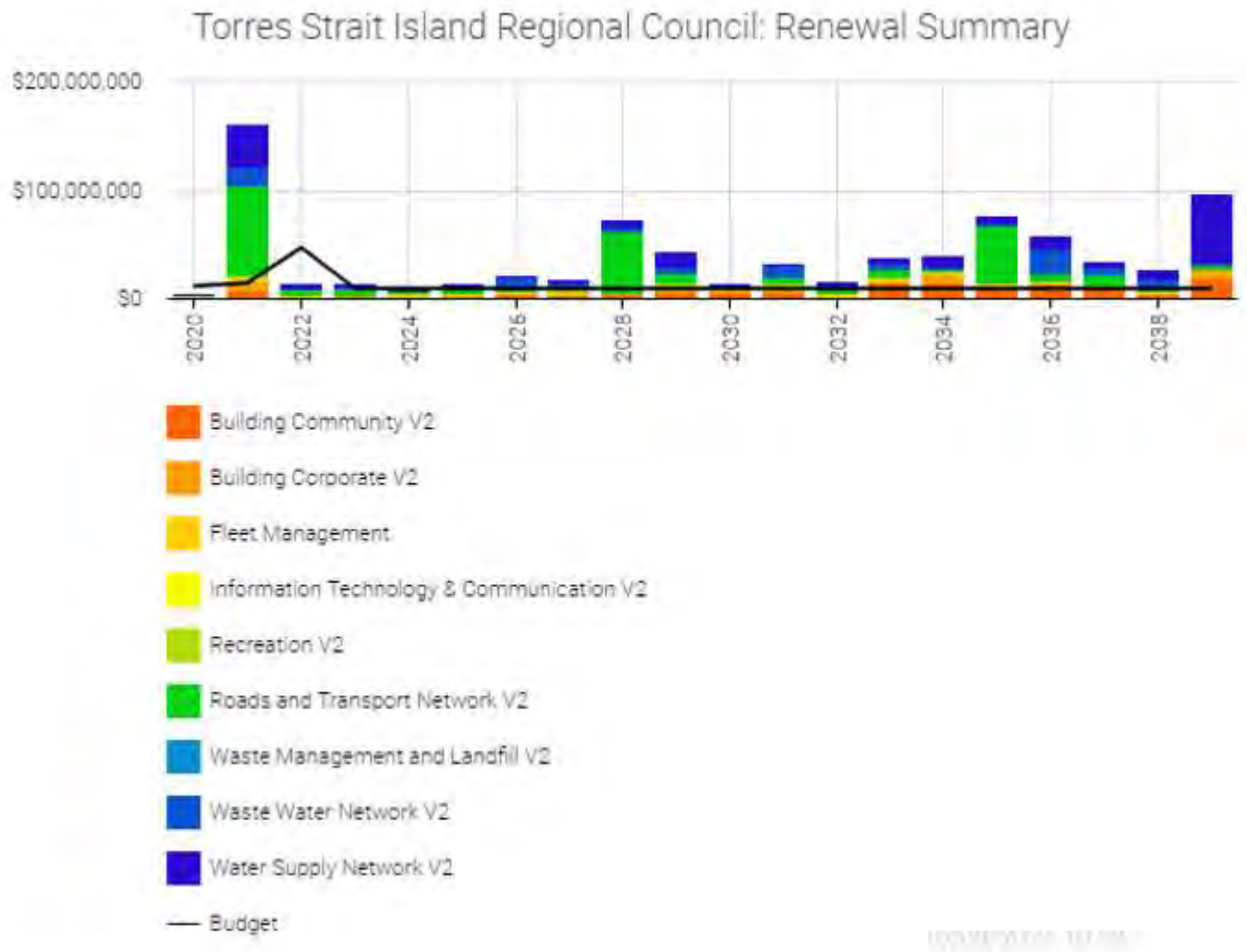
Future operation and maintenance expenditure is forecast to trend in line with the value of the asset stock as shown in Figure 7. This forecast expenditure need has not been accommodated in the organisation's long-term financial plan. Note that all costs are shown in current dollar values (i.e. real values).



**Figure 7: Operation and Maintenance Expenditure Projections**

#### Capital Renewal Expenditure Projections

Forecast future renewal and replacement expenditures are forecast to increase over time as the asset stock ages. This forecast expenditure need has not been accommodated in the Torres Strait Island Regional Council's long-term financial plan as shown in Figure 8. Note that all amounts are shown in real values.

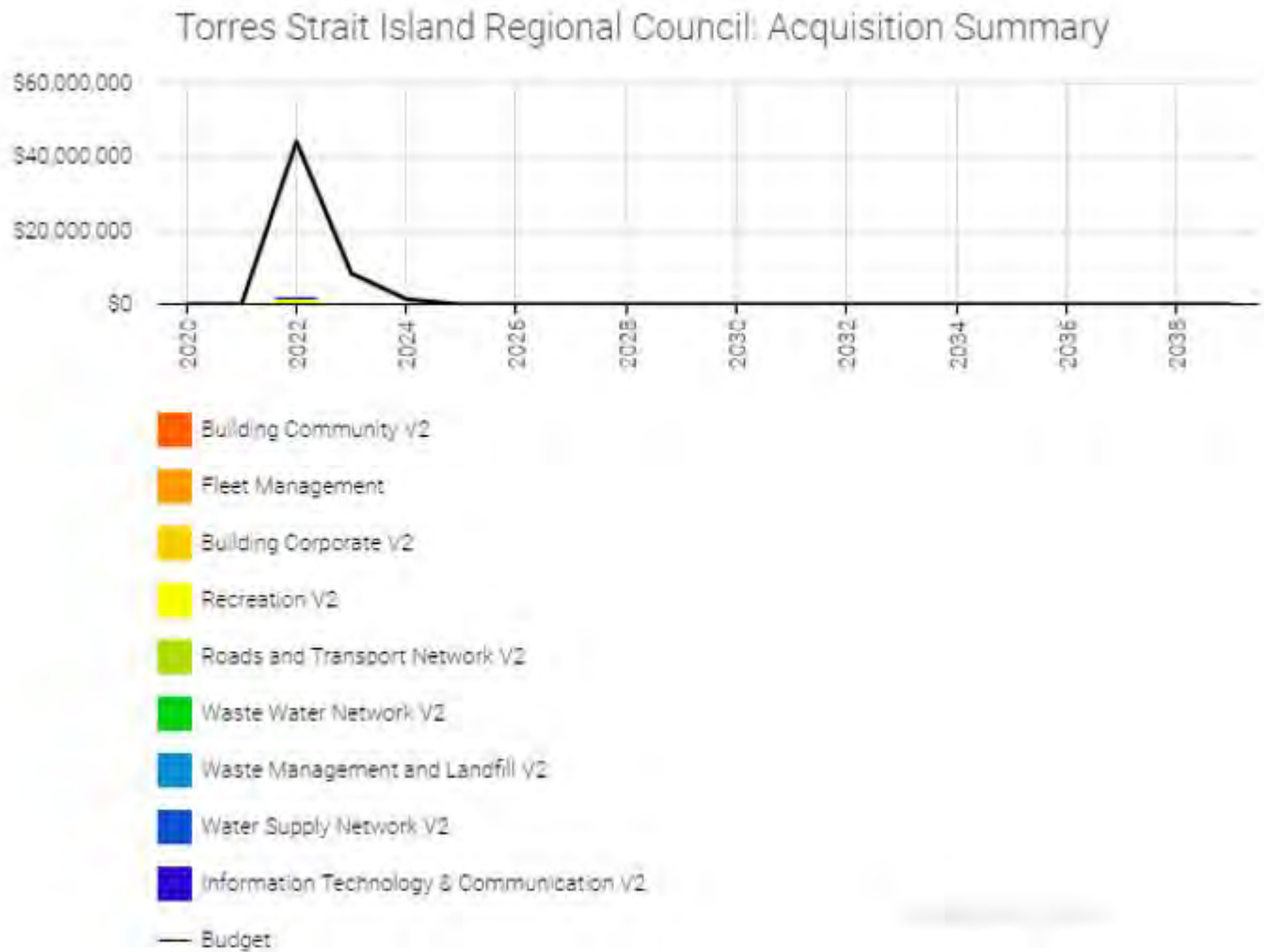


**Figure 8: Renewal Lifecycle Forecast Expenditure**

Where renewal projections take into account asset register estimates of asset useful lives, the useful lives are documented in the relevant asset management plan(s).

#### Capital New/Upgrade Projections

Acquisition lifecycle forecast expenditures and estimated long-term financial plan outlays are summarised in Figure 9. All amounts are shown in real values.

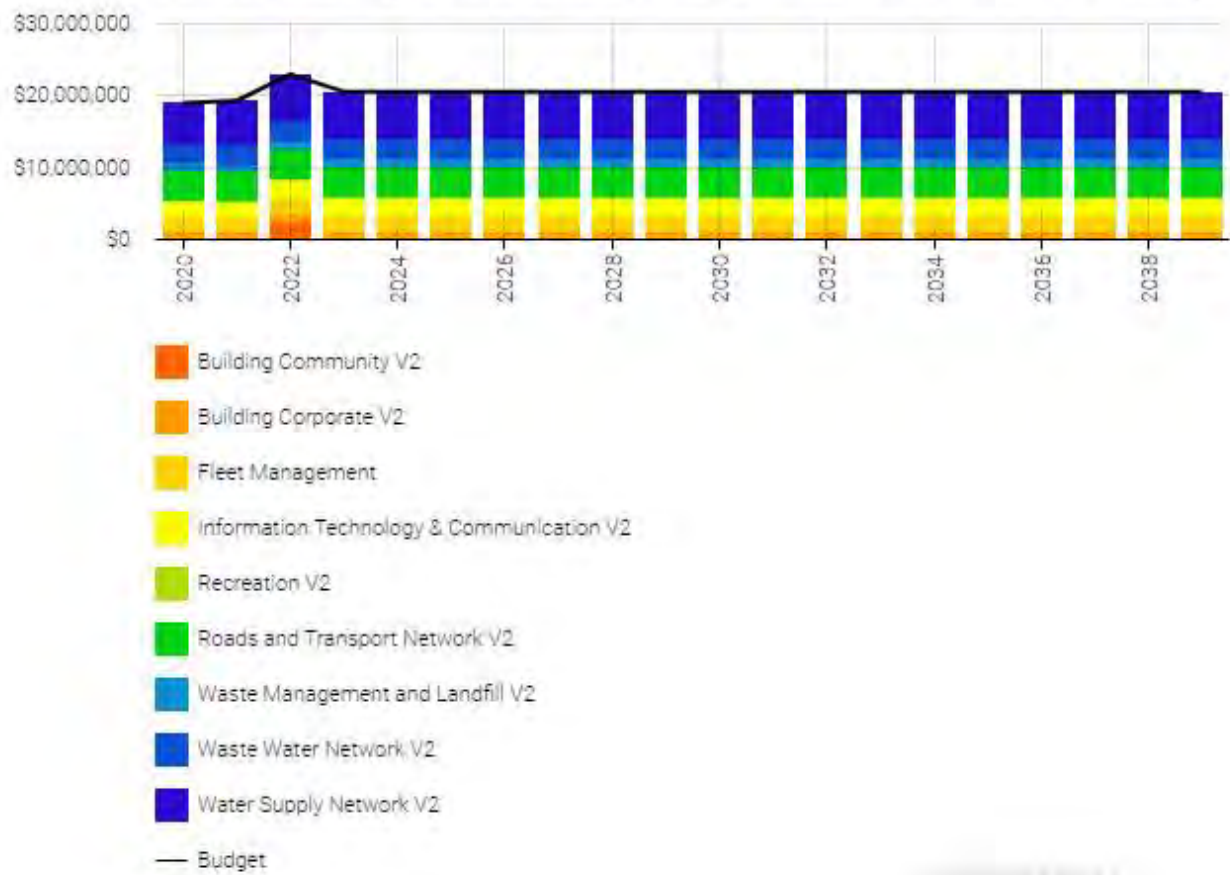


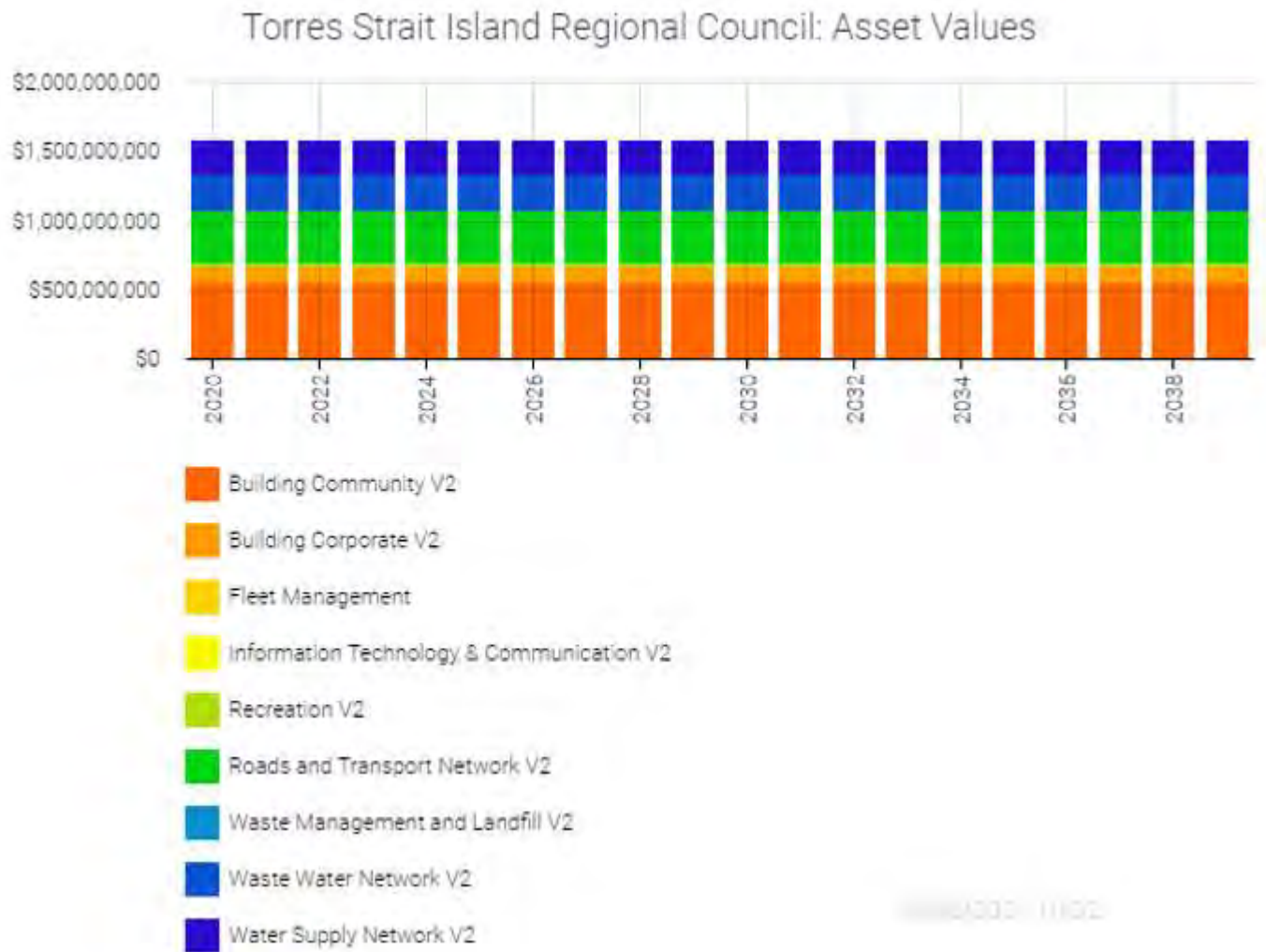
**Figure 9: Acquisition Lifecycle Forecast Expenditure**

**Expenditure Projections linked to Long-Term Financial Plan**

Figure 10 shows the lifecycle forecast acquisition, operation, maintenance, renewal expenditure and these amounts have not been accommodated in outlays shown in the long-term financial plan. Some activities and/or projects have been deferred to the 3 years beyond the 10-year financial planning period to allow further consideration of service level needs and financing options.

## Torres Strait Island Regional Council: Operation and Maintenance Summary





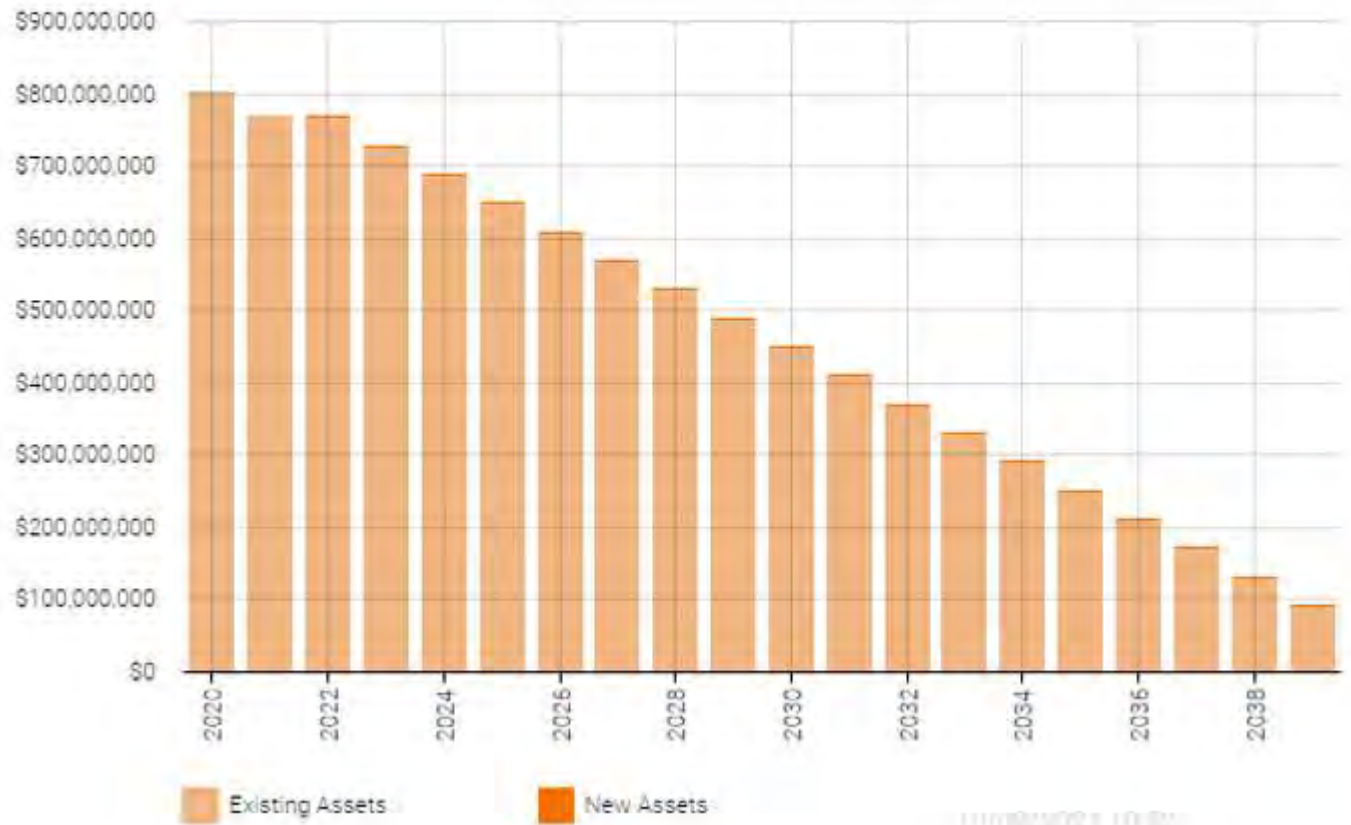
**Figure 10: Balanced Position Lifecycle Forecast**

The purpose of this strategic asset management plan is to develop the strategies to achieve the asset management objectives through balancing of asset service performance, cost and risk.



# Torres Strait Island Regional Council: Depreciated Replacement Cost

Building Community V2,Fleet Management,Information Technology & Communication V2,Recreation V2,Roads and Transport Network V2,Waste Management and Landfill V2,Waste Water Network V2,Water Supply Network V2



## 7. CONCLUSION

The strategic asset management plan has a life of 4 years (Council/Board election cycle) and is due for complete revision and updating within 12 Months of each Council election.

The Manager Financial Accounting and Assets is responsible for ongoing maintenance and review of the SAMP. Top management will review the AM System including this SAMP at planned intervals to ensure its continuing suitability, adequacy and effectiveness. A report on the AMS and SAMP review outcomes will be presented to and considered by the Torres Strait Regional Council (Elected Council).

The effectiveness of the strategic asset management plan can be measured in the following ways:

- The degree to which the required forecast expenditures identified in this strategic asset management plan are incorporated into the Council's long term financial plan
- The degree to which 1–5-year detailed works programs, budgets, business plans and organisational structures take into account the 'global' works program trends provided by the summarised asset management plans
- The degree to which the existing and projected service levels and service consequences (for what we cannot do), risks and residual risks are incorporated into the organisation's Strategic Plan and associated plans
- **The Asset Renewal Funding Ratio achieving the target of 90 - 100%.**

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Strategic Asset Management Plan 2021-2023

2020 Annual Report

Corporate Plan 2020-2025

Operational Plan 2020/21

Deputations 2020





# **ASSET MANAGEMENT PLAN**

Torres Strait Island Regional Council  
Building Community

Document Control		Asset Management Plan			
Document ID : ECM (Record #)					
Rev No	Date	Revision Details	Author	Reviewer	Approver
V1.0	August 2021	Revision to new template Adopted by Council August 2021 Workshop with Asset Class Managers undertaken July 2021	Kamuel Gibuma Peter Jacques Tony Wynen Norman Griffett	JLL	Harrison Sabatino Asset Class Manager

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## **1.0 EXECUTIVE SUMMARY**

### **1.1 The Purpose of the Plan**

This Asset Management Plan (AM Plan) details information about infrastructure assets with actions required to provide an agreed level of service in the most cost-effective manner while outlining associated risks. The plan defines the services to be provided, how the services are provided and what funds are required to provide over the 20 year planning period. The AM Plan will link to a Long-Term Financial Plan which typically considers a 10-year planning period.

### **1.2 Asset Description**

This plan covers the infrastructure assets that provide Community Housing Services.

The Building Community network comprises:

- Social Housing.

The above infrastructure assets have a replacement value estimated at 30 June 2020 of \$558,025,100 with the inclusion of the 2021 desktop valuation the estimated replacement value indexation as of 30 June 2021 of 4% which equates to approximately \$580,346,104.

### **1.3 Levels of Service**

The allocation in the planned budget is insufficient to continue provide existing services at current levels for the planning period.

The main service consequences of the Planned Budget are:

- Loss of Council Services to the Community.
- Potential shutdown of Council Defined Assets.

### **1.4 Future Demand**

The factors influencing future demand and the impacts they have on service delivery are created by:

- Population, Community preference and aspirations, Demographics & Grant Funding as listed in table 4.3.

These demands will be approached using a combination of managing existing assets, upgrading existing assets and providing new assets to meet demand. Demand management practices may also include a combination of non-asset solutions, insuring against risks and managing failures.

- Asset Management Group (AMG) formed reporting to executive level to provide organisational understanding of the assets Whole Of Life, and how this can be influenced and managed responsibly.
- Further educate Asset Class managers and staff on planning principles and understanding of their responsibilities to manage and maintain asset service levels. This will be in the form of training and will be conducted early in the 2021 by an external provider and the Asset Management team.
- Reduce funding being directed to projects not providing core service level outcomes to communities.
- Sustainability Matrix: A prioritisation tool developed to assist in the assessment of capital project submissions and their priority for funding against the pillars of the corporate plan.
- Maintaining existing assets to achieve the maximum useful life possible.
- Upgrading or renewal providing new assets as per demand.

### **1.5 Lifecycle Management Plan**

#### **1.5.1 What does it Cost?**

The forecast lifecycle costs necessary to provide the services covered by this AM Plan includes operation, maintenance, renewal, acquisition, and disposal of assets. Although the AM Plan may be prepared for a range



of time periods, it typically informs a Long-Term Financial Planning period of 10 years. Therefore, a summary output from the AM Plan is the forecast of 10 year total outlays, which for the Building Community is estimated as \$31,953,000 or \$3,159,300 on average per year.

## 1.6 Financial Summary

### 1.6.1 What we will do

Estimated available funding for the 10 year period is \$93,380,000 or \$9,380,000 on average per year as per the Long-Term Financial plan or Planned Budget. This is 296.9% of the cost to sustain the current level of service at the lowest lifecycle cost.

The infrastructure reality is that only what is funded in the long-term financial plan can be provided. The Informed decision making depends on the AM Plan emphasising the consequences of Planned Budgets on the service levels provided and risks.

The anticipated Planned Budget for Building Community results in a differential of \$6,220,700 on average per year of the forecast lifecycle costs required to provide services in the AM Plan compared with the Planned Budget currently included in the Long-Term Financial Plan. This is shown in the figure below.

Council on receipt of these documents and review needs to commence strategic planning to interface with the corporate and operational plans to resolve funding anomalies detailed above.

**Forecast Lifecycle Costs and Planned Budgets**

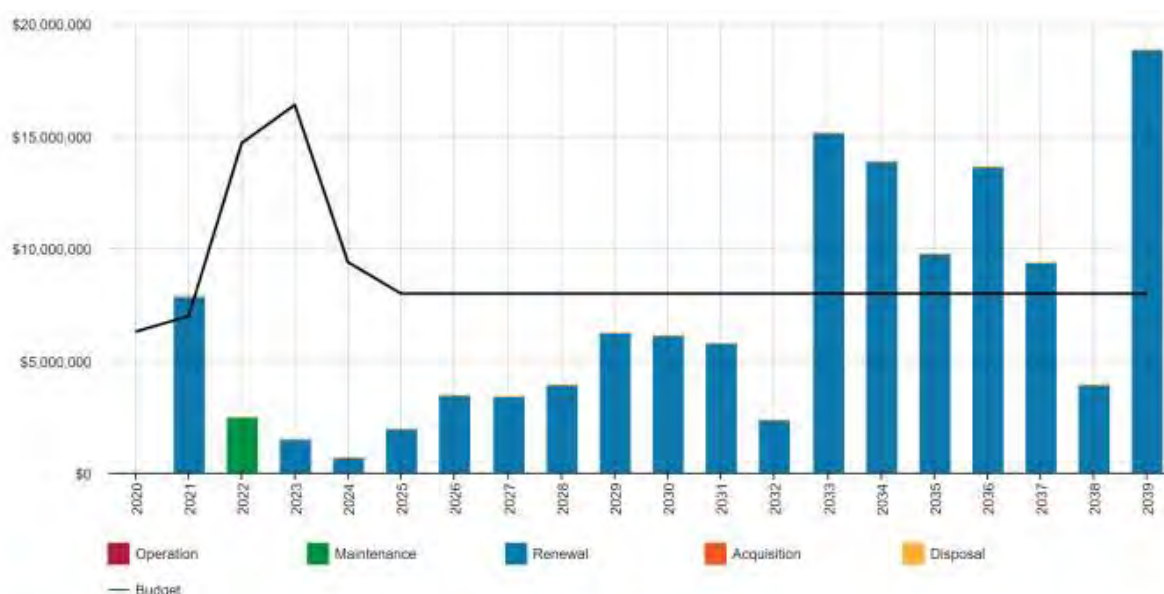


Figure Values are in current dollars.

The following describes the breakdown of values above:

- **Acquisition** – the activities to provide a higher level of service (e.g., widening a road, sealing an unsealed road, replacing a pipeline with a larger size) or a new service that did not exist previously (e.g., a new library).
- **Operation** – the regular activities to provide services (e.g., opening hours, cleansing, 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., road patching, unsealed road grading, building and structure repairs),

- **Renewal** – the activities that return the service capability of an asset up to that which it had originally provided (e.g., road resurfacing and pavement reconstruction, pipeline replacement and building component replacement),
- **Disposal** – Disposal includes any activity associated with the disposal of a decommissioned asset including sale, demolition, or relocation.

We plan to provide Building Community Services for the following:

- Operation, maintenance, renewal, and acquisition of Housing Assets to meet service levels set by TSIRC in annual budgets.
- \$2,500,000 has recently been approved for TSIRC to manage maintenance and \$14,000,000 for new additions. The details for these are currently being defined within the 10-year planning period.

### 1.6.2 What we cannot do

We currently not responsible and do **not** allocate enough budget to sustain these services at the proposed standard or to provide all new services being sought. Works and services that cannot be provided under present funding levels are:

- Unfunded new constructions
- Unfunded renewals and/or refurbishments
- Unfunded maintenance and repairs
- Scheduling Issues

### 1.6.3 Managing the Risks

Our present donated budget levels are insufficient to continue to manage risks in the medium term.

The main risk consequences are:

- Stakeholder misalignment (PBC & Native Title)
- Litigation for legacy claims
- Operational health and safety risks
- Climate change
- Logistics failure
- Funding reduction or withdrawal
- Low collection rates of rental revenue
- Community and technical levels of service not being achieved
- Increase risk of injury to users of housing assets.

We will endeavour to manage these risks within available funding by:

- Prioritising first right of refusal works in line with Department of Housing Directive.
- Use of additional funding based on priority risk assessment.

Continue to establish greater commitment from external stakeholders.

## 1.7 Asset Management Planning Practices

Key assumptions made in this AM Plan are:

- Projections based on historical trends as no strategic forward planning is provided by Department of Housing (QBuild managed works)
- Current Asset register utilised as a source of truth and useful life data used for replacement.

- Long term custodians are assumed at the time of this AMP

Assets requiring renewal are identified from either the asset register based on their useful life. Current work programs are defined by external stakeholders.

- The timing of capital renewals based on the asset register is applied by adding the useful life to the year of acquisition or year of last renewal,

The Asset Register was used to forecast the renewal lifecycle costs for this AM Plan.

This AM Plan is based on the maturity of supporting data, a Low level of confidence information is assumed.

## **1.8 Monitoring and Improvement Program**

The next steps resulting from this AM Plan to improve asset management practices are:

- TSIRC Tenant Management reviews to assess condition
- TSIRC Driven Inspection in-between valuations.
- Tenant health reporting through external stakeholders
- Continuing advocacy for new housing construction & design–Betterment of Building materials for suitability
- Dilapidation reporting

## **2.0 Introduction**

### **2.1 Background**

This AM Plan communicates the requirements for the sustainable delivery of services through management of assets, compliance with regulatory requirements, and required funding to provide the appropriate levels of service over the planning period.

The AM Plan is to be read with the Torres Strait Island Regional Council planning documents. This should include the Asset Management Policy and Asset Management Strategy, where developed, along with other key planning documents:

- Corporate Plan 2020-2025
- Operational Plan 2020/2021
- Annual Report 2020
- Capital Sustainability Matrix (Tool used to identify Capital criteria)
- Annual Budget
- Deputations 2020
- Tenancy & ancillary Agreement

The infrastructure assets covered by this AM Plan include Community Housing Assets. For a detailed summary of the assets covered in this AM Plan refer to Table in Section 5. and the supporting NAMS+ model used to collate and assess the relevant data.

These assets are used to provide Community Housing services within the jurisdiction of TSIRC area of responsibility.

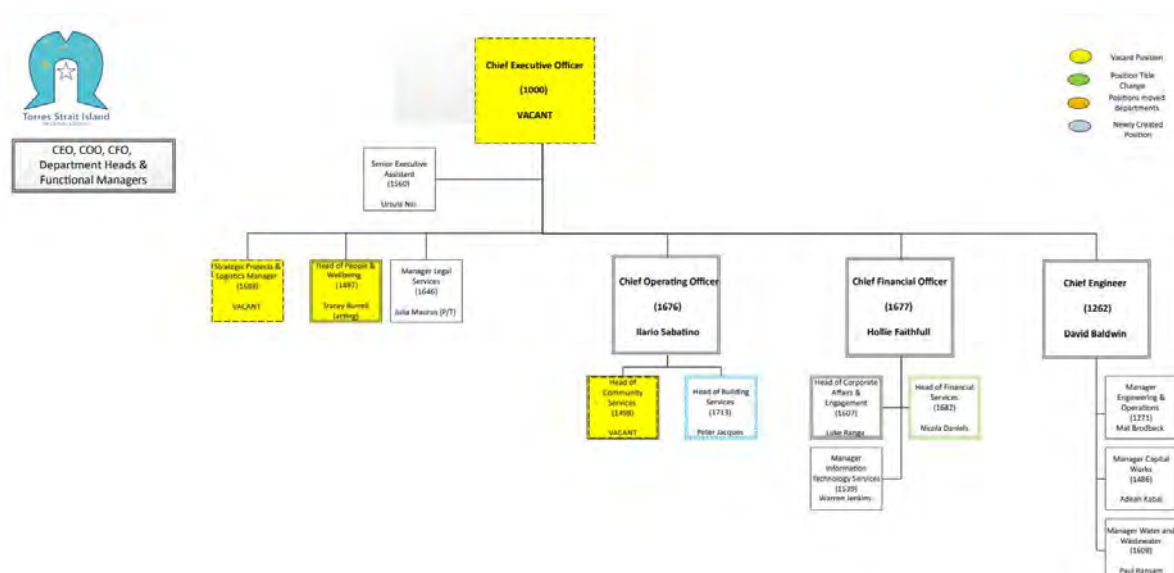
The infrastructure assets included in this plan have an estimated total replacement value of \$558,025,100.

Key stakeholders in the preparation and implementation of this AM Plan are shown in Table 2.1.

**Table 2.1: Key Stakeholders in the AM Plan**

Key Stakeholder	Role in Asset Management Plan
Department of Local Government and Planning & Department of Housing	<ul style="list-style-type: none"> <li>Represent needs of community/shareholders,</li> <li>Allocate resources to meet planning objectives in providing services while managing risks,</li> <li>Ensure service sustainable.</li> </ul>
Department of Resources	Working co-jointly with other key stakeholders to progress home ownership options
Land Trustee	Whether Council or RNTBC, endorse land use in accordance with legislative requirements via Indigenous Land Use Agreement (ILUA) or other prescribed act to address native title
Aboriginal & Torres Strait Islander Housing (Co Partner QBuild)	Partner with government agencies to strategically manage their building, construction, and maintenance activities to ensure their assets and facilities are safe and sustainable.
Elected Council	Endorsement of Final Asset Management Plans
CEO/COO/CFO (executive Group)	Maintaining Sustainable Base Line and executive endorsement of final document.
Housing Officers	Ensures Council Social Housing is being administered in accordance with Councils Social Housing Policies and Procedures.
Asset Class Manager	Buildings Community

Our organisational structure for service delivery from infrastructure assets is detailed below,



## 2.2 Goals and Objectives of Asset Ownership

Our goal for managing infrastructure assets is to meet the defined level of service (as amended from time to time) in the most cost effective manner for present and future consumers. The key elements of infrastructure asset management are:

- Providing a defined level of service and monitoring performance,
- Managing the impact of growth through demand management and infrastructure investment,
- Taking a lifecycle approach to developing cost-effective management strategies for the long-term that meet the defined level of service,
- Identifying, assessing, and appropriately controlling risks, and
- Linking to a Long-Term Financial Plan which identifies required, affordable forecast costs and how it will be allocated.

Key elements of the planning framework are

- Levels of service – specifies the services and levels of service to be provided,
- Risk Management,
- Future demand – how this will impact on future service delivery and how this is to be met,
- Lifecycle management – how to manage its existing and future assets to provide defined levels of service,
- Financial summary – what funds are required to provide the defined services,
- Asset management practices – how we manage provision of the services,
- Monitoring – how the plan will be monitored to ensure objectives are met,
- Asset management improvement plan – how we increase asset management maturity.

Other references to the benefits, fundamentals principles and objectives of asset management are:

- International Infrastructure Management Manual 2015 <sup>1</sup>
- ISO 55000<sup>2</sup>

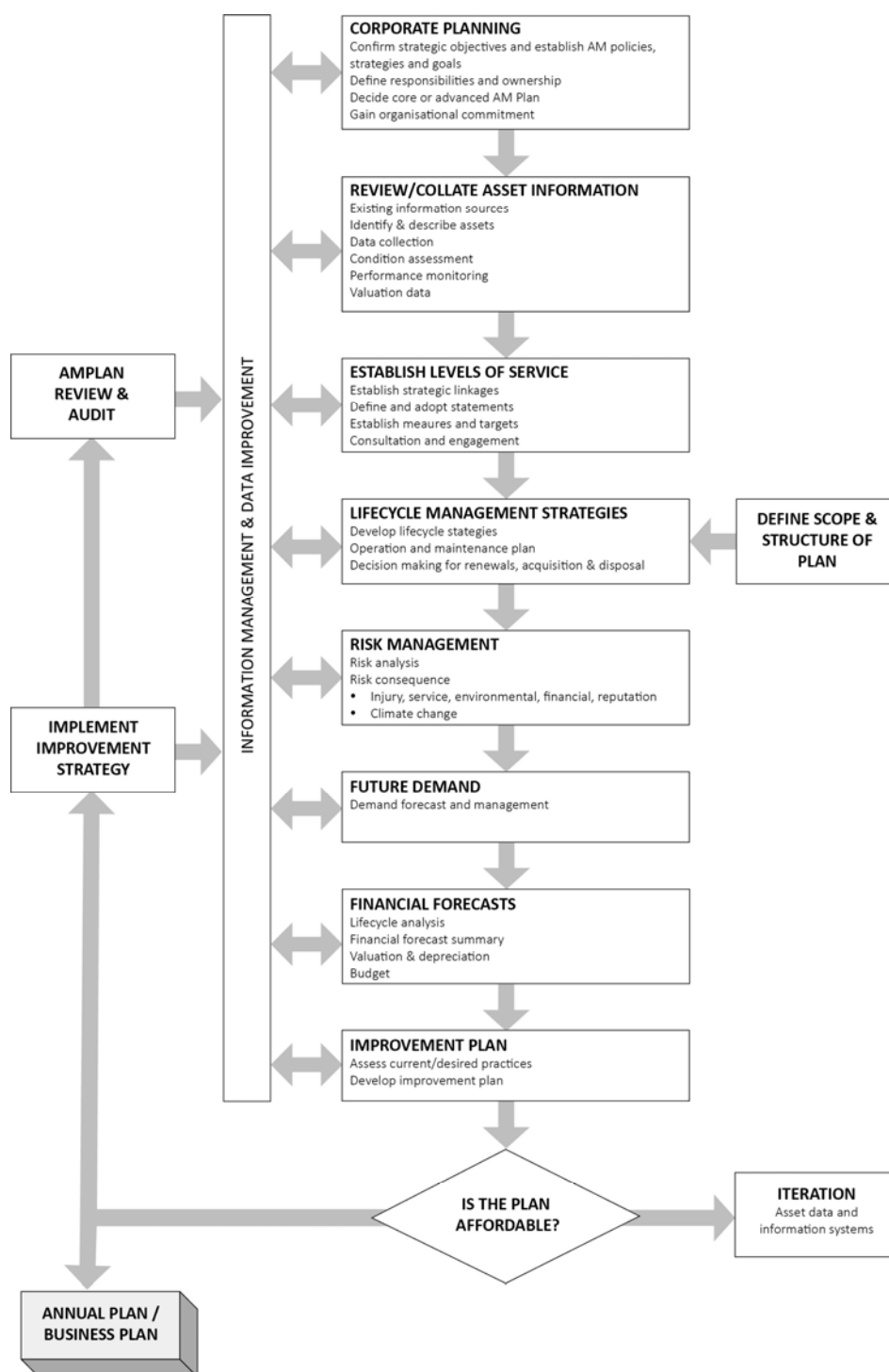
A road map for preparing an AM Plan is shown below.

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<sup>1</sup> Based on IPWEA 2015 IIMM, Sec 2.1.3, p 2 | 13

<sup>2</sup> ISO 55000 Overview, principles, and terminology

Source: IPWEA, 2006, IIMM, Fig 1.5.1, p 1.11



### 3.0 LEVELS OF SERVICE

#### 3.1 Customer Research and Expectations

This AM Plan is prepared to facilitate consultation prior to adoption of levels of service by the TSIRC Councilors. Future revisions of the AM Plan will incorporate customer consultation on service levels and costs of providing the service. This will assist the TSIRC Councilors and stakeholders in matching the level of service required, service risks and consequences with the customer's ability and willingness to pay for the service.

In 2021, Council commissioned a community satisfaction survey which was conducted internally. The survey was administered by multiple means including paper and electronic forms and was available to all within the Torres Strait Islands Regional Council Local Government Area. The survey covered a wide range of functions and services provided by Council. Overall, there were 107 responses which represents approximately 3% of the total population.

**Figure 3.1 summarises the results from our Customer survey (neutral or above) in relation to Buildings Community.**

**Figure 3.1: Customer Satisfaction Survey Levels**



#### 3.2 Community satisfaction information is used in developing the Strategic Plan and in the development of this asset management plan. Strategic and Corporate Goals

This AM Plan is prepared under the direction of the Torres Strait Island Regional Council vision, mission, goals and objectives.

##### **Our vision is:**

For our Communities and Council to be Autonomous, Prosperous and Sustainable.

*For youmpla ples ene Council for meke something youmpla self sor long we can gad fruit them thing we makem e praper ene las long time.*

##### **Our mission is:**

To improve our Communities' livability in all we do.

*For youmpla for strete ples blo youmpla ene weis kaine youmpla stap lor pless youmpla.*

Strategic goals have been set by the Torres Strait Island Regional Council. The relevant goals and objectives and how these are addressed in this AM Plan are summarised in Table 3.2.

**Table 3.2: Goals and how these are addressed in this Plan**

Goal	Objective	How Goal and Objectives are addressed in the AM Plan
Managing the built environment to ensure sustainable management of	Provision of assets to meet the service needs (including growth) of the community in	Development and implementation of strategic asset management plans for all Buildings Community assets.



community infrastructure.	a financially sustainable manner.	
Infrastructure and social services that meet current and future community needs and aspirations.	Monitor social and built infrastructure development to ensure it is in accordance with Council corporate and strategic planning.	Properly functioning Buildings Community assets to provide the platform for the Community to develop an economic and social base.
Asset should be in a condition which allows the prime functions to operate without impedance and in a safe manner.	Monitor service functions to enable Staff to provide priority community needs.	Clarify works required to return capacity, if minor works R&M can restore asset. If capital works are required, plan and include in Capex budget for approval, then action works once approved.

### 3.3 Legislative Requirements

There are many legislative requirements relating to the management of assets. Legislative requirements that impact the delivery of the Community Housing service are outlined in Table 3.3.

**Table 3.3: Legislative Requirements**

Legislation	Requirement
Building Code of Australia	Building Construction & Maintenance
Local Government Act 2009	Overarching Governance
National Construction Code 2019	Technical Provisions for Design & Construction
Building Fire Safety Regulation 2008	Fire Safety Compliance
Public Health Act 2005	Ensure Facilities are safe, and Councils are for filling their obligations.
Building Act 1975. Building Regulation 2006. Building Code of Australia. Electrical Safety Act 2002. Queensland Development Code	Details Building policy, regulation, and technical provisions
WH&S Act 2011	Safety Compliance in the workplace
Local Laws	Safety Compliance in the workplace
Plumbing & Drainage Act 2018	Plumbing Standards
Energy Safety Regulation 2019	Electrical Compliance
Queensland Building & Construction Commission Act 1991	Building Authority

### 3.4 Customer Values

Service levels are defined in three ways, customer values, customer levels of service and technical levels of service.

**Customer Values** indicate:

- what aspects of the service is important to the customer?
- whether they see value in what is currently provided and
- the likely trend over time based on the current budget provision

**Table 3.4: Customer Values**

Service Objective:			
Customer Values	Customer Satisfaction Measure	Current Feedback	Expected Trend Based on Planned Budget
Affordable Housing	Community expectations	Housing too expensive	Will rise
Fully Serviced Houses	Water, Sewerage, and power services provided	Satisfactory	Satisfactory
Blue Phone Response times	Start to finish of jobs	Delays being experienced	Budget held and managed by external stakeholder

### 3.5 Customer Levels of Service

The Customer Levels of Service are considered in terms of:

**Condition**            How good is the service ... what is the condition or quality of the service?

**Function**            Is it suitable for its intended purpose .... Is it the right service?

**Capacity/Use**        Is the service over or under used ... do we need more or less of these assets?

In Table 3.5 under each of the service measures types (Condition, Function, Capacity/Use) there is a summary of the performance measure being used, the current performance, and the expected performance based on the current budget allocation.

These are measures of fact related to the service delivery outcome (e.g. number of occasions when service is not available or proportion of replacement value by condition %'s) to provide a balance in comparison to the customer perception that may be more subjective.

**Table 3.5: Customer Level of Service Measures**

Type of Measure	Level of Service	Performance Measure	Current Performance	Expected Trend Based on Planned Budget
<b>Condition</b>	Affordable Housing	Customer Housing (Provided by DH)	In line with DOH guidelines	Continuing with DOH guidelines
	<b>Confidence levels</b>		Low (Professional Judgement with no data evidence)	Low (Professional Judgement with no data evidence)
<b>Function</b>	Fully Serviced Housing	Measured by DOH	Performance measured by DOH	Trend Monitored by DOH
	<b>Confidence levels</b>		Low (Professional Judgement with no data evidence)	Low (Professional Judgement with no data evidence)
<b>Capacity</b>	Adequate Community Housing	Community Survey on housing levels	Community Survey results show vacant homes	Limited as there is low confidence with data.
	<b>Confidence levels</b>		Low (Professional Judgement with no data evidence)	High/Medium/Low  Low (Professional Judgement with no data evidence)

### 3.6 Technical Levels of Service

**Technical Levels of Service** – To deliver the customer values, and impact the achieved Customer Levels of Service, are operational or technical measures of performance. These technical measures relate to the activities and allocation 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., community housing) or a new service that did not exist previously (e.g., water tanks).
- **Operation** – the regular activities to provide services (e.g., minor repairs).
- **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., kitchen replacement),
- **Renewal** – the activities that return the service capability of an asset up to that which it had originally provided (e.g., road resurfacing and pavement reconstruction, pipeline replacement and building component replacement),

Service and asset managers plan, implement and control technical service levels to influence the service outcomes.<sup>3</sup>

Table 3.6 shows the activities expected to be provided under the current 10 year Planned Budget allocation, and the Forecast activity requirements being recommended in this AM Plan.

<sup>3</sup> IPWEA, 2015, IIMM, p 2|28.

**Table 3.6: Technical Levels of Service**

Lifecycle Activity	Purpose of Activity	Activity Measure	Current Performance*	Recommended Performance **
<b>TECHNICAL LEVELS OF SERVICE</b>				
<b>Acquisition</b>	Supply additional resources based on risk	N/A	N/A	N/A
		<b>Budget</b>	\$14,000,000	\$0
<b>Operation</b>	N/A	N/A	N/A	N/A
		<b>Budget</b>	\$0	\$0
<b>Maintenance</b>	Under control of external stakeholder	N/A	N/A	N/A
		<b>Budget</b>	\$2,500,000	\$0
<b>Renewal</b>	Under control of External Stakeholder	N/A	N/A	N/A
		<b>Budget</b>	\$7,730,000	\$2,909,300
<b>Disposal</b>	Under control of External Stakeholder	N/A	N/A	N/A
		<b>Budget</b>	\$0	\$0

Note: \* Current activities related to Planned Budget.

\*\* Expected performance related to forecast lifecycle costs.

It is important to monitor the service levels regularly as circumstances can and do change. Current performance is based on existing resource provision and work efficiencies. It is acknowledged changing circumstances such as technology and customer priorities will change over time.

## 4.0 FUTURE DEMAND

### 4.1 Demand Drivers

Drivers affecting demand include things such as population change, regulations, changes in demographics, seasonal factors, vehicle ownership rates, consumer preferences and expectations, technological changes, economic factors, agricultural practices, environmental awareness, etc.

### 4.2 Demand Forecasts

The present position and projections for demand drivers that may impact future service delivery and use of assets have been identified and documented.

### 4.3 Demand Impact and Demand Management Plan

The impact of demand drivers that may affect future service delivery and use of assets are shown in Table 4.3.

Demand for new services will be managed through a combination of managing existing assets, upgrading of 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 shown in Table 4.3. Further opportunities will be developed in future revisions of this AM Plan.

**Table 4.3: Demand Management Plan**

Demand driver	Current position	Projection	Impact on services	Demand Management Plan
Population	7,403 (2016 Census)	8,416 (2031)	Increased pressure on central services. Need for additional council staff resources.	Review and plan for appropriate upgrades to facilities as the utilisation levels reach upper levels of utilisation.
Demographics	25.5% under the age of 10, 35% between the ages of 10 and 30, 31.3% between the ages of 30 and 60 and 8.2% over the age of 60	No projection data is available	Changing community requirements for the building's assets including increased needs for access.	Review and plan for appropriate upgrades to align with accessibility needs of changing community demographic profile.

## Indigenous regions, projected increase and rate of growth (series B), 2016 to 2031, at 30 June

Indigenous region	2016	2031	Projected growth 2016 to 2031	
	— persons —		no.	%
Brisbane	84,454	126,482	42,028	49.8
Cairns–Atherton	30,050	39,064	9,014	30.0
Cape York	10,579	13,469	2,890	27.3
Mount Isa	9,003	9,253	250	2.8
Rockhampton	26,941	35,528	8,587	31.9
Toowoomba–Roma	21,350	27,648	6,298	29.5
Torres Strait	7,403	8,156	753	10.2
Townsville–Mackay	31,496	44,795	13,299	42.2
<b>Queensland</b>	<b>221,276</b>	<b>304,395</b>	<b>83,119</b>	<b>37.6</b>
<b>Australia</b>	<b>798,365</b>	<b>1,071,871</b>	<b>273,506</b>	<b>34.3</b>

### 4.4 Asset Programs to meet Demand

The new assets required to meet demand may be acquired, donated or constructed. Additional assets are discussed in Section 5.4.

Acquiring new assets will commit the Torres Strait Island Regional Council to ongoing operations, maintenance and renewal costs for the period that the service provided from the assets is required. These future costs are identified and considered in developing forecasts of future operations, maintenance and renewal costs for inclusion in the long-term financial plan (Refer to Section 5).

### 4.5 Climate Change Adaptation

The impacts of climate change may have a significant impact on the assets we manage and the services they provide. In the context of the Asset Management Planning process climate change can be considered as both a future demand and a risk.

How climate change impacts on assets will vary depending on the location and the type of services provided, as will the way in which we respond and manage those impacts.<sup>4</sup>

As a minimum we consider how to manage our existing assets given potential climate change impacts for our region.

<sup>4</sup> IPWEA Practice Note 12.1 Climate Change Impacts on the Useful Life of Infrastructure

Risk and opportunities identified to date are shown in Table 4.5.1

**Table 4.5.1 Managing the Impact of Climate Change on Assets and Services**

Climate Change Description	Projected Change	Potential Impact on Assets and Services	Management
Rising air and sea temperatures	Increased storm activity and/or severity	Higher levels of damage and corrosion to building structures	Introducing corrosion resistant applications, and positioning buildings to protect against inundation

Additionally, the way in which we construct new assets should recognise that there is opportunity to build in resilience to climate change impacts. Building resilience can have the following benefits:

- Assets will withstand the impacts of climate change and will reduce renewal costs.
- Services can be sustained; and
- Assets that can endure may potentially lower the lifecycle cost and reduce their carbon footprint

Table 4.5.2 summarises some asset climate change resilience opportunities.

**Table 4.5.2 Building Asset Resilience to Climate Change**

New Asset Description	Climate Change impact These assets?	Build Resilience in New Works
N/A	N/A	N/A

The impact of climate change on assets is a new and complex discussion and further opportunities will be developed in future revisions of this AM Plan.

## 5.0 LIFECYCLE MANAGEMENT PLAN

The lifecycle management plan details how the Torres Strait Island Regional Council plans to manage and operate the assets at the agreed levels of service (Refer to Section 3) while managing life cycle costs.

### 5.1 Background Data

#### 5.1.1 Physical parameters

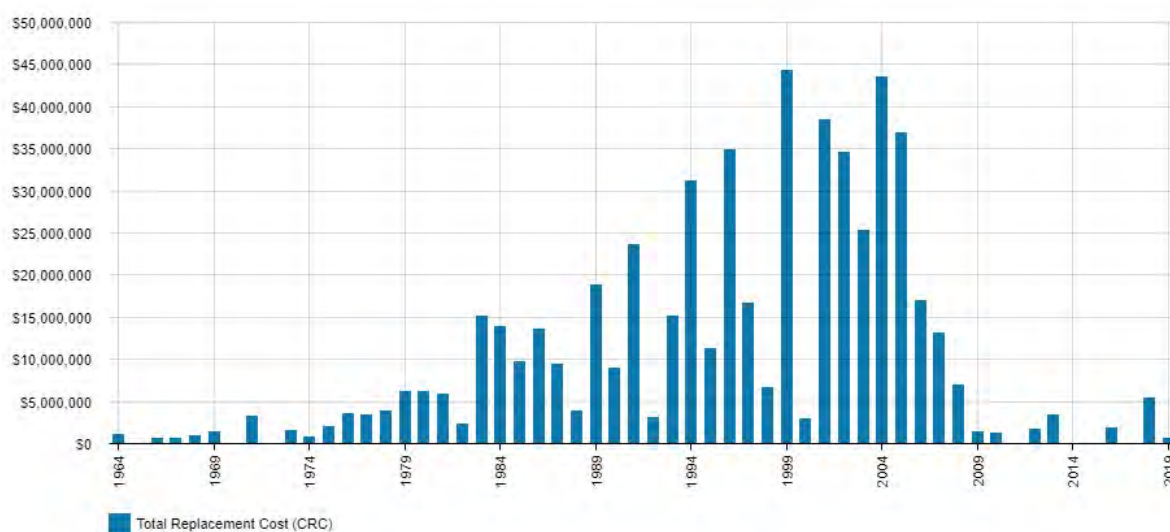
The assets covered by this AM Plan are shown in Table 5.1.1.

The Building Community Assets comprises of social housing with a replacement values estimated at 30 June 2020 of \$558,025,100.

The age profile of the assets included in this AM Plan are shown in Figure 5.1.1.

**Table 5.1.1: Assets covered by this Plan**

Asset Category	Number of Assets	Replacement Value \$
Social Housing	829	558,025,100
<b>TOTAL</b>		<b>\$558,025,100</b>



All figure values are shown in current day dollars.

Building Community assets have been originally consolidated from various documents when TSIRC amalgamation occurred. These assets are currently managed by TSIRC but are primarily managed by an external stakeholder in relation to maintenance and replacement.

#### 5.1.2 Asset capacity and performance

Assets are generally provided to meet design standards where these are available. However, there is insufficient resources to address all known deficiencies. Locations where deficiencies in service performance are known are detailed in Table 5.1.2.



**Table 5.1.2: Known Service Performance Deficiencies**

Location	Service Deficiency
Various	Asbestos materials in older dwellings
Various	No seals on wet areas (Bathroom, Laundry) in earlier constructions.
Various	Floor coverings
Various	Overcrowding of housing in many dwellings
Various	DDA Compliance
Various	Electrical Systems age of wiring
Hammond, Ugar & Dauan	Septic system type and maintenance

The above service deficiencies were identified in consultation with TSIRC BSU, housing team and QBuild stakeholders.

### 5.1.3 Asset condition

Condition is currently monitored both by the Community housing arrangements and through annual program whereby all assets are reviewed over a three year period and the status is updated into the asset register

Condition is measured using a 1 – 5 grading system<sup>5</sup> as detailed in Table 5.1.3. It is important that a consistent approach is used in reporting asset performance enabling effective decision support. A finer grading system may be used at a more specific level, however, for reporting in the AM plan results are translated to a 1 – 5 grading scale for ease of communication.

**Table 5.1.3: Condition Grading System**

Condition Grading	Description of Condition
1	<b>Very Good:</b> free of defects, only planned and/or routine maintenance required
2	<b>Good:</b> minor defects, increasing maintenance required plus planned maintenance
3	<b>Fair:</b> defects requiring regular and/or significant maintenance to reinstate service
4	<b>Poor:</b> significant defects, higher order cost intervention likely
5	<b>Very Poor:</b> physically unsound and/or beyond rehabilitation, immediate action required

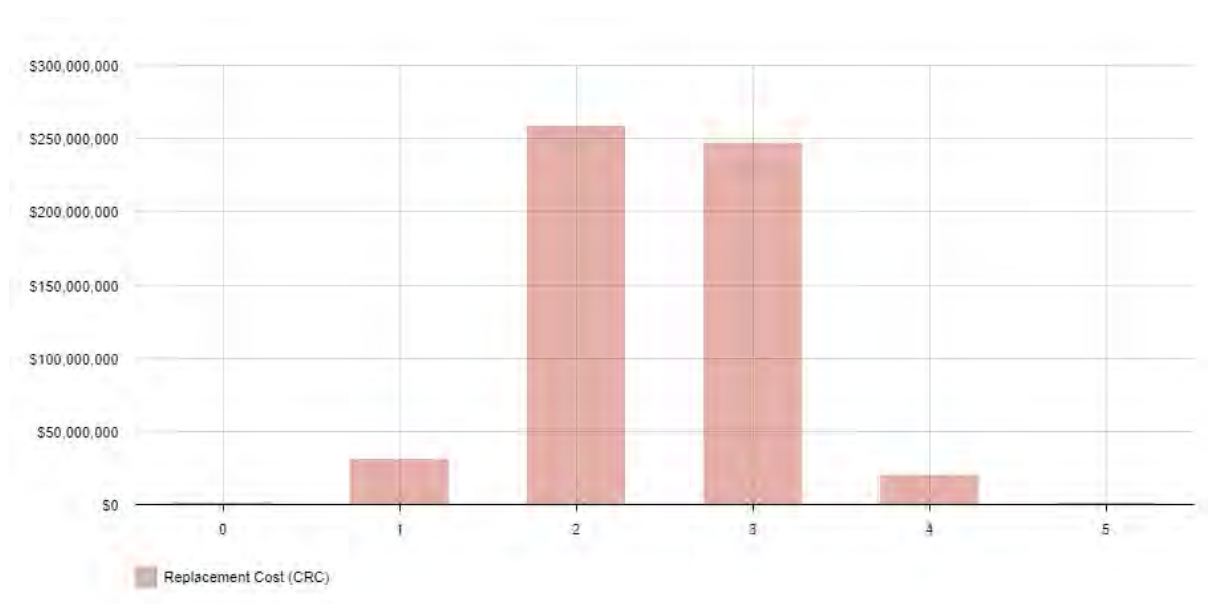
The condition profile of our assets is shown in Figure 5.1.3.

**Figure 5.1.3: Asset Condition Profile**

Asset condition is assessed on a rating scale of 0 – 5 and provides an understanding and measure of the remaining life of an asset for financial reporting and future renewal/ replacement planning. The system used by TSIRC is listed below.

All figure values are shown in current day dollars.

<sup>5</sup> IPWEA, 2015, IIMM, Sec 2.5.4, p 2|80.



## 5.2 Operations and Maintenance Plan

Operations include regular activities to provide services. Examples of typical operational activities include cleaning, street sweeping, 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 pipe repairs, asphalt patching, and equipment repairs.

The trend in maintenance budgets are shown in Table 5.2.1.

**Table 5.2.1: Maintenance Budget Trends**

Year	Maintenance Budget \$
2020	N/A
2021	N/A
2022	2,500,000

Maintenance budget levels are considered to be inadequate to meet projected service levels, which may be less than or equal to current service levels. Where maintenance budget allocations are such that they will result in a lesser level of service, the service consequences and service risks have been identified and are highlighted in this AM Plan and service risks considered in the Infrastructure Risk Management Plan.

Assessment and priority of reactive maintenance is undertaken by staff using experience and judgement.

### Asset hierarchy

An asset hierarchy provides a framework for structuring data in an information system to assist in collection of data, reporting information and making decisions. The hierarchy includes the asset class and component used for asset planning and financial reporting and service level hierarchy used for service planning and delivery.

The service hierarchy is shown in Table 5.2.2.

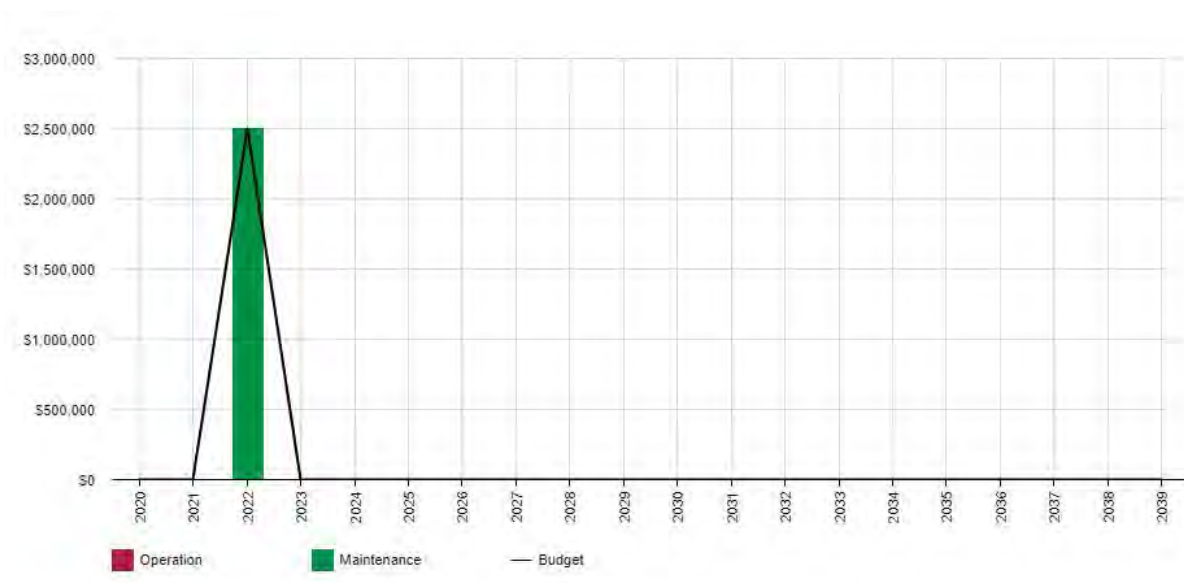
**Table 5.2.2: Asset Service Hierarchy**

Service Hierarchy	Service Level Objective
N/A for this class managed by a 3 <sup>rd</sup> party	N/A for this class managed by a 3 <sup>rd</sup> party

### Summary of forecast operations and maintenance costs

Forecast operations and maintenance costs are expected to vary in relation to the total value of the asset stock. If additional assets are acquired, the future operations and maintenance costs are forecast to increase. If assets are disposed of the forecast operation and maintenance costs are expected to decrease. Figure 5.2 shows the forecast operations and maintenance costs relative to the proposed operations and maintenance Planned Budget.

**Figure 5.2: Operations and Maintenance Summary**



All figure values are shown in current day dollars.

Forecast operations and maintenance costs compared to the proposed operations and maintenance budgetary all controlled by external stakeholders except for some recent short-term funding now available for the next twelve months.

Deferred maintenance (i.e. works that are identified for maintenance activities but unable to be completed due to available resources) are normally included in the infrastructure risk management plan.

## 5.3 Renewal Plan

Renewal is major capital work which does 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 Asset Register 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).

The typical useful lives of assets used to develop projected asset renewal forecasts are shown in Table 5.3. Asset useful lives were last reviewed as part of the 2020 valuation.

**Table 5.3: Useful Lives of Assets**

Asset (Sub)Category	Useful Life in Years
Social Housing	5-77 Years

The estimates for renewals in this AM Plan were based on the asset register Data available.

### 5.3.1 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., Functional Housing), or
- To ensure the infrastructure is of sufficient quality to meet the service requirements (e.g., condition of a playground).<sup>6</sup>

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

- Have a high consequence of failure,
- Have high use and subsequent impact on users would be significant,
- Have higher than expected operational or maintenance costs, and
- Have potential to reduce life cycle costs by replacement with a modern equivalent asset that would provide the equivalent service.<sup>7</sup>

The ranking criteria used to determine priority of identified renewal proposals is detailed in Table 5.3.1.

**Table 5.3.1: Renewal Priority Ranking Criteria**

Criteria	Weighting
N/A	N/A
Total	N/A

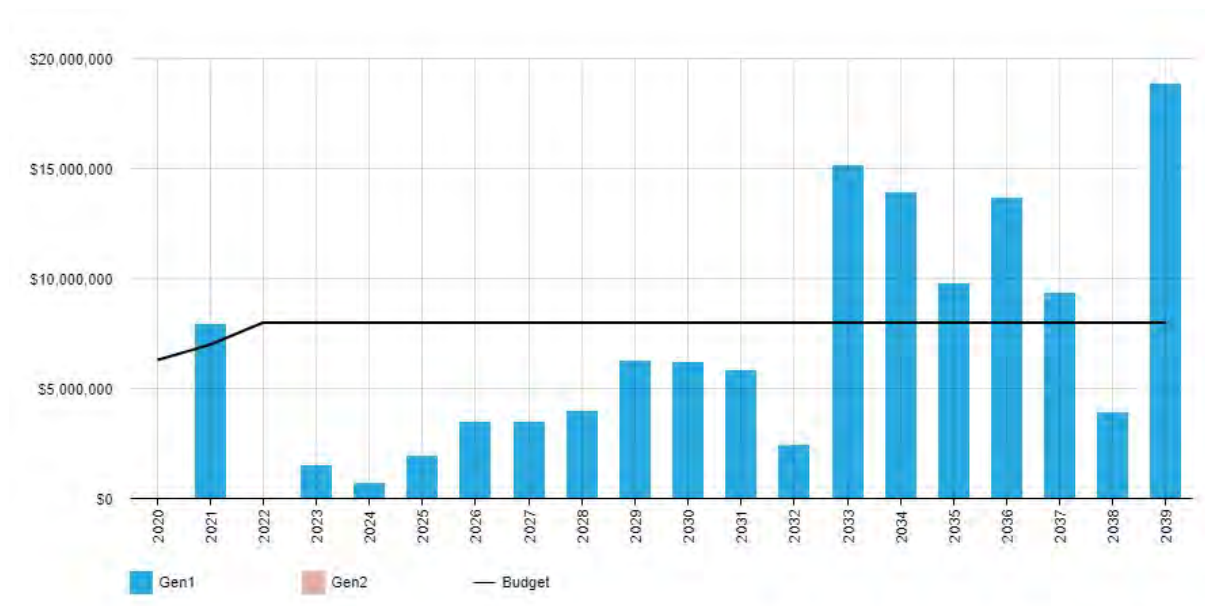
## 5.4 Summary of future renewal costs

Forecast renewal costs are projected to increase over time if the asset stock increases. The forecast costs associated with renewals are shown relative to the proposed renewal budget in Figure 5.4.1. A detailed summary of the forecast renewal costs is shown in Appendix D.

<sup>6</sup> IPWEA, 2015, IIMM, Sec 3.4.4, p 3|91.

<sup>7</sup> Based on IPWEA, 2015, IIMM, Sec 3.4.5, p 3|97.

**Figure 5.4.1: Forecast Renewal Costs**



All figure values are shown in current day dollars.

The renewal costs have been derived as a basis of data comparison from the Asset Register acquisition date and useful life. This information has then been projected forward with gen1 the first generation and then gen2 the second replacement. Any carry over replacements have been carried forward to be reflected in year 2022.

## 5.5 Acquisition Plan

Acquisition reflects new assets that did not previously exist 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 the Torres Strait Island Regional Council. The value listed refer to a recent funding program allocating \$14,000,000 to be undertaken when a new plan is prepared.

### 5.5.1 Selection criteria

Proposed acquisition of new assets, and upgrade of existing assets, are identified from various sources such as community requests, proposals identified by strategic plans or partnerships with others. Potential upgrade and new works should be reviewed to verify that they are essential to the Entities needs. Proposed upgrade and new work analysis should also include the development of a preliminary renewal estimate to ensure that the services are sustainable over the longer term. Verified proposals can then be ranked by priority and available funds and scheduled in future works programmes. The priority ranking criteria is detailed in Table 5.5.1.

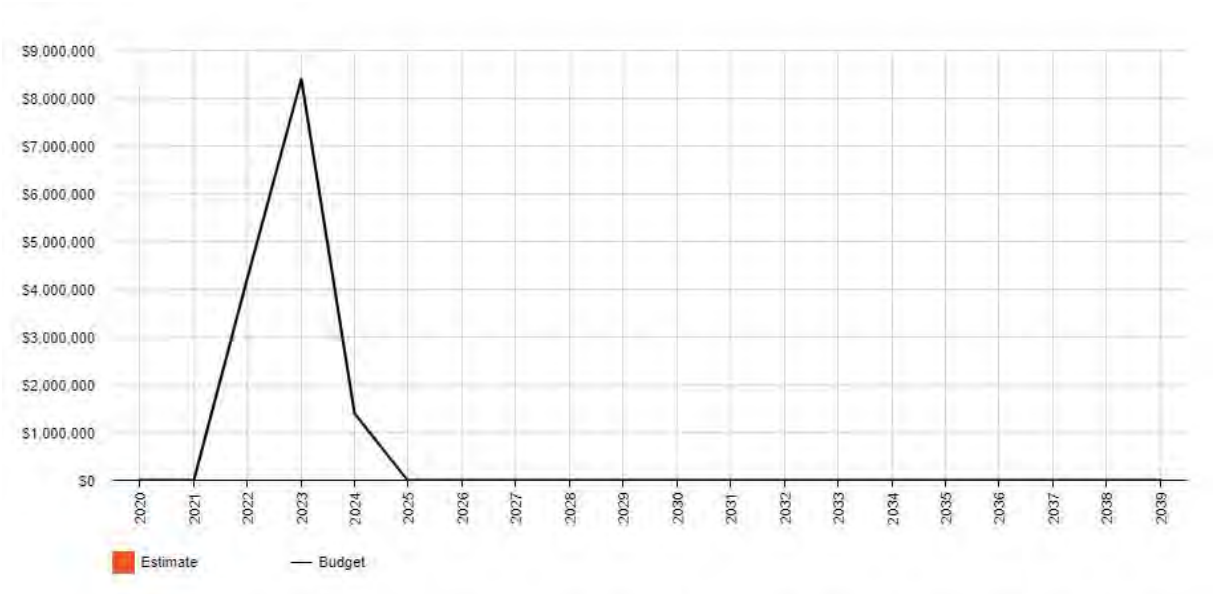
**Table 5.5.1: Acquired Assets Priority Ranking Criteria**

Criteria	Weighting
Refer Capital Sustainability Matrix	100%
<b>Total</b>	<b>100%</b>

Summary of future asset acquisition costs

Forecast acquisition asset costs are summarised / summarized in Figure 5.5.1 and shown relative to the proposed acquisition budget. The forecast acquisition capital works program is shown in Appendix A.

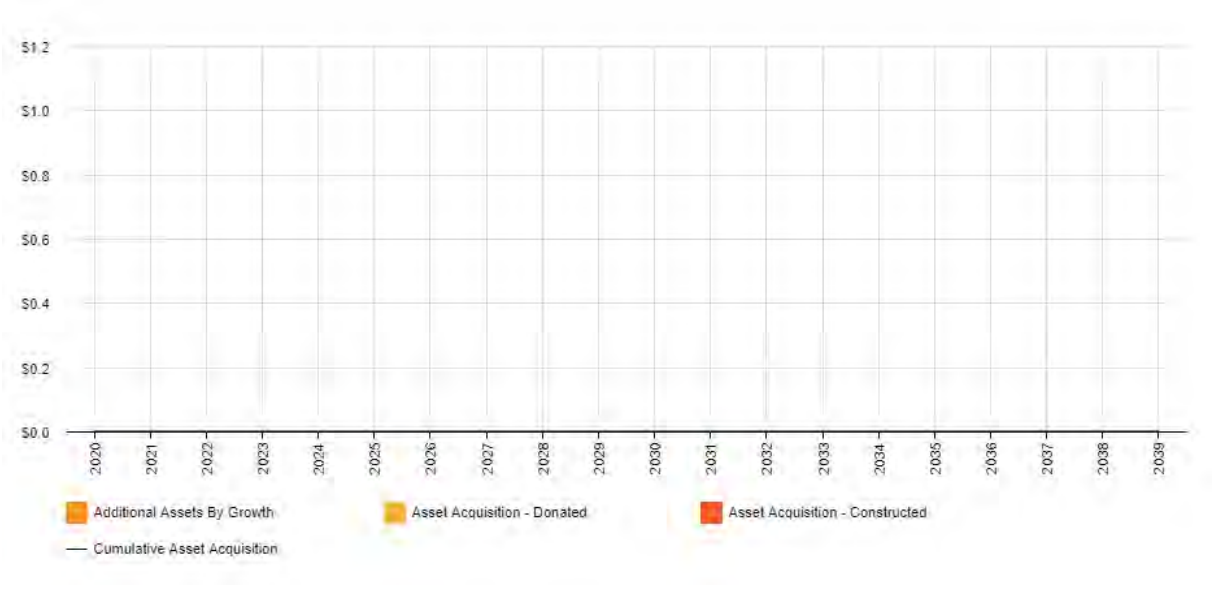
Figure 5.5.1: Acquisition (Constructed) Summary



All figure values are shown in current day dollars.

When an TSIRC commits to new assets, they are prepared to fund future operations, maintenance and renewal costs. They also account for future depreciation when reviewing long term sustainability. When reviewing the long-term impacts of asset acquisition, it is useful to consider the cumulative value of the acquired assets being taken on by the TSIRC. The cumulative value of all acquisition work, including assets that are constructed and contributed shown in Figure 5.5.2.

Figure 5.5.2: Acquisition Summary



All figure values are shown in current dollars.

Expenditure on new assets and services in the capital works program will be accommodated in the long-term financial plan, but only to the extent that there is available funding.

Currently due to most new acquisitions being undertaken by an external stakeholder and they determine whether the asset is incorporated into the TSIRC asset structure as a donated asset no provision has been undertaken due the current uncertainty of information.

## 5.6 Disposal Plan

Disposal includes any activity associated with the disposal of a decommissioned asset including sale, demolition or relocation. Assets identified for possible decommissioning and disposal are shown in Table 5.6. A summary of the disposal costs and estimated reductions in annual operations and maintenance of disposing of the assets are also outlined in Table 5.6. Any costs or revenue gained from asset disposals is included in the long-term financial plan.

**Table 5.6: Assets Identified for Disposal**

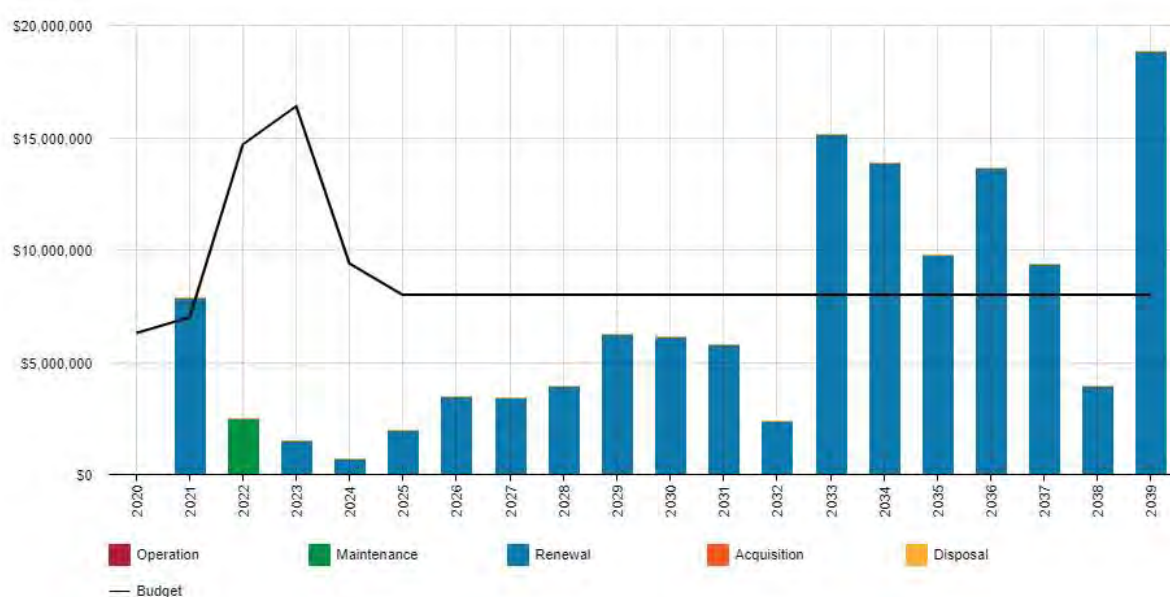
Asset	Reason for Disposal	Timing	Disposal Costs \$	Operations & Maintenance Annual Savings \$
N/A program managed by Department of Housing	N/A	N/A	N/A	N/A
Murray Island lot 55	Erosion	2022	\$250k	TBA

## 5.7 Summary of asset forecast costs

The financial projections from this asset plan are shown in Figure 5.7.1. These projections include forecast costs for acquisition, operation, maintenance, renewal, and disposal. These forecast costs are shown relative to the proposed budget.

The bars in the graphs represent the forecast costs needed to minimise the life cycle costs associated with the service provision. The proposed budget line indicates the estimate of available funding. The gap between the forecast work and the proposed budget is the basis of the discussion on achieving balance between costs, levels of service and risk to achieve the best value outcome.

**Figure 5.7.1: Lifecycle Summary**



All figure values are shown in current day dollars.

All information has been based on historical trends as the asset class changes are under the control of external stakeholders and their respective budgetary constraints. Continuing advocacy will be undertaken to ensure the community expectations and the resultant outcomes are consistent.



## 6.0 RISK MANAGEMENT PLANNING

The purpose of infrastructure risk management is to document the findings and recommendations resulting from the periodic identification, assessment and treatment of risks associated with providing services from infrastructure, using the fundamentals of International Standard ISO 31000:2018 Risk management – Principles and guidelines.

Risk Management is defined in ISO 31000:2018 as: ‘coordinated activities to direct and control with regard to risk’<sup>8</sup>.

An assessment of risks<sup>9</sup> associated with service delivery will identify risks that will result in loss or reduction in service, personal injury, environmental impacts, a ‘financial shock’, reputational impacts, or other consequences. The risk assessment process identifies credible risks, the likelihood of the risk event occurring, and the consequences should the event occur. The risk assessment should also include the development of a risk rating, evaluation of the risks and development of a risk treatment plan for those risks that are deemed to be non-acceptable.

### 6.1 Critical Assets

Critical assets are defined as those which have a high consequence of failure causing significant loss or reduction of service. Critical assets have been identified and along with their typical failure mode, and the impact on service delivery, are summarised in Table 6.1. Failure modes may include physical failure, collapse or essential service interruption.

**Table 6.1 Critical Assets**

Critical Asset(s)	Failure Mode	Impact
High set home	Falls & access issues re DDA	In ability to access home

By identifying critical assets and failure modes an organisation can ensure that investigative activities, condition inspection programs, maintenance and capital expenditure plans are targeted at critical assets.

### 6.2 Risk Assessment

The risk management process used is shown in Figure 6.2 below.

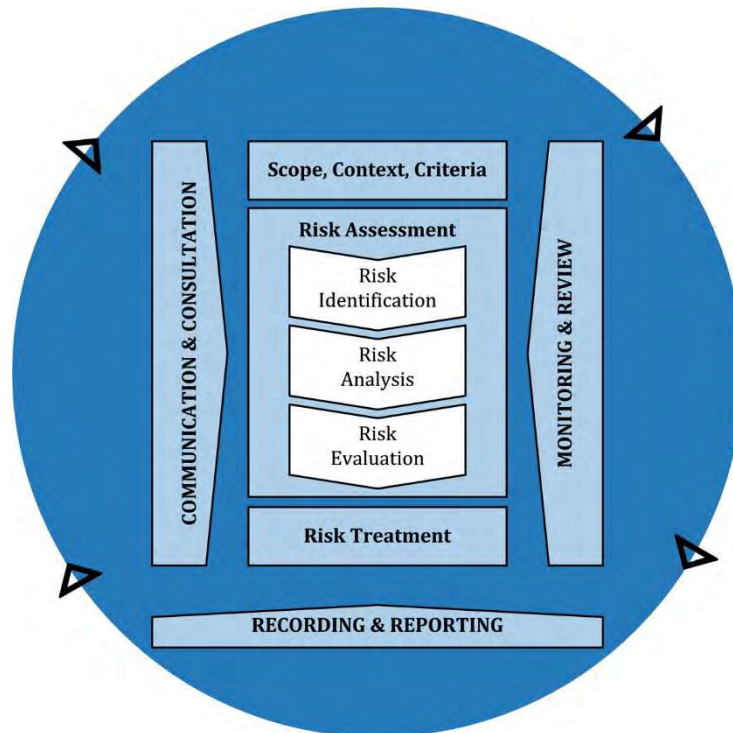
It is an analysis and problem-solving technique designed to provide a logical process for the selection of treatment plans and management actions to protect the community against unacceptable risks.

The process is based on the fundamentals of International Standard ISO 31000:2018.

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<sup>8</sup> ISO 31000:2009, p 2

<sup>9</sup> REPLACE with Reference to the Corporate or Infrastructure Risk Management Plan as the footnote



**Fig 6.2 Risk Management Process – Abridged**  
Source: ISO 31000:2018, Figure 1, p9

The risk assessment process identifies credible risks, the likelihood of the risk event occurring, the consequences should the event occur, development of a risk rating, evaluation of the risk and development of a risk treatment plan for non-acceptable risks.

An assessment of risks<sup>10</sup> associated with service delivery will identify risks that will result in loss or reduction in service, personal injury, environmental impacts, a ‘financial shock’, reputational impacts, or other consequences.

Critical risks are those assessed with ‘Very High’ (requiring immediate corrective action) and ‘High’ (requiring corrective action) risk ratings identified in the Infrastructure Risk Management Plan. The residual risk and treatment costs of implementing the selected treatment plan is shown in Table 6.2. It is essential that these critical risks and costs are reported to management and the Torres Strait Island Regional Council.

**Table 6.2: Risks and Treatment Plans**

Service or Asset at Risk	What can Happen	Risk Rating (VH, H)	Risk Treatment Plan	Residual Risk *	Treatment Costs
N/A	N/A	N/A	N/A	N/A	N/A

Note \* The residual risk is the risk remaining after the selected risk treatment plan is implemented.

### 6.3 Infrastructure Resilience Approach

The resilience of our critical infrastructure is vital to the ongoing provision of services to customers. To adapt to changing conditions we need to understand our capacity to 'withstand a given level of stress or demand', and to respond to possible disruptions to ensure continuity of service.

Resilience recovery planning, financial capacity, climate change risk assessment and crisis leadership.

Our current measure of resilience is shown in Table 6.3 which includes the type of threats and hazards and the current measures that the organisation takes to ensure service delivery resilience.

**Table 6.3: Resilience Assessment**

Threat / Hazard	Assessment Method	Current Resilience Approach
Stakeholder misalignment	Strategic	Medium
Staff attraction	Human Resources	Medium
Climate change	External events	Medium
Natural disaster	External events	Medium

### 6.4 Service and Risk Trade-Offs

The decisions made in adopting this AM Plan are based on the objective to achieve the optimum benefits from the available resources.

#### 6.4.1 What we cannot do

There are some operations and maintenance activities and capital projects that are unable to be undertaken within the next 10 years. These include:

- Unfunded new constructions
- Unfunded renewals and/or refurbishments
- Unfunded maintenance and repairs

#### 6.4.2 Service trade-off

If there is forecast work (operations, maintenance, renewal, acquisition or disposal) that cannot be undertaken due to available resources, then this will result in service consequences for users. These service consequences include:

- Poor housing however this is driven by Department of Housing
- Shortage in local trades qualified staff and capital equipment.

#### 6.4.3 Risk trade-off

The operations and maintenance activities and capital projects that cannot be undertaken may sustain or create risk consequences. These risk consequences include:

- Stakeholder misalignment
- Litigation for legacy claims
- Operational health and safety risks
- Climate change

- Logistics failure
- Funding reduction or withdrawal
- Low collection rates of rental revenue

These actions and expenditures are considered and included in the forecast costs, and where developed, the Risk Management Plan.

## 7.0 FINANCIAL SUMMARY

This section contains the financial requirements resulting from the information presented in the previous sections of this AM Plan. The financial projections will be improved as the discussion on desired levels of service and asset performance matures.

### 7.1 Financial Sustainability and Projections

#### 7.1.1 Sustainability of service delivery

There are two key indicators of sustainable service delivery that are considered in the AM Plan for this service area. The two indicators are the:

- asset renewal funding ratio (proposed renewal budget for the next 10 years / forecast renewal costs for next 10 years), and
- medium term forecast costs/proposed budget (over 10 years of the planning period).

##### Asset Renewal Funding Ratio

Asset Renewal Funding Ratio<sup>11</sup> 265.7%

The Asset Renewal Funding Ratio is an important indicator and illustrates that over the next 10 years we expect to have 265.7% of the funds required for the optimal renewal of assets.

The forecast renewal works along with the proposed renewal budget, and the cumulative shortfall, is illustrated in Appendix D.

##### Medium term – 10-year financial planning period

This AM Plan identifies the forecast operations, maintenance and renewal costs required to provide an agreed level of service to the community over a 10 year period. This provides input into 10 year financial and funding plans aimed at providing the required services in a sustainable manner.

This forecast work can be compared to the proposed budget over the first 10 years of the planning period to identify any funding shortfall.

The forecast operations, maintenance and renewal costs over the 10 year planning period is \$2,909,300 average per year.

The proposed (budget) operations, maintenance and renewal funding is \$7,730,000 on average per year giving a 10 year funding shortfall of \$4,820,700 per year. This indicates that 265.7% of the forecast costs needed to provide the services documented in this AM Plan are accommodated in the proposed budget. Note, these calculations exclude acquired assets.

Providing sustainable services from infrastructure requires the management of service levels, risks, forecast outlays and financing to achieve a financial indicator of approximately 1.0 for the first years of the AM Plan and ideally over the 10 year life of the Long-Term Financial Plan.

#### 7.1.2 Forecast Costs (outlays) for the long-term financial plan

Table 7.1.3 shows the forecast costs (outlays) required for consideration in the 10 year long-term financial plan.

Providing services in a financially sustainable manner requires a balance between the forecast outlays required to deliver the agreed service levels with the planned budget allocations in the long-term financial plan.

A gap between the forecast outlays and the amounts allocated in the financial plan indicates further work is required on reviewing service levels in the AM Plan (including possibly revising the long-term financial plan).

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<sup>11</sup> AIFMM, 2015, Version 1.0, Financial Sustainability Indicator 3, Sec 2.6, p 9.

We will manage the 'gap' by developing this AM Plan to provide guidance on future service levels and resources required to provide these services in consultation with the community.

Forecast costs are shown in 2020 financial year dollar values.

**Table 7.1.2: Forecast Costs (Outlays) for the Long-Term Financial Plan**

Year	Acquisition \$	Operation \$	Maintenance \$	Renewal \$	Disposal \$
2020	0	0	0	0	0
2021	0	0	0	7,886,000	0
2022	0	0	2,500,000	0	0
2023	0	0	0	1,489,000	0
2024	0	0	0	703,000	0
2025	0	0	0	1,941,000	0
2026	0	0	0	3,473,000	0
2027	0	0	0	3,429,000	0
2028	0	0	0	3,929,000	0
2029	0	0	0	6,243,000	0
2030	0	0	0	6,144,000	0
2031	0	0	0	5,807,000	0
2032	0	0	0	2,387,000	0
2033	0	0	0	15,148,000	0
2034	0	0	0	13,868,000	0
2035	0	0	0	9,744,000	0
2036	0	0	0	13,645,700	0
2037	0	0	0	9,340,000	0
2038	0	0	0	3,907,000	0
2039	0	0	0	18,846,000	0

## 7.2 Funding Strategy

The proposed funding for assets is outlined in the Entity's budget and Long-Term financial plan.

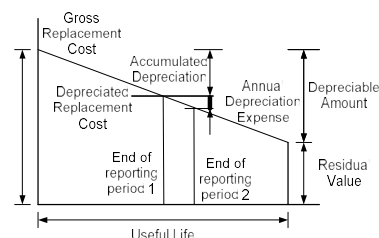
The financial strategy of the entity determines how funding will be provided, whereas the AM Plan communicates how and when this will be spent, along with the service and risk consequences of various service alternatives.

## 7.3 Valuation Forecasts

### 7.3.1 Asset valuations

The best available estimate of the value of assets included in this AM Plan are shown below. The assets are valued fair value at cost to replace service capacity, :

Replacement Cost (Current/Gross)	\$558,025,100
Depreciable Amount	\$558'025'100
Depreciated Replacement Cost <sup>12</sup>	\$293,070,592
Depreciation	\$11,153,649



### 7.3.2 Valuation forecast

Asset values are forecast to increase as additional assets are added to the service.

Additional assets will generally add to the operations and maintenance needs in the longer term. Additional assets will also require additional costs due to future renewals. Any additional assets will also add to future depreciation forecasts.

## 7.4 Key Assumptions Made in Financial Forecasts

In compiling this AM Plan, it was necessary to make some assumptions. This section details the key assumptions made in the development of this AM plan and should provide readers with an understanding of the level of confidence in the data behind the financial forecasts.

Key assumptions made in this AM Plan are:

- Renewals are managed by Department of Housing
- Capital Funding is managed by Department of Housing
- TSIRC has first right of refusal for all Capital & renewal works

## 7.5 Forecast Reliability and Confidence

The forecast costs, proposed budgets, and valuation projections in this AM Plan are based on the best available data. For effective asset and financial management, it is critical that the information is current and accurate. Data confidence is classified on a A - E level scale<sup>13</sup> in accordance with Table 7.5.1.

**Table 7.5.1: Data Confidence Grading System**

Confidence Grade	Description
A. Very High	Data based on sound records, procedures, investigations and analysis, documented properly and agreed as the best method of assessment. Dataset is complete and estimated to be accurate $\pm 2\%$
B. High	Data based on sound records, procedures, investigations and analysis, documented properly but has minor shortcomings, for example some of the data is old, some documentation is missing and/or reliance is placed on unconfirmed reports or some extrapolation. Dataset is complete and estimated to be accurate $\pm 10\%$

<sup>12</sup> Also reported as Written Down Value, Carrying or Net Book Value.

<sup>13</sup> IPWEA, 2015, IIMM, Table 2.4.6, p 2|71.

Confidence Grade	Description
C. Medium	Data based on sound records, procedures, investigations and analysis which is incomplete or unsupported, or extrapolated from a limited sample for which grade A or B data are available. Dataset is substantially complete but up to 50% is extrapolated data and accuracy estimated $\pm 25\%$
D. Low	Data is based on unconfirmed verbal reports and/or cursory inspections and analysis. Dataset may not be fully complete, and most data is estimated or extrapolated. Accuracy $\pm 40\%$
E. Very Low	None or very little data held.

The estimated confidence level for and reliability of data used in this AM Plan is shown in Table 7.5.2.

**Table 7.5.2: Data Confidence Assessment for Data used in AM Plan**

Data	Confidence Assessment	Comment
Demand drivers	Low	Business not currently in line with this function
Growth projections	Low	Business not currently in line with this function
Acquisition forecast	Low	Business not currently in line with this function
Operation forecast	Low	Business not currently in line with this function
Maintenance forecast	Low	Business not currently in line with this function
Renewal forecast		
Asset values	Low	Business not currently in line with this function
Asset useful lives	Low	Business not currently in line with this function
Condition modelling	Low	Business not currently in line with this function
Disposal forecast	Low	Business not currently in line with this function

The estimated confidence level for and reliability of data used in this AM Plan is considered to be a Low Confidence Level. Currently all decisions have been based on the historical data included in the Asset Register and documented information of the renewal costs from the past three (3) years. As the NAMS+ model matures with improved projections and analysis it is expected that this maturity will improve the level of confidence as the projected strategy is implemented.



## 8.0 PLAN IMPROVEMENT AND MONITORING

### 8.1 Status of Asset Management Practices<sup>14</sup>

#### 8.1.1 Accounting and financial data sources

This AM Plan utilises accounting and financial data. The source of the data is the TSIRC TechOne ERP Platform and the Sustainability Matrix.

#### Asset management data sources

This AM Plan also utilises asset management data from the TSIRC Asset Register..

#### Improvement Plan

It is important that an entity recognise areas of their AM Plan and planning process that require future improvements to ensure effective asset management and informed decision making. The improvement plan generated from this AM Plan is shown in Table 8.2.

**Table 8.2: Improvement Plan**

Task	Task	Responsibility	Resources Required	Timeline
1	TechOne Enhancement Project	Assets	Engineering, Assets, BSU	2 Years
2	Condition Assessments	Assets & Housing	Assets & Housing	12 Months
3	Tenancy Software	Housing	Housing	2 years
4	Staffing (Key personnel)	BSU	Suitable qualified	2 Years
5	Advocacy	Executive Team & Councilors	Planning & Logistics	On going
6	DDA Compliance	Various	Various	On Going
7	Alignment of stakeholders	Department of Housing	Various	Ongoing
8	Asset Data integrity	Asset Class Manager	Assets & Housing	2 Years
9	Resolve the inclusion of operating costs of Community Housing and BSU to better represent the financial impact of control over this asset class	Asset Class Manager	Assets & Housing	1 Years

### 8.2 Monitoring and Review Procedures

This AM Plan will be reviewed during the annual budget planning process and revised to show any material changes in service levels, risks, forecast costs and proposed budgets as a result of budget decisions.

The AM Plan will be reviewed and updated annually to ensure it represents the current service level, asset values, forecast operations, maintenance, renewals, acquisition and asset disposal costs and planned budgets.

---

<sup>14</sup> ISO 55000 Refers to this as the Asset Management System

These forecast costs and proposed budget are incorporated into the Long-Term Financial Plan or will be incorporated into the Long-Term Financial Plan once completed.

The AM Plan has a maximum life of 4 years and is due for complete revision and within 12 months of each Council election.

#### Performance Measures

The effectiveness of this AM Plan can be measured in the following ways:

- The degree to which the required forecast costs identified in this AM Plan are incorporated into the long-term financial plan,
- The degree to which the 1–5-year detailed works programs, budgets, business plans and corporate structures consider the ‘global’ works program trends provided by the AM Plan,
- The degree to which the existing and projected service levels and service consequences, risks and residual risks are incorporated into the Strategic Planning documents and associated plans,
- The Asset Renewal Funding Ratio achieving the Organisational target (this target is often 90 – 100%).

## 9.0 REFERENCES

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- ISO, 2014, ISO 55000:2014, Overview, principles, and terminology
- ISO, 2018, ISO 31000:2018, Risk management – Guidelines
- Strategic Asset Management Plan 2021– 2023
- 2020 Annual Report
- Corporate Plan 2020-2025
- Operational Plan 2020/21
- Deputations 2020

## 10.0 APPENDICES

### Appendix A Acquisition Forecast

#### A.1 – Acquisition Forecast Assumptions and Source

There are no acquisitions forecast only a budget for 2021-2023

#### A.2 – Acquisition Project Summary

The project titles included in the lifecycle forecast are included here.

Recently \$14,000,000 has been allocated to TSIRC for additional assets however a proposed plan for this is still being developed as this document was being finalised.

#### A.3 – Acquisition Forecast Summary

Recommend using NAMS+ Outputs Summary for Acquisition

*Table A3 - Acquisition Forecast Summary*

Year	Constructed \$	Donated \$	Growth \$
2020	0	0	0
2021	0	0	0
2022	0	0	0
2023	0	0	0
2024	0	0	0
2025	0	0	0
2026	0	0	0
2027	0	0	0
2028	0	0	0
2029	0	0	0
2030	0	0	0
2031	0	0	0
2032	0	0	0
2033	0	0	0
2034	0	0	0
2035	0	0	0
2036	0	0	0
2037	0	0	0
2038	0	0	0
2039	0	0	0

## Appendix B      Operation Forecast

### B.1 – Operation Forecast Assumptions and Source

No costs have currently been allocated to Buildings community assets. This area is under review as no direct costs are available for the oversight of the assets even though there currently are costs indirectly incurred in the administrative processes over the occupancy and renewal of the properties. A decision is required and has been included in the improvement program to address resolving this issue.

### B.2 – Operation Forecast Summary

Recommend using NAMS+ Outputs Summary for Operation

*Table B2 - Operation Forecast Summary*

Year	Operation Forecast \$	Additional Operation Forecast \$	Total Operation Forecast \$
2020	0	0	0
2021	0	0	0
2022	0	0	0
2023	0	0	0
2024	0	0	0
2025	0	0	0
2026	0	0	0
2027	0	0	0
2028	0	0	0
2029	0	0	0
2030	0	0	0
2031	0	0	0
2032	0	0	0
2033	0	0	0
2034	0	0	0
2035	0	0	0
2036	0	0	0
2037	0	0	0
2038	0	0	0
2039	0	0	0

## Appendix C Maintenance Forecast

### C.1 – Maintenance Forecast Assumptions and Source

Currently maintenance is undertaken and approved by an external stakeholder up and until \$2,500,000 was allocated for TSIRC to manage in 2021/22.

### C.2 – Maintenance Forecast Summary

Recommend using NAMS+ Outputs Summary for Maintenance

**Table C2 - Maintenance Forecast Summary**

Year	Maintenance Forecast \$	Additional Maintenance Forecast \$	Total Maintenance Forecast \$
2020	0	0	0
2021	0	0	0
2022	2,500,000	0	2,500,000
2023	0	0	0
2024	0	0	0
2025	0	0	0
2026	0	0	0
2027	0	0	0
2028	0	0	0
2029	0	0	0
2030	0	0	0
2031	0	0	0
2032	0	0	0
2033	0	0	0
2034	0	0	0
2035	0	0	0
2036	0	0	0
2037	0	0	0
2038	0	0	0
2039	0	0	0

## Appendix D     Renewal Forecast Summary

### D.1 – Renewal Forecast Assumptions and Source

Current Renewal projections are based on historical costs from the last 3 years and without any future projection the 2022 budget has been used for the remaining 20 year review period under consideration.

### D.2 – Renewal Project Summary

As there are no defined projects when this report was created a schedule will be prepared as the requirements are provided from the external Stakeholder as they define the work to be undertaken.

### D.3 – Renewal Forecast Summary

Recommend using NAMS+ Outputs Summary for Renewal

**Table D3 - Renewal Forecast Summary**

Year	Renewal Forecast \$	Renewal Budget \$
2020	0	6,300,000
2021	7,886,000	7,000,000
2022	0	8,000,000
2023	1,489,000	8,000,000
2024	703,000	8,000,000
2025	1,941,000	8,000,000
2026	3,473,000	8,000,000
2027	3,429,000	8,000,000
2028	3,929,000	8,000,000
2029	6,243,000	8,000,000
2030	6,144,000	8,000,000
2031	5,807,000	8,000,000
2032	2,387,000	8,000,000
2033	15,148,000	8,000,000
2034	13,868,000	8,000,000
2035	9,744,000	8,000,000
2036	13,645,700	8,000,000
2037	9,340,000	8,000,000
2038	3,907,000	8,000,000
2039	18,846,000	8,000,000

### D.4 –Renewal Plan

Detail output from NAMS+ Report for the Register Method is retained in the corporate files of TSIRC.

## Appendix 10 Year Report

10 year total cost [10 yr Ops, Maint, Renewal & Acquisition Forecast]	31,593,000
10 year average forecast	3,159,300
10 year planned budget [Ops, Maint & Acquisition] (from LTFP)	93,800,000
10 year average planned budget	9,380,000
10 year AM financial indicator	296.90%
10 year average shortfall	6,220,700



## Appendix E Disposal Summary

### E.1 – Disposal Forecast Assumptions and Source

With the control of disposal being dependent on External stake holders without increased advocacy and release of forward plans no additional information is available to be included in this summary.

### E.2 – Disposal Project Summary

There are currently no project titles included in the lifecycle forecast for disposal to be included here.

### E.3 – Disposal Forecast Summary

Recommend using NAMS+ Outputs Summary for Disposal

**Table E3 – Disposal Activity Summary**

Year	Disposal Forecast \$	Disposal Budget \$
2020	0	0
2021	0	0
2022	0	0
2023	0	0
2024	0	0
2025	0	0
2026	0	0
2027	0	0
2028	0	0
2029	0	0
2030	0	0
2031	0	0
2032	0	0
2033	0	0
2034	0	0
2035	0	0
2036	0	0
2037	0	0
2038	0	0
2039	0	0

## Appendix F      Budget Summary by Lifecycle Activity

All assumption in relation to this section have been previously included in Appendices A-E

**Table F1 – Budget Summary by Lifecycle Activity**

Year	Acquisition \$	Operation \$	Maintenance \$	Renewal \$	Disposal \$	Total \$
2020	0	0	0	6,300,000	0	6,300,000
2021	0	0	0	7,000,000	0	7,000,000
2022	4,200,000	0	2,500,000	8,000,000	0	14,700,000
2023	8,400,000	0	0	8,000,000	0	16,400,000
2024	1,400,000	0	0	8,000,000	0	9,400,000
2025	0	0	0	8,000,000	0	8,000,000
2026	0	0	0	8,000,000	0	8,000,000
2027	0	0	0	8,000,000	0	8,000,000
2028	0	0	0	8,000,000	0	8,000,000
2029	0	0	0	8,000,000	0	8,000,000
2030	0	0	0	8,000,000	0	8,000,000
2031	0	0	0	8,000,000	0	8,000,000
2032	0	0	0	8,000,000	0	8,000,000
2033	0	0	0	8,000,000	0	8,000,000
2034	0	0	0	8,000,000	0	8,000,000
2035	0	0	0	8,000,000	0	8,000,000
2036	0	0	0	8,000,000	0	8,000,000
2037	0	0	0	8,000,000	0	8,000,000
2038	0	0	0	8,000,000	0	8,000,000
2039	0	0	0	8,000,000	0	8,000,000

A low-angle, upward-looking photograph of a modern building's steel framework. The image is dominated by a large, semi-transparent red overlay that covers most of the frame. The steel beams and columns create a complex geometric pattern of squares and rectangles. The background shows a clear sky and parts of other buildings. The overall aesthetic is industrial and architectural.

# **ASSET MANAGEMENT PLAN**

Torres Strait Island Regional Council  
Building Corporate

Document Control		Asset Management Plan			
Document ID : ECM (Record #)					
Rev No	Date	Revision Details	Author	Reviewer	Approver
V1.0	August 2021	Revision to new template Adopted by Council August 2021 Workshop with Asset Class Managers undertaken July 2021	Tony Wynen Norman Griffett	JLL IPWEA	Tony Wynen Asset Class Manager

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## **1.0 EXECUTIVE SUMMARY**

### **1.1 The Purpose of the Plan**

This Asset Management Plan (AM Plan) details information about infrastructure assets with actions required to provide an agreed level of service in the most cost-effective manner while outlining associated risks. The plan defines the services to be provided, how the services are provided and what funds are required to provide over the 20 year planning period. The AM Plan will link to a Long-Term Financial Plan which typically considers a 10-year planning period.

### **1.2 Asset Description**

This plan covers the infrastructure assets that provide Corporate services.

The Buildings Corporate network comprises:

- Accommodation Centres
- Administration Centres
- Amenities Blocks
- Childcare Centres
- Community Halls
- Recreation Centres
- Shelters
- Workshops

The above infrastructure assets have a replacement value estimated at 30 June 2020 of \$107,077,404 with the inclusion of the 2021 desktop valuation the estimated replacement value indexation as of 30 June 2021 of 4% which equates to approximately \$111,360,500.

### **1.3 Levels of Service**

The level of Service relevant to the Buildings Corporate asset class are as follows:

- Assets to be maintained at a minimum acceptable level (Condition >3.5).
- Assets meet current functional requirement of council (Condition >3).
- Assets have adequate capacity ratios (occupancy levels).

The allocation in the planned budget is insufficient to continue providing existing services at current levels for the planning period.

The main service consequences of the Planned Budget are:

- Loss of Council Services to the Community
- Shutdown of Council Defined Assets as listed in section 2.1 "Background".
- Reduced visual amenity

### **1.4 Future Demand**

The factors influencing future demand and the impacts they have on service delivery are created by:

- Population, Demographics & Grant Funding as listed in table 4.3.

These demands will be approached using a combination of managing existing assets, upgrading existing assets and providing new assets to meet demand. Demand management practices may also include a combination of non-asset solutions, insuring against risks and managing failures.

- Asset Management Group (AMG) formed reporting to executive level to provide organisational understanding of the assets Whole Of Life, and how this can be influenced and managed responsibly..
- Further educate Asset Class managers and staff on planning principles and understanding of their responsibilities to manage and maintain asset service levels. This will be in the form of training and will be conducted early in the 2021 by an external provider and the Asset Management team.
- Reduce funding being directed to projects not providing core service level outcomes to communities.
- Sustainability Matrix: A prioritisation tool developed to assist in the assessment of capital project submissions and their priority for funding against the pillars of the corporate plan.
- Maintaining existing assets to achieve the maximum useful life possible.
- Upgrading or renewal providing new assets as per demand.

## **1.5 Lifecycle Management Plan**

### **1.5.1 What does it Cost?**

The forecast lifecycle costs necessary to provide the services covered by this AM Plan includes operation, maintenance, renewal, acquisition, and disposal of assets. Although the AM Plan may be prepared for a range of time periods, it typically informs a Long-Term Financial Planning period of 10 years. Therefore, a summary output from the AM Plan is the forecast of 10-year total outlays, which for the Building Corporate segment is estimated as \$33,319,920 or \$3,331,992 on average per year.

## **1.6 Financial Summary**

### **1.6.1 What we will do**

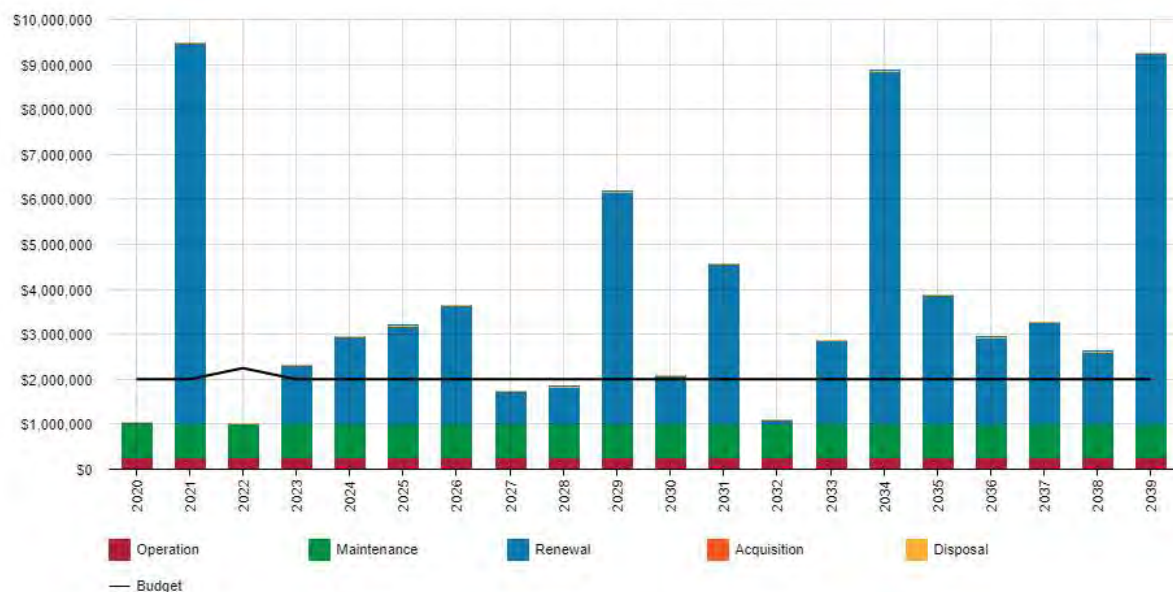
Estimated available funding for the 10 year period is \$20,000,000 or \$2,000,000 on average per year as per the Long-Term Financial plan or Planned Budget. This is 60.02% of the cost to sustain the current level of service at the lowest lifecycle cost.

The infrastructure reality is that only what is funded in the long-term financial plan can be provided. The Informed decision making depends on the AM Plan emphasising the consequences of Planned Budgets on the service levels provided and risks.

The anticipated Planned Budget for Building Corporate leaves a shortfall of (\$1,331,992) on average per year of the forecast lifecycle costs required to provide services in the AM Plan compared with the Planned Budget currently included in the Long-Term Financial Plan. This is shown in the figure below.

Council on receipt of these documents and review needs to commence strategic planning to interface with the corporate and operational plans to resolve funding deficiencies detailed above





### Forecast Lifecycle Costs and Planned Budgets

Figure Values are in current dollars.

The following describes the breakdown of values above:

- **Acquisition** – the activities to provide a higher level of service (e.g., widening a road, sealing an unsealed road, replacing a pipeline with a larger size) or a new service that did not exist previously (e.g., a new library).
- **Operation** – the regular activities to provide services (e.g., opening hours, cleansing, 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., road patching, unsealed road grading, building and structure repairs),
- **Renewal** – the activities that return the service capability of an asset up to that which it had originally provided (e.g., road resurfacing and pavement reconstruction, pipeline replacement and building component replacement),
- **Disposal** – Disposal includes any activity associated with the disposal of a decommissioned asset including sale, demolition, or relocation.

We plan to provide Building Corporate services for the following:

- Operation, maintenance, renewal, and acquisition of Building Corporate assets to meet service levels set by Torres Strait Island Regional Council in annual budgets.

Capital Budget - \$1m for Building Corporate which is shared with Recreational facilities and is divided up into 3 categories:

1. BLD CORP \$500,000 General COF (General Renewal Works- Building Corporate Buildings)
2. BLD CORP \$200,000 Leased & Licenced (Emergent Works- Leased & Licenced Buildings)
3. BLD CORP \$300,000 WHS Emergency (Emergency in Nature Works)

We currently do **not** allocate enough budget to sustain these services at the proposed standard or to provide all new services being sought. Works and services that cannot be provided under present funding levels are:

- As of the 2020 Revaluation, there were five (5) buildings where the useful life has been reached and services discontinued due to unsuitable conditions.
- Provision of new infrastructure without appropriate grant funding.
- Buildings without appropriate operational budget.
- Buildings outside community strategic need.

### **1.6.2 Managing the Risks**

Our present budget levels are insufficient to continue to manage risks on an ongoing basis.

The main risk consequences are:

Maintenance although known to be required is unable to be completed due to lack of funding.

- Lack of suitable funds to maintain suitable seal and weatherproof coatings to existing council office buildings.
- Lack of suitable funding to repair and make habitable contractor accommodation camps on the islands.
- Planning for Building Corporate assets current service levels are currently unknown.
- Financial position of the council does not facilitate the ongoing required needs.

We will endeavour to manage these risks within available funding by:

- Using funding to carry out repairs on a priority needs/breakdown basis.
- Issues of safety will be highest priority.
- Shutting down sections of facilities which cannot be rectified under funding restraints and that do not provide core services.

## **1.7 Asset Management Planning Practices**

Key assumptions made in this AM Plan are:

- Funding limited to 1 million dollars over 3 categories (General, WHS & Licenced Sites) Operation and Maintenance and no additional forecast to rectify deficiencies.
- No allowances for growth in capital and operating budgets.
- Sourced data is the fixed asset register and condition ratings via 2020 valuations to establish renewal requirements.
- The timing of capital renewals based on the asset register is applied by adding the useful life to the year of acquisition or year of last renewal,
- Alternatively, an estimate of renewal lifecycle costs is projected from external condition modelling systems and may be supplemented with, or based on, expert knowledge.

The Current Asset Register was used as the best available data to forecast renewal life cycle for this AMP.

This AM Plan is based on a low level of confidence information.

## **1.8 Monitoring and Improvement Program**

The next steps resulting from this AM Plan to improve asset management practices are:

- Asset Management Group (AMG) formed reporting to executive level to provide organisational understanding of the assets Whole of Life (WOL), and how this can be influenced and managed responsibly.

- Further educate Asset Class managers and staff on planning principles and understanding of their responsibilities to manage and maintain asset service levels. This will be in the form of training and will be conducted early in the 2021/22 by an external provider and the Asset Management team.
- Seek council assistance and endorsement of acceptable service levels for communities and using this to determine minimum service levels to trigger priority action.
- Implementation of NAMS+ (IPEWA) to assist and improve data integrity and analysis using the analysis tools retained within the software product
- TechOne enhancement Project to further improve on identification and defect management.

## 2.0 Introduction

### 2.1 Background

This AM Plan communicates the requirements for the sustainable delivery of services through management of assets, compliance with regulatory requirements, and required funding to provide the appropriate levels of service over the planning period.

The AM Plan is to be read with the Torres Strait Island Regional Council planning documents. This should include the Asset Management Policy and Asset Management Strategy, where developed, along with other key planning documents:

- Corporate Plan 2020-2025
- Operational Plan 2020/2021
- Annual Report 2020
- Capital Sustainability Matrix (Tool used to identify Capital criteria)
- Annual Budget
- Deputations 2020

The infrastructure assets covered by this AM Plan include the infrastructure assets that serve the Torres Strait Island Regional Council's Corporate Building needs. These assets include accommodation, administration, amenities, childcare, halls, shelters, and work centres that improve community wellbeing by providing places for community congregation for a detailed summary of the assets covered in this AM Plan refer to Table in Section 5.1.1

These assets are used to provide the mechanism to meet the service needs (including growth) of the community in a financially sustainable manner.

The above infrastructure assets have replacement value estimated at 30 June 2020 of \$107,077,404 with the inclusion of the 2021 desktop valuation the estimated replacement value indexation at 30 June 2021 of 4% which equates to \$111,360,500

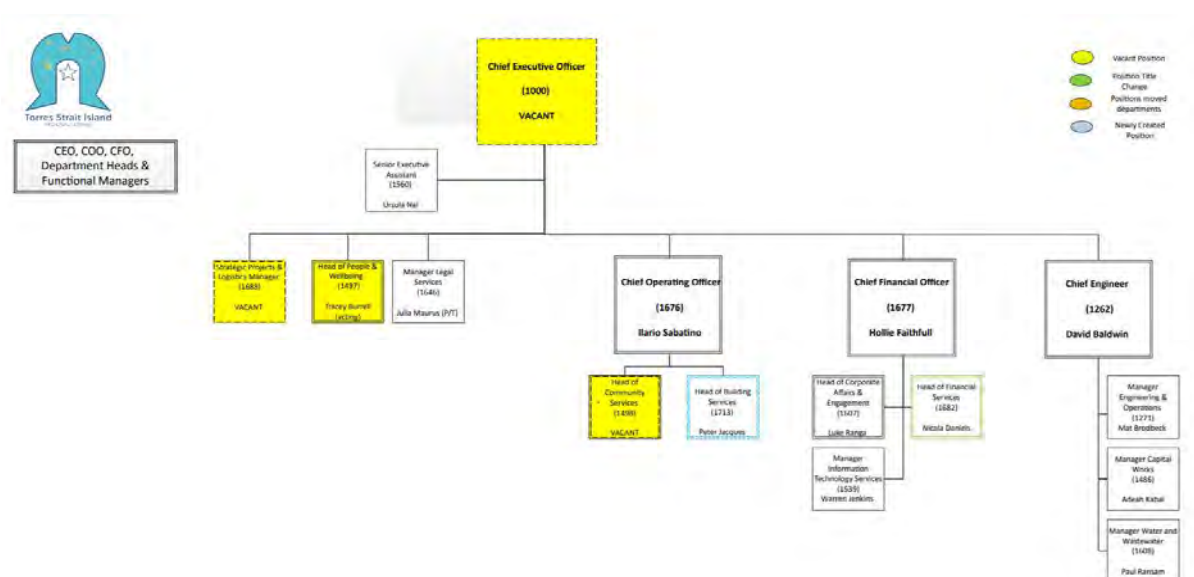
Asset Category	Replacement Value \$
Accommodation Centres	30,847,300
Administration Centres	37,026,200
Amenities Blocks	992,600
Childcare Centres	8,978,280
Community Halls	12,220,860
Recreation Centers	1,131,200
Shelters	771,700
Workshops	15,109,264
<b>TOTAL</b>	<b>\$107,077,404</b>

Key stakeholders in the preparation and implementation of this AM Plan are shown in Table 2.1.

**Table 2.1: Key Stakeholders in the AM Plan**

Key Stakeholder	Role in Asset Management Plan
Elected Council	<ul style="list-style-type: none"> <li>Represent needs of community/shareholders,</li> <li>Allocate resources to meet planning objectives in providing services while managing risks,</li> <li>Ensure service sustainable.</li> <li>Endorsement of Final Asset Management Plans</li> </ul>
CEO/COO/CFO (executive Group)	Maintaining Sustainable Base Line and executive endorsement of final document.
Department of Local Government and Planning	Primary funding body of the Torres Strait Island Regional Council
Divisional Management Team	To utilise the Assets for the role that was intended and provide operational business input.
Asset Management Group (AMG)	Asset Planning Committee
Asset Class Manager	Building Corporate

Our organisational structure for service delivery from infrastructure assets is detailed below,



## 2.2 Goals and Objectives of Asset Ownership

Our goal for managing infrastructure assets is to meet the defined level of service (as amended from time to time) in the most cost-effective manner for present and future consumers. The key elements of infrastructure asset management are:

- Providing a defined level of service and monitoring performance,
- Managing the impact of growth through demand management and infrastructure investment,
- Taking a lifecycle approach to developing cost-effective management strategies for the long-term that meet the defined level of service,
- Identifying, assessing, and appropriately controlling risks, and
- Linking to a Long-Term Financial Plan which identifies required, affordable forecast costs and how it will be allocated.

Key elements of the planning framework are:

- Levels of service – specifies the services and levels of service to be provided,
- Risk Management – identifies the risk profile and rating of the asset class,
- Future demand – how this will impact on future service delivery and how this is to be met,
- Lifecycle management – how to manage its existing and future assets to provide defined levels of service,
- Financial summary – what funds are required to provide the defined services,
- Asset management practices – how we manage provision of the services,
- Monitoring – how the plan will be monitored to ensure objectives are met,
- Asset management improvement plan – how we increase asset management maturity.

Other references to the benefits, fundamentals principles and objectives of asset management are:

- International Infrastructure Management Manual 2015 <sup>1</sup>
- ISO 55000<sup>2</sup>

A road map for preparing an AM Plan is shown on the next page.

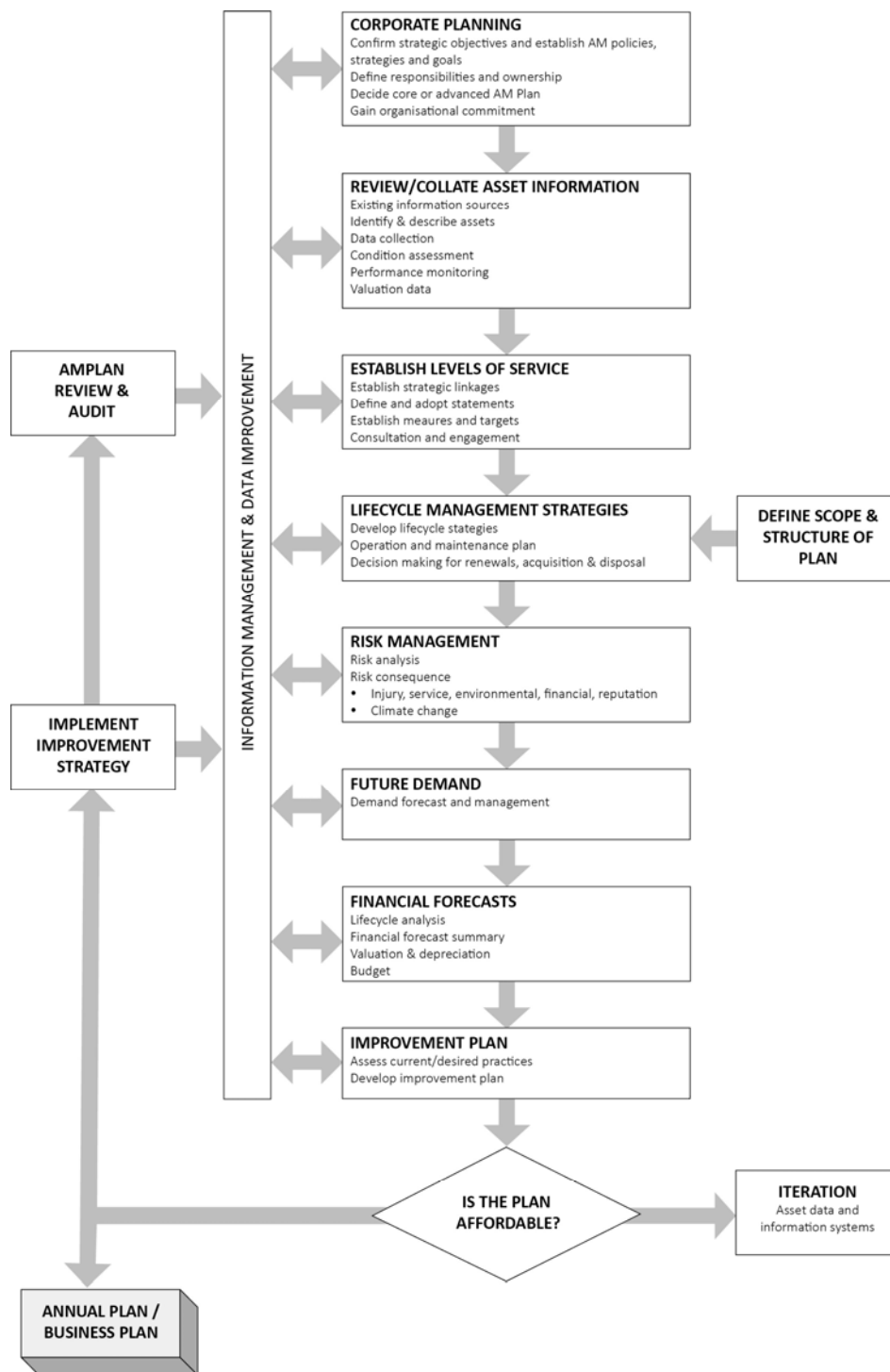
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<sup>1</sup> Based on IPWEA 2015 IIMM, Sec 2.1.3, p 2 | 13

<sup>2</sup> ISO 55000 Overview, principles and terminology

## Road Map for preparing an Asset Management Plan

Source: IPWEA, 2006, IIMM, Fig 1.5.1, p 1.11



### 3.0 LEVELS OF SERVICE

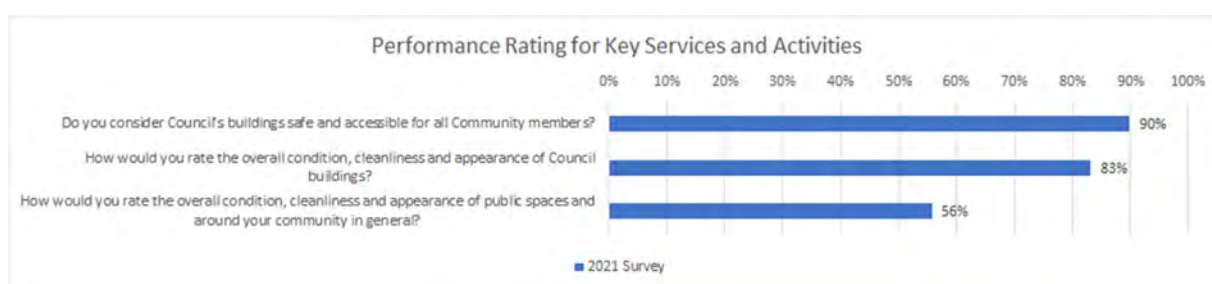
#### 3.1 Customer Research and Expectations

This AM Plan is prepared to facilitate consultation prior to adoption of levels of service by the TSIRC Councilors. Current consultation on service levels is being undertaken by council staff. This will assist the Torres Strait Island Regional Council and stakeholders in matching the level of service required, service risks and consequences with the customer's ability and willingness to pay for the service.

In 2021, Council commissioned a community satisfaction survey which was conducted internally. The survey was administered by multiple means including paper and electronic forms and was available to all within the Torres Strait Islands Regional Council Local Government Area. The survey covered a wide range of functions and services provided by Council. Overall, there were 107 responses which represents approximately 3% of the total population.

Figure 3.1 summarises the results from our Customer survey (neutral or above) in relation to Buildings Corporate.

**Figure 3.1: Customer Satisfaction Survey Levels**



Community satisfaction information is used in developing the Strategic Plan and in the development of this asset management plan.

#### 3.2 Strategic and Corporate Goals

This AM Plan is prepared under the direction of the Torres Strait Island Regional Council vision, mission, goals and objectives.

##### **Our vision is:**

For our Communities and Council to be Autonomous, Prosperous and Sustainable.

*For youmpla ples ene Council for meke something youmpla self sor long we can gad fruit them thing we makem e praper ene las long time.*

##### **Our mission is:**

To improve our Communities' livability in all we do.

Strategic goals have been set by the Torres Strait Island Regional Council. The relevant goals and objectives and how these are addressed in this AM Plan are summarised in Table 3.2.

*For youmpla for strete ples blo youmpla ene weis kaine youmpla stap lor pless youmpla.*



**Table 3.2: Goals and how these are addressed in this Plan**

Goal	Objective	How Goal and Objectives are addressed in the AM Plan
Managing the built environment to ensure sustainable management of community infrastructure.	Provision of assets to meet the service needs (including growth) of the community in a financially sustainable manner.	Development and implementation of strategic asset management plans for all Buildings Corporate assets.
Infrastructure and social services that meet current and future community needs and aspirations.	Monitor social and built infrastructure development to ensure it is in accordance with Council corporate and strategic planning.	Properly functioning Buildings Corporate to provide the platform for the Community to develop an economic and social base.
Asset should be in a condition which allows the prime functions to operate without impedance and in a safe manner.	Monitor service functions to enable Staff to provide priority community needs.	Clarify works required to return capacity, if minor works R&M can restore asset. If capital works are required, plan and include in Capex budget for approval, then action works once approved.

### 3.3 Legislative Requirements

There are many legislative requirements relating to the management of assets. Legislative requirements that impact the delivery of the Building Corporate service are outlined in Table 3.3.

**Table 3.3: Legislative Requirements**

Legislation	Requirement
Building Code of Australia	Building Construction & Maintenance
Standards Australia	Mechanical, Electrical, Fire and Plumbing.
Local Government Act 2009	Overarching Governance
Building Act 1975. Building Regulation 2006. Building Code of Australia. Electrical Safety Act 2002. Queensland Development Code	Details Building policy, regulation, and technical provisions
National Construction Code 2019	Technical Provisions for Design & Construction
Building Fire Safety Regulation 2008	Fire Safety Compliance
Public Health Act 2005	Ensure Facilities are safe, and Councils are for filling their obligations.

Local Laws	Local governance provision for amenities
WH&S Act 2011	Safety Compliance in the workplace

### 3.4 Customer Values

Service levels are defined in three ways, customer values, customer levels of service and technical levels of service.

**Customer Values** indicate:

- what aspects of the service is important to the customer?
- whether they see value in what is currently provided and
- the likely trend over time based on the current budget provision.

**Table 3.4: Customer Values**

Service Objective: Maintain satisfactory corporate buildings in a safe condition.			
Customer Values	Customer Satisfaction Measure	Current Feedback	Expected Trend Based on Planned Budget
Quality	Qualitative scale (1 – 5) excellent to poor.	Customer Survey	Service levels need to be set at a particular condition rating, i.e., 3.5 as a trigger for future funding prediction.
Safety	Qualitative scale (1 – 5) excellent to poor.	Customer Survey	Service levels need to be set at a particular condition rating, i.e., 3.5 as a trigger for future funding prediction.

### 3.5 Customer Levels of Service

The Customer Levels of Service are considered in terms of:

**Condition**      How good is the service ... what is the condition or quality of the service?

**Function**      Is it suitable for its intended purpose ...? Is it the right service?

**Capacity/Use**      Is the service over or under used ... do we need more or less of these assets?

In Table 3.5 under each of the service measure types (Condition, Function, Capacity/Use) there is a summary of the performance measure being used, the current performance, and the expected performance based on the current budget allocation.

These are measures of fact related to the service delivery outcome (e.g., number of occasions when service is not available or proportion of replacement value by condition %'s) to provide a balance in comparison to the customer perception that may be more subjective.

Table 3.5: Customer Level of Service Measures

Type of Measure	Level of Service	Performance Measure	Current	Expected Trend Based on Planned Budget
<b>Condition</b>	Assets to be maintained at a minimum acceptable level.	Assets have a minimum physical condition score >3.5	3	While maintaining the current trend, Council's budget will continue to be undertaken on a reactive nature dependent on failures with a decision to strategically review assets and consolidate future funding requirements.
	<b>Confidence levels</b>		High – based on 2020 comprehensive valuation data.	Low – lack of mid to long term planning which will change from regular AMP reviews and maturity of planning.
<b>Function</b>	Assets meet current functional requirement of council.	Assets have a minimum functional condition score. >3.5	Council does not have any data on assets.	While maintaining the current trend, Council's budget will continue to be undertaken on a reactive nature dependent on failures with a decision to strategically review assets and consolidate future funding requirements.
	<b>Confidence levels</b>		Low – Council has not collected data on function.	Low – lack of mid to long term planning which will change from regular AMP reviews and maturity of planning.
<b>Capacity</b>	Assets have adequate capacity ratios (occupancy levels).	Occupancy levels > 100%	Council does not have any capacity data on assets.	While maintaining the current trend, Council's budget will continue to be undertaken on a reactive nature dependent on failures with a decision to strategically review assets and consolidate future funding requirements.
	<b>Confidence levels</b>		Low – Council has not collected data on function.	Low – lack of mid to long term planning which will change from regular AMP reviews and maturity of planning.

### 3.6 Technical Levels of Service

**Technical Levels of Service** –Operational and technical measure of performance will be implemented to deliver the customer values and satisfy the customer levels of service identified. These technical measures relate to the activities and allocation 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., widening a road, sealing an unsealed road, replacing a pipeline with a larger size) or a new service that did not exist previously (e.g., a new library).
- **Operation** – the regular activities to provide services (e.g., opening hours, cleansing, 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., road patching, unsealed road grading, building and structure repairs),
- **Renewal** – the activities that return the service capability of an asset up to that which it had originally provided (e.g., road resurfacing and pavement reconstruction, pipeline replacement and building component replacement),

Service and asset managers plan, implement and control technical service levels to influence the service outcomes.<sup>3</sup>

Table 3.6 shows the activities expected to be provided under the current 10 year Planned Budget allocation, and the Forecast activity requirements being recommended in this AM Plan.

Further technical levels of services expected will be developed and included in future iterations of the asset management plan. Significant effort will be required to develop and agree a sustainable position in following the community consultation and trade-off of service level performance, cost and risks.

**Table 3.6: Technical Levels of Service**

Lifecycle Activity	Purpose of Activity	Activity Measure	Current Performance*	Recommended Performance **
<b>TECHNICAL LEVELS OF SERVICE</b>				
<b>Acquisition</b>	Acquisitions in line with changing council requirement and fit-for purpose.	Community consultation regarding engagement and utilisation of acquisitions	No Data	As data comes available for new acquisitions data will be updated.
		<b>Budget</b>	\$0	\$0
<b>Operation</b>	Recurrent outlay costs driven by the Assets Team.	Scheduled Compliance related Maintenance	Compliant	All buildings to be recertified to prove post amalgamation determinations.
		<b>Budget</b>	\$250,000	\$0 Until such time as final review completed no

<sup>3</sup> IPWEA, 2015, IIMM, p 2|28.

Lifecycle Activity	Purpose of Activity	Activity Measure	Current Performance*	Recommended Performance **
				additional funds will allocated.
<b>Maintenance</b>	Maintaining assets to minimum operational standards	Work request management from Divisional team for general R&M and Asset Team for compliance	No Data  System under review to improve the data in future years.	The maintenance activities we would like to do as per the Lifecycle Forecast, however this function is driven by the Divisional Management Team. A more strategic approach is being developed as this AMP matures
		<b>Budget</b>	\$750,000	\$750,000  Until such time as final review completed no additional funds will allocated
<b>Renewal</b>	Assets in average condition	Building condition assessments	3	Targeted performance is condition > <3.5
	W&HS	Maintain assets at current legislative requirements.	100%	100%
		<b>Budget</b>	\$1,000,0000	\$2,331,992
<b>Disposal</b>	Dispose of assets in line with changing council requirements.	Compliance with environmental, community factors	\$250,000	Performance measure to be established Currently only one disposal is planned.
		<b>Budget</b>	\$250,000	\$0

Note:

\* Current activities related to Planned Budget.

\*\* Expected performance related to forecast lifecycle costs.

It is important to monitor the service levels regularly as circumstances can and do change. Current performance is based on existing resource provision and work efficiencies. It is acknowledged changing circumstances such as technology and customer priorities will change over time.

## 4.0 FUTURE DEMAND

### 4.1 Demand Drivers

Drivers affecting demand include things such as population change, regulations, changes in demographics, seasonal factors, vehicle ownership rates, consumer preferences and expectations, technological changes, economic factors, agricultural practices, environmental awareness, etc.

### 4.2 Demand Forecasts

The present position and projections for demand drivers that may impact future service delivery and use of assets, have been identified and documented (refer the table below).

### 4.3 Demand Impact and Demand Management Plan

The impact of demand drivers that may affect future service delivery and use of assets are shown in Table 4.3.

Demand for new services will be managed through a combination of managing existing assets, upgrading of 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 shown in Table 4.3. Further opportunities will be developed in future revisions of this AM Plan.

**Table 4.3: Demand Management Plan**

Demand driver	Current position	Projection	Impact on services	Demand Management Plan
Population	7,403 (2016 Census)	8,416 (2031)	Increased pressure on central services. Need for additional council staff resources.	Review and plan for appropriate upgrades to facilities as the utilisation levels reach upper levels of utilisation.
Demographics	25.5% under the age of 10, 35% between the ages of 10 and 30, 31.3% between the ages of 30 and 60 and 8.2% over the age of 60	No projection data is available.	Changing community requirements for the building's assets including increased needs for access.	Review and plan for appropriate upgrades to align with accessibility needs of changing community demographic profile.
Transitional Action Plan (TAP) – Accommodation/Facilities	4 Staff accommodation Houses	4 Staff accommodation Houses	Any increase in staff forming part of the TAP will put pressure on housing/facilities in the region.	Acquire new housing/facilities assets through new capital funding.

## Indigenous regions, projected increase and rate of growth (series B), 2016 to 2031, at 30 June

Indigenous region	2016	2031	Projected growth 2016 to 2031	
	— persons —		no.	%
Brisbane	84,454	126,482	42,028	49.8
Cairns–Atherton	30,050	39,064	9,014	30.0
Cape York	10,579	13,469	2,890	27.3
Mount Isa	9,003	9,253	250	2.8
Rockhampton	26,941	35,528	8,587	31.9
Toowoomba–Roma	21,350	27,648	6,298	29.5
Torres Strait	7,403	8,156	753	10.2
Townsville–Mackay	31,496	44,795	13,299	42.2
<b>Queensland</b>	<b>221,276</b>	<b>304,395</b>	<b>83,119</b>	<b>37.6</b>
<b>Australia</b>	<b>798,365</b>	<b>1,071,871</b>	<b>273,506</b>	<b>34.3</b>

### 4.4 Asset Programs to meet Demand

The new assets required to meet demand may be acquired, donated or constructed. Additional assets are discussed in Section 5.4.

Acquiring new assets will commit the Torres Strait Island Regional Council to ongoing operations, maintenance and renewal costs for the period that the service provided from the assets is required. These future costs are identified and considered in developing forecasts of future operations, maintenance and renewal costs for inclusion in the long-term financial plan (Refer to Section 5).

### 4.5 Climate Change Adaptation

The impacts of climate change may have a significant impact on the assets we manage and the services they provide. In the context of the Asset Management Planning process climate change can be considered as both a future demand and a risk.

How climate change impacts on assets will vary depending on the location and the type of services provided, as will the way in which we respond and manage those impacts.<sup>4</sup>

As a minimum we consider how to manage our existing assets given potential climate change impacts for our region.

<sup>4</sup> IPWEA Practice Note 12.1 Climate Change Impacts on the Useful Life of Infrastructure

Risk and opportunities identified to date are shown in Table 4.5.1

**Table 4.5.1 Managing the Impact of Climate Change on Assets and Services**

Climate Change Description	Projected Change	Potential Impact on Assets and Services	Management
Rising sea levels and increased storm tide activity in the wet season	Increased flood zone.	Assets within new flood zone prone to significant water damage and impairment.	Relocation of critical assets and assets with high likelihood of environmental exposure. Plan and develop assets considering astronomical tide projection mapping.
Rising air and sea temperatures	Increased storm activity and/or severity	Higher levels of damage and corrosion to buildings associated materials.	Introducing corrosion resistant building materials, i.e., marine grade aluminium roofing and stainless-steel fixing screws. Where possible utilising wood instead of steel for structural renews.

Additionally, the way in which we construct new assets should recognise that there is opportunity to build in resilience to climate change impacts. Building resilience can have the following benefits:

- Assets will withstand the impacts of climate change.
- Services can be sustained; and
- Assets that can endure may potentially lower the lifecycle cost and reduce their carbon footprint.

Table 4.5.2 summarises some asset climate change resilience opportunities.

**Table 4.5.2 Building Asset Resilience to Climate Change**

New Asset Description	Climate Change impact These assets?	Build Resilience in New Works
Roof	Shortened end of life due to corrosion.	Corrosion resistant materials as per table 4.5.1
Sub Structure	Shortened end of life due to corrosion.	Corrosion resistant materials as per table 4.5.1

The impact of climate change on assets is a new and complex discussion and further opportunities will be developed in future revisions of this AM Plan.



## 5.0 LIFECYCLE MANAGEMENT PLAN

The lifecycle management plan details how the Torres Strait Island Regional Council plans to manage and operate the assets at the agreed levels of service (Refer to Section 3) while managing life cycle costs.

### 5.1 Background Data

#### 5.1.1 Physical parameters

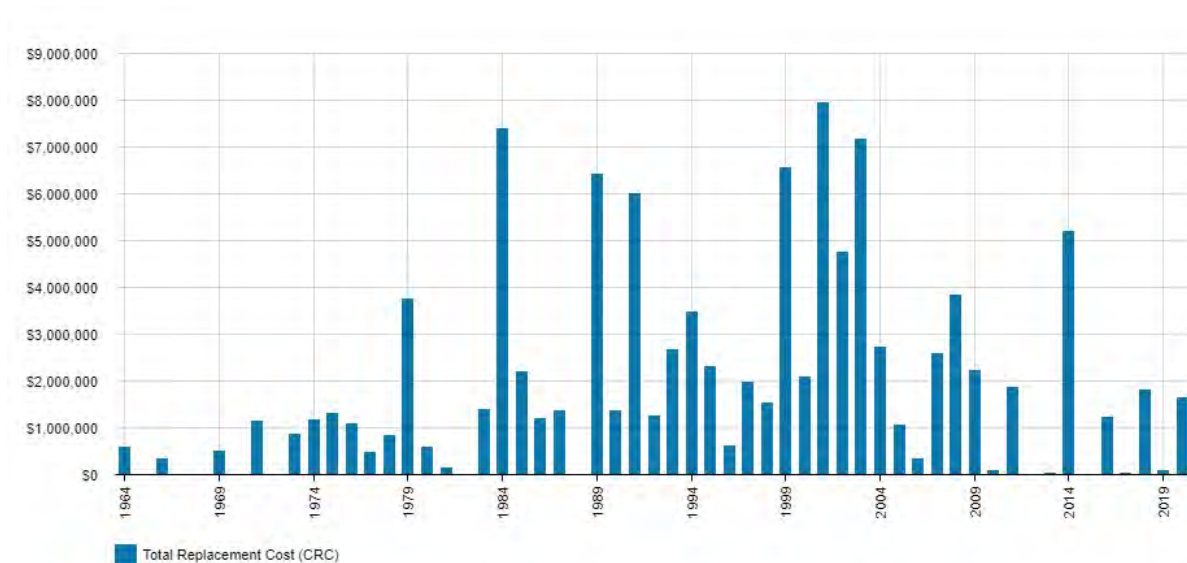
The assets covered by this AM Plan are shown in Table 5.1.1.

The Buildings Corporate network comprises; Accommodation Centres, Administration Centres, Amenities Blocks, Childcare Centres, Community Halls, Shelters and Workshops with a replacement value estimated at 30 June 2020 of \$107,077,404

**Table 5.1.1: Assets covered by this Plan**

Asset Category	Number of Assets	Replacement Value \$
Accommodation Centres	78	30,847,300
Administration Centres	39	37,026,200
Amenities Blocks	6	992,600
Childcare Centres	9	8,978,280
Community Halls	12	12,220,860
Recreation Centers	3	1,131,200
Shelters	10	771,700
Workshops	62	15,109,264
<b>TOTAL</b>	<b>219</b>	<b>\$107,077,404</b>

The age profile of the assets included in this AM Plan are shown in Figure 5.1.1.



All figure values are shown in current day dollars.

### 5.1.2 Asset capacity and performance

Assets are generally provided to meet design standards where these are available. However, there is insufficient resources to address all known deficiencies. Locations where deficiencies in service performance are known are detailed in Table 5.1.2.

**Table 5.1.2: Known Service Performance Deficiencies**

Location	Service Deficiency
Saibai, Boigu, Badu, Erub, Mabuiag, Iama, Poruma, Kubin.	Contractor accommodation does not meet operational requirements.
Warraber	Physical condition does not meet council standards.
Badu	Childcare Centre has structural integrity issues (rust).
All Islands	Gazebos in varying states of below average to poor condition. Some are derelict and a safety hazard to community.
Dauan, Masig, Ugar, Kubin, St Pauls	Workshops Physical condition does not meet council standards.

The above service deficiencies were identified from the Asset Class Manager during scheduled Building Inspections which comprises of inspections of all Building Corporate Assets from 5 communities each financial year totaling 15 communities over a 3 year period between comprehensive valuations.

Condition is currently monitored based on a scale of 0 to 5 with 0.5 increments, to facilitate the data being introduced to NAMS+ model, values of 0.5 increased to the next increment, this has not impacted on the description of the condition rating as the 1 to 5 representation indicated below was consistent.

Condition is measured using a 1 – 5 grading system<sup>5</sup> as detailed in Table 5.1.3. It is important that a consistent approach is used in reporting asset performance enabling effective decision support. A finer grading system may be used at a more specific level, however, for reporting in the AM plan results are translated to a 1 – 5 grading scale for ease of communication.

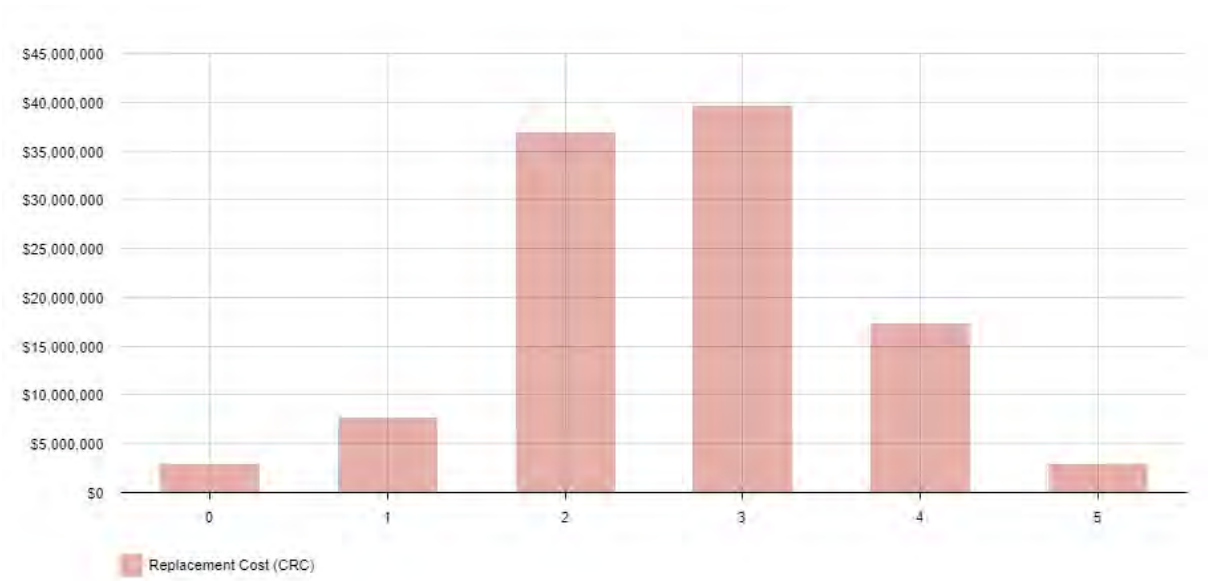
**Table 5.1.3: Condition Grading System**

Condition Grading	Description of Condition
1	<b>Very Good:</b> free of defects, only planned and/or routine maintenance required.
2	<b>Good:</b> minor defects, increasing maintenance required plus planned maintenance.
3	<b>Fair:</b> defects requiring regular and/or significant maintenance to reinstate service
4	<b>Poor:</b> significant defects, higher order cost intervention likely
5	<b>Very Poor:</b> physically unsound and/or beyond rehabilitation, immediate action required.

<sup>5</sup> IPWEA, 2015, IIMM, Sec 2.5.4, p 2|80.

The condition profile of our assets is shown in Figure 5.1.3.

Figure 5.1.3: Asset Condition Profile



It is anticipated that the overall asset conditions will deteriorate over time given the magnitude of funding deficit for maintenance and replacement. This will have a detrimental impact on services.

All figure values are shown in current day dollars.

5.2 Operations and Maintenance Plan

Operations include regular activities to provide services. Examples of typical operational activities include cleaning, street sweeping, 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 pipe repairs, asphalt patching, and equipment repairs.

The trend in maintenance budgets is shown in Table 5.2.1.

Table 5.2.1: Maintenance Budget Trends

Year	Maintenance Budget \$
2020	750,000
2021	750,000
2022	750,000

Maintenance budget levels are considered to be adequate to meet projected service levels, which may be less than or equal to current service levels. Where maintenance budget allocations result in a lesser level of service, the service consequences and service risks have been identified and are highlighted in this AM Plan and service risks considered in the Infrastructure Risk Management Plan.

Assessment and priority of reactive maintenance is undertaken by staff using experience and judgement.

## Asset hierarchy

An asset hierarchy provides a framework for structuring data in an information system to assist in collection of data, reporting information and making decisions. The hierarchy includes the asset class and component used for asset planning and financial reporting and service level hierarchy used for service planning and delivery.

The service hierarchy is shown in Table 5.2.2.

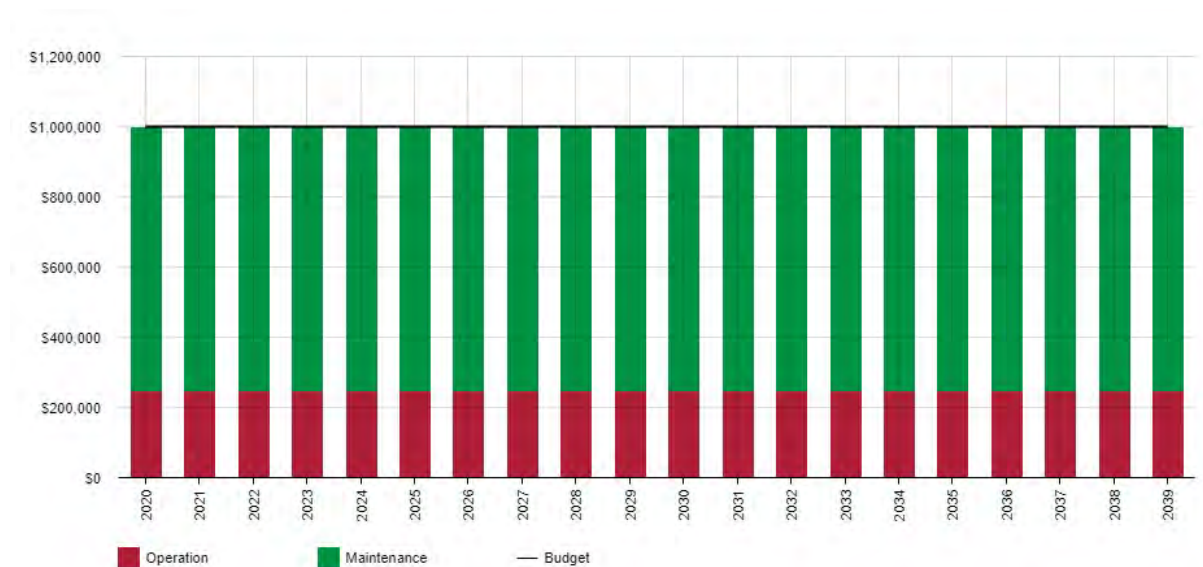
**Table 5.2.2: Asset Service Hierarchy**

Service Hierarchy	Service Level Objective
Category 1- High (Council Offices)	Maintain to a good standard and adapt to changing community needs.
Category 2- Standard (Accommodation, community halls, child Care, workshops).	Maintain to a good standard and adapt to changing community needs.
Category 3- Low (amenities, shelters).	Maintain to a good standard and adapt to changing community needs.

## Summary of forecast operations and maintenance costs

Forecast operations and maintenance costs are expected to vary in relation to the total value of the asset stock. If additional assets are acquired, the future operations and maintenance costs are forecast to increase. If assets are disposed of the forecast operation and maintenance costs are expected to decrease. Figure 5.2 shows the forecast operations and maintenance costs relative to the proposed operations and maintenance Planned Budget.

**Figure 5.2: Operations and Maintenance Summary**



All figure values are shown in current day dollars.

The maintenance and operations budget are reactive in nature with little scheduled maintenance apart from compliance and regulatory requirements.

## 5.3 Renewal Plan

Renewal is major capital work which does 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 currently identified in the Lifecycle Model using asset register data to project the renewal cost (Current replacement cost) and renewal timing (acquisition year plus updated useful life to determine the renewal year).

The typical useful lives of assets used to develop projected asset renewal forecasts are shown in Table 5.3. Asset useful lives were last reviewed on June 2020 as part of a full Valuation.<sup>6</sup>

**Table 5.3: Useful Lives of Assets**

Asset (Sub)Category	Useful Life in Years
Accommodation Centres	10-50
Administration Centres	10-50
Amenities Blocks	10-50
Childcare Centres	15-50
Community Halls	10-50
Recreation	15-50
Shelters	10-30
Workshops	10-50

The estimates for renewals in this AM Plan were based on the asset register including all components associated with the primary asset.

### 5.3.1 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 a workshop building), or
- To ensure the infrastructure is of sufficient quality to meet the service requirements (e.g., condition of an office building).<sup>7</sup>

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

- Have a high consequence of failure,
- Have high use and subsequent impact on users would be significant,
- Have higher than expected operational or maintenance costs, and
- Have potential to reduce life cycle costs by replacement with a modern equivalent asset that would provide the equivalent service.<sup>8</sup>

The ranking criteria used to determine priority of identified renewal proposals is detailed in Table 5.3.1.

<sup>6</sup> Enter Reference to Report documenting Review of Useful Life of Assets

<sup>7</sup> IPWEA, 2015, IIMM, Sec 3.4.4, p 3|91.

<sup>8</sup> Based on IPWEA, 2015, IIMM, Sec 3.4.5, p 3|97.

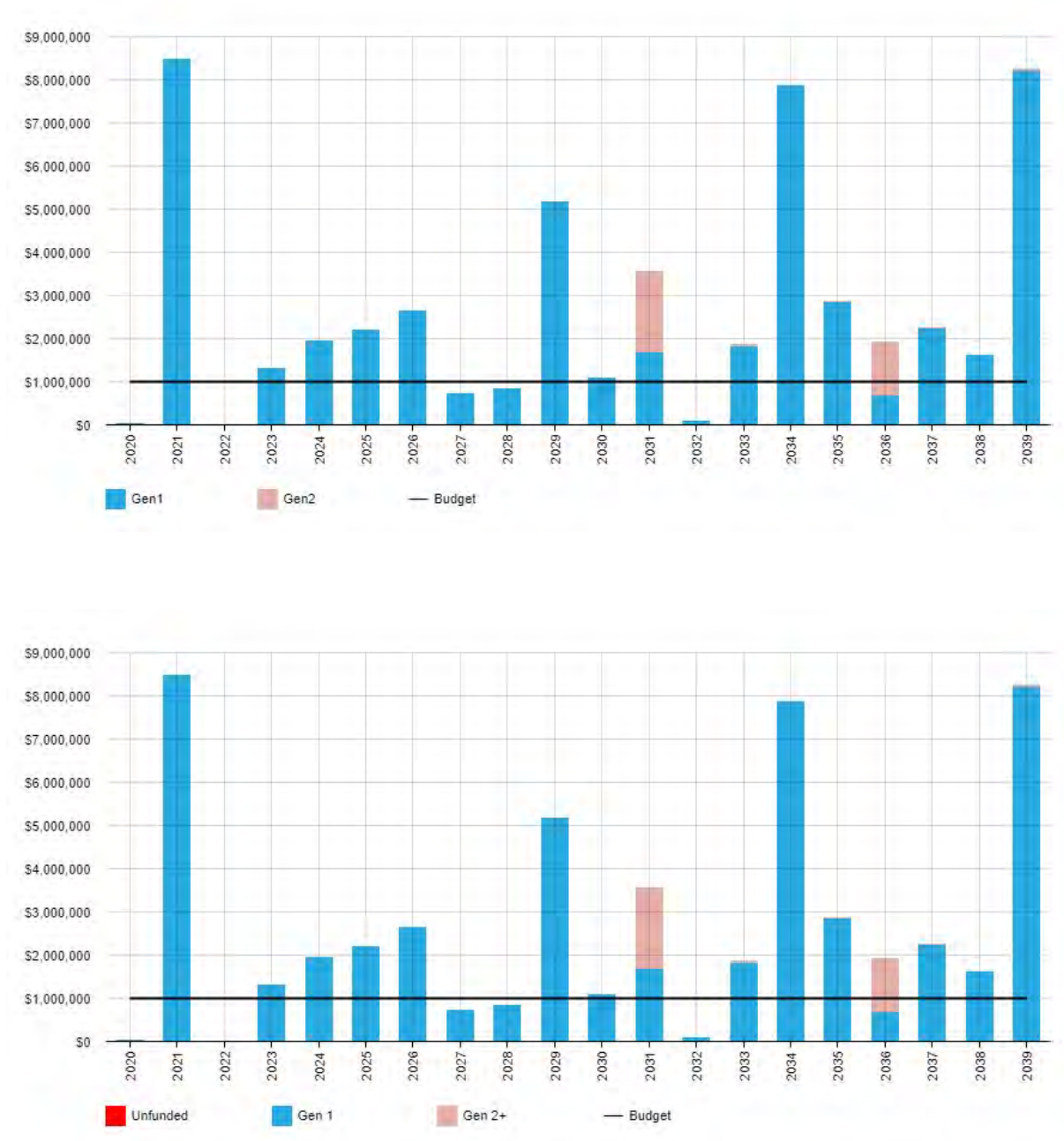
Criteria	Weighting
Sustainability Matrix	TBD
<b>Total</b>	<b>100%</b>

**Table 5.3.1: Renewal Priority Ranking Criteria**

## 5.4 Summary of future renewal costs

Forecast renewal costs are projected to increase over time if the asset stock increases. The forecast costs associated with renewals are shown relative to the proposed renewal budget in Figure 5.4.1. A detailed summary of the forecast renewal costs is shown in Appendix D.

**Figure 5.4.1: Forecast Renewal Costs**



Unfunded – Relates to asset renewals that are not funded in the current year's budget.

Gen 1 – Relates to the “first” generation of asset renewals. The basis of this assessment is derived from data extracted from the 2020 comprehensive valuation and the revised estimated useful life. Due to legacy data from amalgamation a large component has been identified as being requiring renewal in 2021.

Gen 2+ - Relates to subsequent generations of asset renewals.

All figure values are shown in current day dollars.

There are currently no planned renewal projects aside from the renewals budget. This will be updated with planned projects in future iterations of the asset management plan.

## 5.5 Acquisition Plan

Acquisition reflects are new assets that did not previously exist 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 the Torres Strait Islands Regional Council.

### 5.5.1 Selection criteria

Proposed acquisition of new assets, and upgrade of existing assets, are identified from various sources such as community requests, proposals identified by strategic plans or partnerships with others. Potential upgrade and new works should be reviewed to verify that they are essential to the Entities needs. Proposed upgrade and new work analysis should also include the development of a preliminary renewal estimate to ensure that the services are sustainable over the longer term. Verified proposals can then be ranked by priority and available funds and scheduled in future works programmes. The priority ranking criteria is detailed in Table 5.4.1.

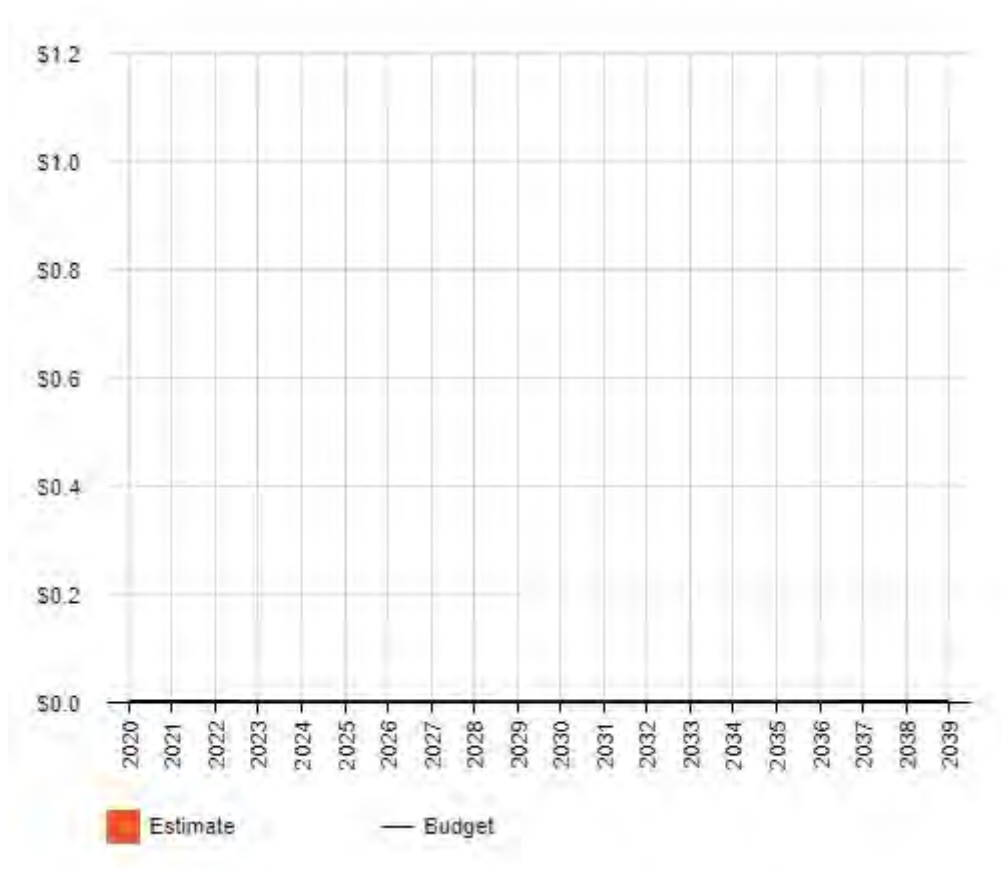
**Table 5.5.1: Acquired Assets Priority Ranking Criteria**

Criteria	Weighting
Not applicable to this class currently due to no long-term planning.	N/A
<b>Total</b>	<b>100%</b>

### Summary of future asset acquisition costs

Forecast acquisition asset costs are summarised in Figure 5.4.1 and are shown relative to the proposed acquisition budget. The forecast acquisition capital works program is shown in Appendix A.

**Figure 5.5.1: Acquisition (Constructed) Summary**

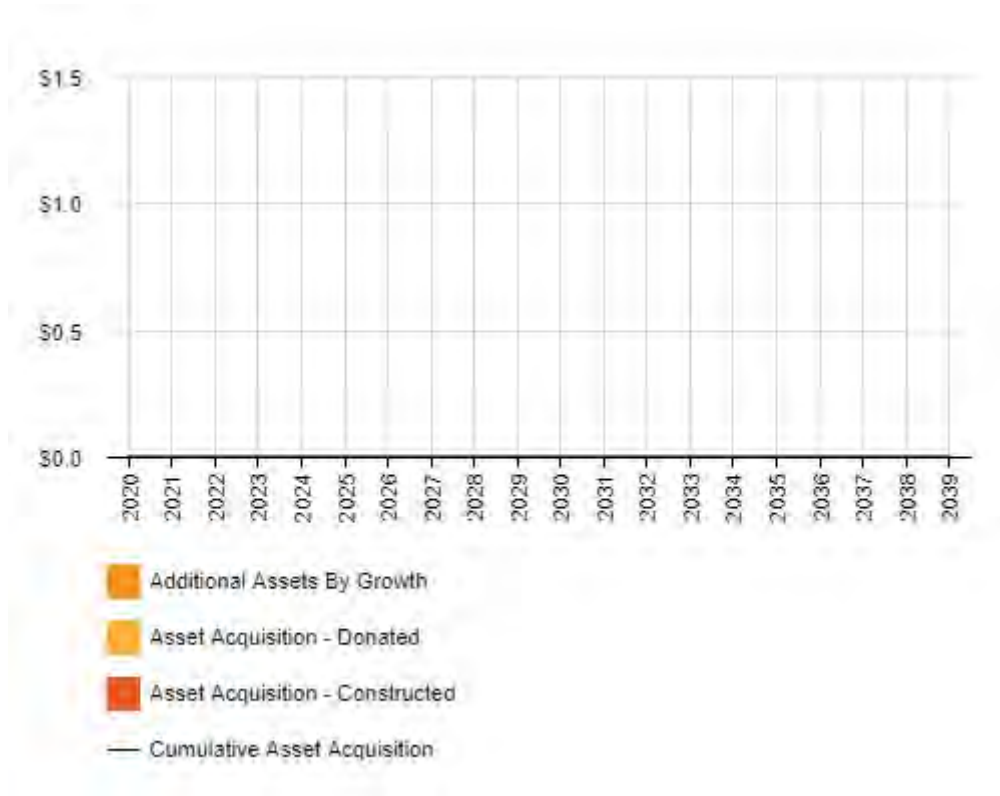


All figure values are shown in current day dollars.

When an Entity commits to new assets, they must be prepared to fund future operations, maintenance, and renewal costs. They must also account for future depreciation when reviewing long term sustainability. When reviewing the long-term impacts of asset acquisition, it is useful to consider the cumulative value of the acquired assets being taken on by the Entity. The cumulative value of all acquisition work, including assets that are constructed and contributed shown in Figure 5.4.2.



**Figure 5.5.2: Acquisition Summary**



All figure values are shown in current dollars.

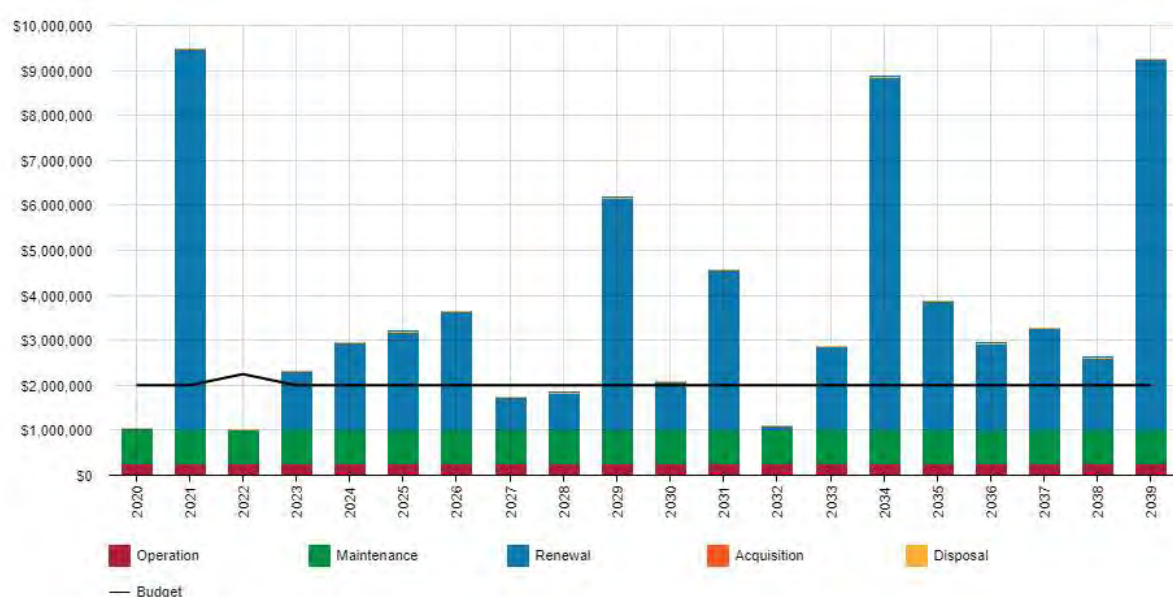
Expenditure on new assets and services in the capital works program will be accommodated in the long-term financial plan, but only to the extent that there is available funding.

#### **Summary of asset forecast costs**

The financial projections from this asset plan are shown in Figure 5.4.3. These projections include forecast costs for acquisition, operation, maintenance, renewal, and disposal. These forecast costs are shown relative to the proposed budget.

The bars in the graphs represent the forecast costs needed to minimise the life cycle costs associated with the service provision. The proposed budget line indicates the estimate of available funding. The gap between the forecast work and the proposed budget is the basis of the discussion on achieving balance between costs, levels of service and risk to achieve the best value outcome.

**Figure 5.5.3: Lifecycle Summary**



All figure values are shown in current day dollars.

## 5.6 Disposal Plan

Disposal includes any activity associated with the disposal of a decommissioned asset including sale, demolition or relocation. Assets identified for possible decommissioning and disposal are shown in Table 5.6. A summary of the disposal costs and estimated reductions in annual operations and maintenance of disposing of the assets are also outlined in Table 5.6. Any costs or revenue gained from asset disposals is included in the long-term financial plan.

**Table 5.6: Assets Identified for Disposal**

Asset	Reason for Disposal	Timing	Disposal Costs \$	Operations & Maintenance Annual Savings
Mer RTC Centre	Facility Disposal required Under Grant Funders Agreement	21/22 Financial Year	\$250,000 (estimate only)	Building never made operational. Costs will be absorbed into other assets.

## 6.0 RISK MANAGEMENT PLANNING

The purpose of infrastructure risk management is to document the findings and recommendations resulting from the periodic identification, assessment and treatment of risks associated with providing services from infrastructure, using the fundamentals of International Standard ISO 31000:2018 Risk management – Principles and guidelines.

Risk Management is defined in ISO 31000:2018 as: ‘coordinated activities to direct and control with regard to risk’<sup>9</sup>.

An assessment of risks<sup>10</sup> associated with service delivery will identify risks that will result in loss or reduction in service, personal injury, environmental impacts, a ‘financial shock’, reputational impacts, or other consequences. The risk assessment process identifies credible risks, the likelihood of the risk event occurring, and the consequences should the event occur. The risk assessment should also include the development of a risk rating, evaluation of the risks and development of a risk treatment plan for those risks that are deemed to be non-acceptable.

### 6.1 Critical Assets

Critical assets are defined as those which have a high consequence of failure causing significant loss or reduction of service. Critical assets have been identified and along with their typical failure mode, and the impact on service delivery, are summarised in Table 6.1. Failure modes may include physical failure, collapse or essential service interruption.

**Table 6.1 Critical Assets**

Critical Asset(s)	Failure Mode	Impact
Council Offices	High/critical	Loss of communications and management direction to staff and community
Accommodation	High	Loss of delivery of contractor related service to community.

By identifying critical assets and failure modes an organisation can ensure that investigative activities, condition inspection programs, maintenance and capital expenditure plans are targeted at critical assets.

### 6.2 Risk Assessment

The risk management process used is shown in Figure 6.2 below.

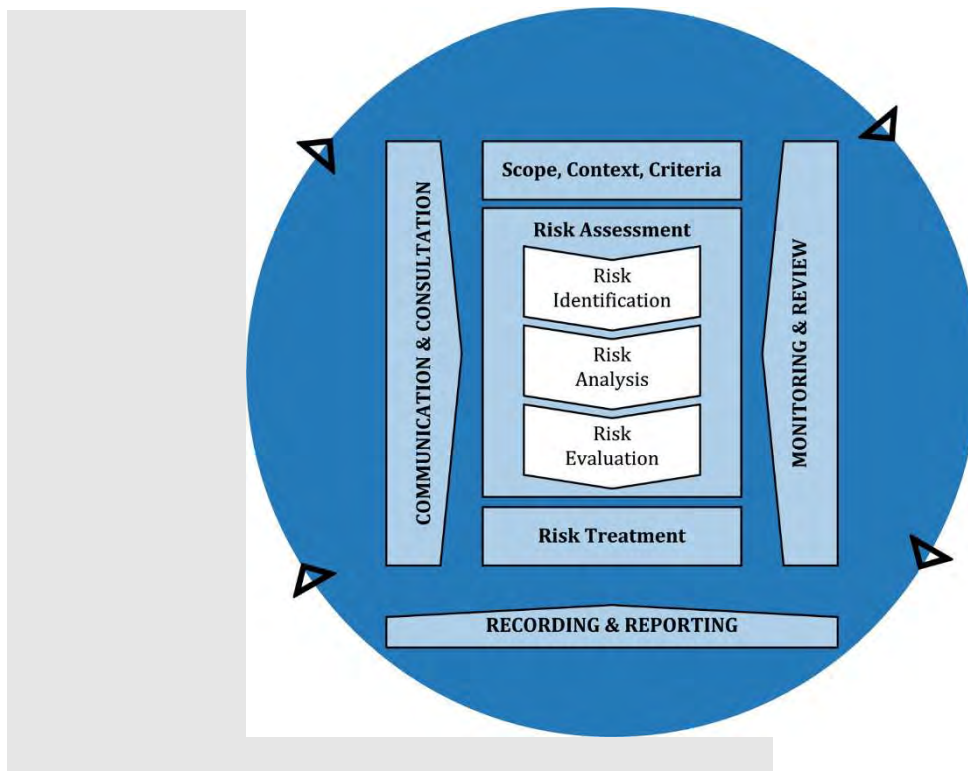
It is an analysis and problem-solving technique designed to provide a logical process for the selection of treatment plans and management actions to protect the community against unacceptable risks.

The process is based on the fundamentals of International Standard ISO 31000:2018.

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<sup>9</sup> ISO 31000:2009, p 2

<sup>10</sup> REPLACE with Reference to the Corporate or Infrastructure Risk Management Plan as the footnote



**Fig 6.2 Risk Management Process – Abridged**  
Source: ISO 31000:2018, Figure 1, p9

The risk assessment process identifies credible risks, the likelihood of the risk event occurring, the consequences should the event occur, development of a risk rating, evaluation of the risk and development of a risk treatment plan for non-acceptable risks.

An assessment of risks<sup>11</sup> associated with service delivery will identify risks that will result in loss or reduction in service, personal injury, environmental impacts, a 'financial shock', reputational impacts, or other consequences.

Critical risks are those assessed with 'Very High' (requiring immediate corrective action), and 'High' (requiring corrective action) risk ratings identified in the Infrastructure Risk Management Plan. The residual risk and treatment costs of implementing the selected treatment plan is shown in Table 6.2. It is essential that these critical risks and costs are reported to management and the Torres Strait Island Regional Council.

<sup>11</sup> Reference to the Corporate or Infrastructure Risk Management Plan to follow

**Table 6.2: Risks and Treatment Plans**

Service or Asset at Risk	What can Happen?	Risk Rating (VH, H)	Risk Treatment Plan	Residual Risk *	Treatment Costs
All Building Corporate Assets	Inability to meet Capital Requirements.	VH	Adoption of new APM model for forward planning and recommendations for strategic groups i.e., AMG.	Medium	TechOne enhancement Project + associated costs \$320k
Sustainability and continuity	Loss of key staff leading to reinvention of data and knowledge.  (Staff retention)	VH	Adequate mature policies and procedure in place to capture and store relevant data.	Medium	\$150k
All Building Corporate Assets	Sea level rises	VH	Seawall constructions or relocate building assets to higher ground (where feasible)	Medium	\$30m
All Building Corporate Assets	Asbestos Management – exposure risks to community and staff.	VH	Asbestos register in place and asset reports in place however year review is due.	Medium	\$180k

Note \* The residual risk is the risk remaining after the selected risk treatment plan is implemented.

### 6.3 Infrastructure Resilience Approach

The resilience of our critical infrastructure is vital to the ongoing provision of services to customers. To adapt to changing conditions we need to understand our capacity to 'withstand a given level of stress or demand', and to respond to possible disruptions to ensure continuity of service.

Resilience recovery planning, financial capacity, climate change risk assessment and crisis leadership.

Our current measure of resilience is shown in Table 6.3 which includes the type of threats and hazards and the current measures that the organisation takes to ensure service delivery resilience.

**Table 6.3: Resilience Assessment**

Threat / Hazard	Assessment Method	Current Resilience Approach
N/A	N/A	N/A

We do not currently measure our resilience in service delivery. This will be included in future iterations of the AM Plan.

## **6.4 Service and Risk Trade-Offs**

The decisions made in adopting this AM Plan are based on the objective to achieve the optimum benefits from the available resources.

### **6.4.1 What we cannot do**

There are some operations and maintenance activities and capital projects that are unable to be undertaken within the next 10 years. We do not have enough funding to provide all services at the desired service levels or provide new services. Works and services that cannot be provided under present funding levels are:

- Implementation of suitable levels of maintenance to stop the rapid degradation of buildings, after years of maintenance funding restrictions.
- General maintenance to all priority buildings to bring them up to suitable operational status.
- Planned/preventative maintenance.
- Construct new buildings or structures.

### **6.4.2 Service trade-off**

If there is forecast work (operations, maintenance, renewal, acquisition or disposal) that cannot be undertaken due to available resources, then this will result in service consequences for users. These service consequences include:

- No forecast works scheduled at this point in. All work undertaken on a prioritised reactive basis.

### **6.4.3 Risk trade-off**

The operations and maintenance activities and capital projects that cannot be undertaken may sustain or create risk consequences. These risk consequences include:

- Increased maintenance services costs
- Increased ageing of assets and acceleration physical deterioration

These actions and expenditures are considered and included in the forecast costs, and where developed, the Risk Management Plan.

## 7.0 FINANCIAL SUMMARY

This section contains the financial requirements resulting from the information presented in the previous sections of this AM Plan. The financial projections will be improved as the discussion on desired levels of service and asset performance matures.

### 7.1 Financial Sustainability and Projections

#### 7.1.1 Sustainability of service delivery

There are two key indicators of sustainable service delivery that are considered in the AM Plan for this service area. The two indicators are the:

- asset renewal funding ratio (proposed renewal budget for the next 10 years / forecast renewal costs for next 10 years), and
- medium term forecast costs/proposed budget (over 10 years of the planning period).

##### Asset Renewal Funding Ratio

Asset Renewal Funding Ratio<sup>12</sup> 42.88%

The Asset Renewal Funding Ratio is an important indicator and illustrates that over the next 10 years we expect to have 42.88% of the funds required for the optimal renewal of assets.

The forecast renewal works along with the proposed renewal budget, and the cumulative shortfall, is illustrated in Appendix D.

##### Medium term – 10-year financial planning period

This AM Plan identifies the forecast operations, maintenance and renewal costs required to provide an agreed level of service to the community over a 10-year period. This provides input into 10 year financial and funding plans aimed at providing the required services in a sustainable manner.

This forecast work can be compared to the proposed budget over the first 10 years of the planning period to identify any funding shortfall.

The forecast operations, maintenance and renewal costs over the 10-year planning period is \$3,331,992 average per year.

The proposed (budget) operations, maintenance and renewal funding is \$2,000,000 on average per year giving a 10 year funding shortfall of (\$1,331,992) per year. This indicates that 60.02% of the forecast costs needed to provide the services documented in this AM Plan are accommodated in the proposed budget. Note, these calculations exclude acquired assets.

Providing sustainable services from infrastructure requires the management of service levels, risks, forecast outlays and financing to achieve a financial indicator of approximately 1.0 for the first years of the AM Plan and ideally over the 10 year life of the Long-Term Financial Plan.

#### 7.1.2 Forecast Costs (outlays) for the long-term financial plan

Table 7.1.3 shows the forecast costs (outlays) required for consideration in the 10 year long-term financial plan.

Providing services in a financially sustainable manner requires a balance between the forecast outlays required to deliver the agreed service levels with the planned budget allocations in the long-term financial plan.

A gap between the forecast outlays and the amounts allocated in the financial plan indicates further work is required on reviewing service levels in the AM Plan (including possibly revising the long-term financial plan).

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<sup>12</sup> AIFMM, 2015, Version 1.0, Financial Sustainability Indicator 3, Sec 2.6, p 9.

We will manage the 'gap' by developing this AM Plan to provide guidance on future service levels and resources required to provide these services in consultation with the community.

Forecast costs are shown in 2021-dollar values.

**Table 7.1.2: Forecast Costs (Outlays) for the Long-Term Financial Plan**

Year	Acquisition \$	Operation \$	Maintenance \$	Renewal \$	Disposal \$
2020	0	250,000	750,000	30,000	0
2021	0	250,000	750,000	8,476,300	0
2022	0	250,000	750,000	0	0
2023	0	250,000	750,000	1,310,200	0
2024	0	250,000	750,000	1,949,120	0
2025	0	250,000	750,000	2,187,500	0
2026	0	250,000	750,000	2,631,600	0
2027	0	250,000	750,000	734,900	0
2028	0	250,000	750,000	835,000	0
2029	0	250,000	750,000	5,165,300	0
2030	0	250,000	750,000	1,075,000	0
2031	0	250,000	750,000	3,563,100	0
2032	0	250,000	750,000	85,000	0
2033	0	250,000	750,000	1,852,900	0
2034	0	250,000	750,000	7,856,360	0
2035	0	250,000	750,000	2,869,779	0
2036	0	250,000	750,000	1,929,000	0
2037	0	250,000	750,000	2,261,300	0
2038	0	250,000	750,000	1,611,000	0
2039	0	250,000	750,000	8,242,360	0

## 7.2 Funding Strategy

The proposed funding for assets is outlined in the Entity's budget and Long-Term financial plan.

The financial strategy of the entity determines how funding will be provided, whereas the AM Plan communicates how and when this will be spent, along with the service and risk consequences of various service alternatives.

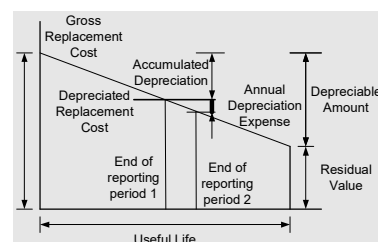


## 7.3 Valuation Forecasts

### 7.3.1 Asset valuations

The best available estimate of the value of assets included in this AM Plan are shown below.

Replacement Cost (Current/Gross)	\$107,077,404
Depreciable Amount	\$107,077,404
Depreciated Replacement Cost <sup>13</sup>	\$49,478,980
Depreciation	\$2,642,088



### 7.3.2 Valuation forecast

Asset values are forecast to increase as costs continue to increase in the Torres Strait.

Additional assets will generally add to the operations and maintenance needs in the longer term. Additional assets will also require additional costs due to future renewals. Any additional assets will also add to future depreciation forecasts.

## 7.4 Key Assumptions Made in Financial Forecasts

In compiling this AM Plan, it was necessary to make some assumptions. This section details the key assumptions made in the development of this AM plan and should provide readers with an understanding of the level of confidence in the data behind the financial forecasts.

Key assumptions made in this AM Plan are:

- Assumptions made around the maintenance and operations budget.
- Renewals are based on the fixed asset register replacement and maybe unreliable for renewal forecasting.
- Capital costs for renewals are based on the replacement costs developed as a part of the valuations.
- Capital funding is fixed based on the current year funding over each year.
- No Asset acquisitions and disposals are planned.

<sup>13</sup> Also reported as Written Down Value, Carrying or Net Book Value.

## 7.5 Forecast Reliability and Confidence

The forecast costs, proposed budgets, and valuation projections in this AM Plan are based on the best available data. For effective asset and financial management, it is critical that the information is current and accurate. Data confidence is classified on a A - E level scale<sup>14</sup> in accordance with Table 7.5.1.

**Table 7.5.1: Data Confidence Grading System**

Confidence Grade	Description
A. Very High	Data based on sound records, procedures, investigations and analysis, documented properly and agreed as the best method of assessment. Dataset is complete and estimated to be accurate $\pm 2\%$
B. High	Data based on sound records, procedures, investigations and analysis, documented properly but has minor shortcomings, for example some of the data is old, some documentation is missing and/or reliance is placed on unconfirmed reports or some extrapolation. Dataset is complete and estimated to be accurate $\pm 10\%$
C. Medium	Data based on sound records, procedures, investigations and analysis which is incomplete or unsupported, or extrapolated from a limited sample for which grade A or B data are available. Dataset is substantially complete but up to 50% is extrapolated data and accuracy estimated $\pm 25\%$
D. Low	Data is based on unconfirmed verbal reports and/or cursory inspections and analysis. Dataset may not be fully complete, and most data is estimated or extrapolated. Accuracy $\pm 40\%$
E. Very Low	None or very little data held.

The estimated confidence level for and reliability of data used in this AM Plan is shown in Table 7.5.2.

**Table 7.5.2: Data Confidence Assessment for Data used in AM Plan**

Data	Confidence Assessment	Comment
Demand drivers	Low	Business not currently in line with this function
Growth projections	Low	Business not currently in line with this function
Acquisition forecast	Low	Business not currently in line with this function
Operation forecast	Low	Business not currently in line with this function
Maintenance forecast	Low	Business not currently in line with this function
Renewal forecast	Low	Business not currently in line with this function
- Asset values	Low	Business not currently in line with this function
- Asset useful lives	Low	Business not currently in line with this function
- Condition modelling	Low	Business not currently in line with this function
Disposal forecast	Low	Business not currently in line with this function

The estimated confidence level for and reliability of data used in this AM Plan is considered to be Low Confidence Level.

<sup>14</sup> IPWEA, 2015, IIMM, Table 2.4.6, p 2 | 71.

## 8.0 PLAN IMPROVEMENT AND MONITORING

### 8.1 Status of Asset Management Practices<sup>15</sup>

#### 8.1.1 Accounting and financial data sources

This AM Plan utilises accounting and financial data. The source of the data is the TechOne ERP Platform & Sustainability Matrix.

#### 8.1.2 Asset management data sources

This AM Plan also utilises asset management data. The source of the data is the TechOne ERP Platform & Sustainability Matrix.

### 8.2 Improvement Plan

It is important that an entity recognise areas of their AM Plan and planning process that require future improvements to ensure effective asset management and informed decision making. The improvement plan generated from this AM Plan is shown in Table 8.2.

Table 8.2: Improvement Plan

Task	Task	Responsibility	Resources Required	Timeline
1	Functional assessments of Buildings Corporate	Assets	Two (2) Staff	3 years (2021-2023)
2	Develop & implement a risk management framework.	Risk & Ethics/Assets	Two (Staff)	2021
3	Conduct risk assessment on assets at a network level	Assets	Two (Staff)	2021
4	Finalise desired levels of service from community consultation.	Assets	4	2021
5	Develop & implement the Sustainability Matrix.	Assets & Heads of Departments	TBD	2021-2022
6	Reinstated the Asset Management Group (AMG) consisting of all Asset Managers.	Assets	TBD	2021-2022
7	TECH ONE Enhancement upgrade	Assets	6	2022/23
8	Data validation and Asset Register Integrity check	Assets	2	2022
9	Rationalisation of Asset base.	Assets, Executive Group & Council	TBD	2023
10	Identify AMPs as an outcome in the Corporate Plan	Finance	1	2022
11	Identify AMPs in the OP plan and asset managers across classes as being stakeholders as well.	Finance	1	2022
12	Update the Strategic Asset Management Plan	Assets	1	2021

<sup>15</sup> ISO 55000 Refers to this as the Asset Management System

### **8.3 Monitoring and Review Procedures**

This AM Plan will be reviewed during the annual budget planning process and revised to show any material changes in service levels, risks, forecast costs and proposed budgets as a result of budget decisions.

The AM Plan will be reviewed and updated annually to ensure it represents the current service level, asset values, forecast operations, maintenance, renewals, acquisition and asset disposal costs and planned budgets. These forecast costs and proposed budget are incorporated into the Long-Term Financial Plan or will be incorporated into the Long-Term Financial Plan once completed.

The AM Plan has a maximum life of 4 years and is due for complete revision and updating within 12 months of each Council election.

### **8.4 Performance Measures**

The effectiveness of this AM Plan can be measured in the following ways:

- The degree to which the required forecast costs identified in this AM Plan are incorporated into the long-term financial plan,
- The degree to which the 1–5-year detailed works programs, budgets, business plans and corporate structures consider the ‘global’ works program trends provided by the AM Plan,
- The degree to which the existing and projected service levels and service consequences, risks and residual risks are incorporated into the Strategic Planning documents and associated plans,
- The Asset Renewal Funding Ratio achieving the Organisational target (this target is often >90%)

## 9.0 REFERENCES

- IPWEA, 2006, 'International Infrastructure Management Manual', Institute of Public Works Engineering Australasia, Sydney, [www.ipwea.org/IIMM](http://www.ipwea.org/IIMM)
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- 2020 Annual Report
- Corporate Plan 2020-2025
- Operational Plan 2020/21
- Deputations 2020

## 10.0 APPENDICES

### Appendix A Acquisition Forecast

#### A.1 – Acquisition Forecast Assumptions and Source

There are no acquisitions forecast

#### A.2 – Acquisition Project Summary

The project titles included in the lifecycle forecast are included here.

N/A

#### A.3 – Acquisition Forecast Summary

Recommend using NAMS+ Outputs Summary for Acquisition

N/A

*Table A3 - Acquisition Forecast Summary*

Year	Constructed \$	Donated \$	Growth \$
2020	0	0	0
2021	0	0	0
2022	0	0	0
2023	0	0	0
2024	0	0	0
2025	0	0	0
2026	0	0	0
2027	0	0	0
2028	0	0	0
2029	0	0	0
2030	0	0	0
2031	0	0	0
2032	0	0	0
2033	0	0	0
2034	0	0	0
2035	0	0	0
2036	0	0	0
2037	0	0	0
2038	0	0	0
2039	0	0	0

## Appendix B      Operation Forecast

### B.1 – Operation Forecast Assumptions and Source

Primary assumption is that funds are limited, and future projections are based on current level spend.

### B.2 – Operation Forecast Summary

Recommend using NAMS+ Outputs Summary for Operation

*Table B2 - Operation Forecast Summary*

Year	Operation Forecast \$	Additional Operation Forecast \$	Total Operation Forecast \$
2020	250,000	0	250,000
2021	250,000	0	250,000
2022	250,000	0	250,000
2023	250,000	0	250,000
2024	250,000	0	250,000
2025	250,000	0	250,000
2026	250,000	0	250,000
2027	250,000	0	250,000
2028	250,000	0	250,000
2029	250,000	0	250,000
2030	250,000	0	250,000
2031	250,000	0	250,000
2032	250,000	0	250,000
2033	250,000	0	250,000
2034	250,000	0	250,000
2035	250,000	0	250,000
2036	250,000	0	250,000
2037	250,000	0	250,000
2038	250,000	0	250,000
2039	250,000	0	250,000

## Appendix C      Maintenance Forecast

### C.1 – Maintenance Forecast Assumptions and Source

Maintenance costs are forecasted to remain constant for the review period.

Maintenance costs are based on current and historical allocations from current financial records.

### C.2 – Maintenance Forecast Summary

All financial tables are from NAMS+ Outputs Summary for Maintenance

**Table C2 - Maintenance Forecast Summary**

Year	Maintenance Forecast \$	Additional Maintenance Forecast \$	Total Maintenance Forecast \$
2020	750,000	0	750,000
2021	750,000	0	750,000
2022	750,000	0	750,000
2023	750,000	0	750,000
2024	750,000	0	750,000
2025	750,000	0	750,000
2026	750,000	0	750,000
2027	750,000	0	750,000
2028	750,000	0	750,000
2029	750,000	0	750,000
2030	750,000	0	750,000
2031	750,000	0	750,000
2032	750,000	0	750,000
2033	750,000	0	750,000
2034	750,000	0	750,000
2035	750,000	0	750,000
2036	750,000	0	750,000
2037	750,000	0	750,000
2038	750,000	0	750,000
2039	750,000	0	750,000



## Appendix D      Renewal Forecast Summary

### D.1 – Renewal Forecast Assumptions and Source

Renewals forecasts are based on TechOne asset registers.

### D.2 – Renewal Project Summary

The project titles included in the lifecycle forecast are based on the asset register useful life.

### D.3 – Renewal Forecast Summary

Statistics are based on using NAMS+ Outputs Summary for Renewal

**Table D3 - Renewal Forecast Summary**

Year	Renewal Forecast \$	Renewal Budget \$
2020	30,000	1,000,000
2021	8,476,300	1,000,000
2022	0	1,000,000
2023	1,310,200	1,000,000
2024	1,949,120	1,000,000
2025	2,187,500	1,000,000
2026	2,631,600	1,000,000
2027	734,900	1,000,000
2028	835,000	1,000,000
2029	5,165,300	1,000,000
2030	1,075,000	1,000,000
2031	3,563,100	1,000,000
2032	85,000	1,000,000
2033	1,852,900	1,000,000
2034	7,856,360	1,000,000
2035	2,869,779	1,000,000
2036	1,929,000	1,000,000
2037	2,261,300	1,000,000
2038	1,611,000	1,000,000
2039	8,242,360	1,000,000

### D.4 –Renewal Plan

Detail output from NAMS+ Report is based on using the Asset Register Method of replacement cost.

A ten-year summary is listed below.

10 year total cost [10 yr Ops, Maint, Renewal & Acquisition Forecast]	33,319,920
10 year average forecast	3,331,992
10 year planned budget [Ops, Maint & Acquisition] (from LTFP)	20,000,000
10 year average planned budget	2,000,000
10 year AM financial indicator	60.02%
10 year average shortfall	-1,331,992

## Appendix E Disposal Summary

### E.1 – Disposal Forecast Assumptions and Source

Describe the assumptions and include relevant information relating to the Disposal Forecast.

### E.2 – Disposal Project Summary

The project titles included in the lifecycle forecast are included here.

### E.3 – Disposal Forecast Summary

Recommend using NAMS+ Outputs Summary for Disposal

.

**Table E3 – Disposal Activity Summary**

Year	Disposal Forecast \$	Disposal Budget \$
2020	0	0
2021	0	0
2022	0	250,000
2023	0	0
2024	0	0
2025	0	0
2026	0	0
2027	0	0
2028	0	0
2029	0	0
2030	0	0
2031	0	0
2032	0	0
2033	0	0
2034	0	0
2035	0	0
2036	0	0
2037	0	0
2038	0	0
2039	0	0

## Appendix F      Budget Summary by Lifecycle Activity

Describe the assumptions and include relevant information relating to the Planned Budget estimates.

**Table F1 – Budget Summary by Lifecycle Activity**

Year	Acquisition \$	Operation \$	Maintenance \$	Renewal \$	Disposal \$	Total \$
2020	0	250,000	750,000	1,000,000	0	2,000,000
2021	0	250,000	750,000	1,000,000	0	2,000,000
2022	0	250,000	750,000	1,000,000	250,000	2,250,000
2023	0	250,000	750,000	1,000,000	0	2,000,000
2024	0	250,000	750,000	1,000,000	0	2,000,000
2025	0	250,000	750,000	1,000,000	0	2,000,000
2026	0	250,000	750,000	1,000,000	0	2,000,000
2027	0	250,000	750,000	1,000,000	0	2,000,000
2028	0	250,000	750,000	1,000,000	0	2,000,000
2029	0	250,000	750,000	1,000,000	0	2,000,000
2030	0	250,000	750,000	1,000,000	0	2,000,000
2031	0	250,000	750,000	1,000,000	0	2,000,000
2032	0	250,000	750,000	1,000,000	0	2,000,000
2033	0	250,000	750,000	1,000,000	0	2,000,000
2034	0	250,000	750,000	1,000,000	0	2,000,000
2035	0	250,000	750,000	1,000,000	0	2,000,000
2036	0	250,000	750,000	1,000,000	0	2,000,000
2037	0	250,000	750,000	1,000,000	0	2,000,000
2038	0	250,000	750,000	1,000,000	0	2,000,000
2039	0	250,000	750,000	1,000,000	0	2,000,000





# **ASSET MANAGEMENT PLAN**

Torres Strait Island Regional Council  
Fleet Management

Document Control		Asset Management Plan			
Document ID : ECM (Record #)					
Rev No	Date	Revision Details	Author	Reviewer	Approver
V1.0	August 2021	Revision to new template Adopted by Council August 2021 Workshop with Asset Class Managers undertaken July 2021	Norman Griffett Mathew Brodbeck George Chapman Tony Wynen	JLL	Norman Griffett Asset Class Manager

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## **1.0 EXECUTIVE SUMMARY**

### **1.1 The Purpose of the Plan**

This Asset Management Plan (AM Plan) details information about infrastructure assets with actions required to provide an agreed level of service in the most cost-effective manner while outlining associated risks. The plan defines the services to be provided, how the services are provided and what funds are required to provide over the 20 year planning period. The AM Plan will link to a Long-Term Financial Plan which typically considers a 10-year planning period.

### **1.2 Asset Description**

This plan covers the infrastructure assets that provide corporate fleet services:

The Fleet network comprises:

- Bus
- Earthmoving
- Fuel Supply
- Marine
- Minor Ancillary Equipment
- Mowers
- Passenger Vehicles
- Trailers
- Trucks

The above fleet assets have replacement value estimated at 30 June 2020 of \$8,026,850 these assets are not included as part of the 2021 desktop valuation due to their short term life span and higher depreciation rate.

### **1.3 Levels of Service**

The allocation in the planned budget is insufficient to continue providing existing services at current levels for the planning period.

The main service consequences of the Planned Budget are:

- Loss of Council Services to the Community.
- Inability to service Council Defined Assets.
- WHS associated risks.

### **1.4 Future Demand**

The factors influencing future demand and the impacts they have on service delivery are created by:

- Population, Demographics & Grant Funding as listed in table 4.3.
- Future Works Contracts.

These demands will be approached using a combination of managing existing assets, upgrading existing assets and providing new assets to meet demand. Demand management practices may also include a combination of non-asset solutions, insuring against risks and managing failures.

- Asset Management Group (AMG) formed reporting to executive level to provide organisational understanding of the assets Whole Of Life, and how this can be influenced and managed responsibly.
- Further educate Asset Class managers and staff on planning principles and understanding of their responsibilities to manage and maintain asset service levels. This will be in the form of training and will be conducted early in the 2021 by an external provider and the Asset Management team.



- Reduce funding being directed to fleet assets not providing core service level outcomes to communities.
- Sustainability Matrix: A prioritisation tool developed to assist in the assessment of capital project submissions and their priority for funding against the pillars of the corporate plan.
- Maintaining existing assets to achieve the maximum useful life possible.
- Upgrading or renewal providing new assets as per demand.
- Improve system of usage charges to other departments and projects.

## **1.5 Lifecycle Management Plan**

### **1.5.1 What does it Cost?**

The forecast lifecycle costs necessary to provide the services covered by this AM Plan includes operation, maintenance, renewal, acquisition, and disposal of assets. Although the AM Plan may be prepared for a range of time periods, it typically informs a Long-Term Financial Planning period of 10 years. Therefore, a summary output from the AM Plan is the forecast of 10-year total outlays, which for the fleet asset class is estimated as \$40,879,576 or \$4,087,958 on average per year.

## **1.6 Financial Summary**

### **1.6.1 What we will do**

Estimated available funding for the 10 year period is \$28,596,538 or \$2,859,654 on average per year as per the Long-Term Financial plan or Planned Budget. This is 69.95% of the cost to sustain the current level of service at the lowest lifecycle cost.

The infrastructure reality is that only what is funded in the long-term financial plan can be provided. The Informed decision making depends on the AM Plan emphasising the consequences of Planned Budgets on the service levels provided and risks.

The anticipated Planned Budget for Fleet assets leaves a shortfall of (\$1,228,304) on average per year of the forecast lifecycle costs required to provide services in the AM Plan compared with the Planned Budget currently included in the Long-Term Financial Plan. This is shown in the figure below.

### Forecast Lifecycle Costs and Planned Budgets

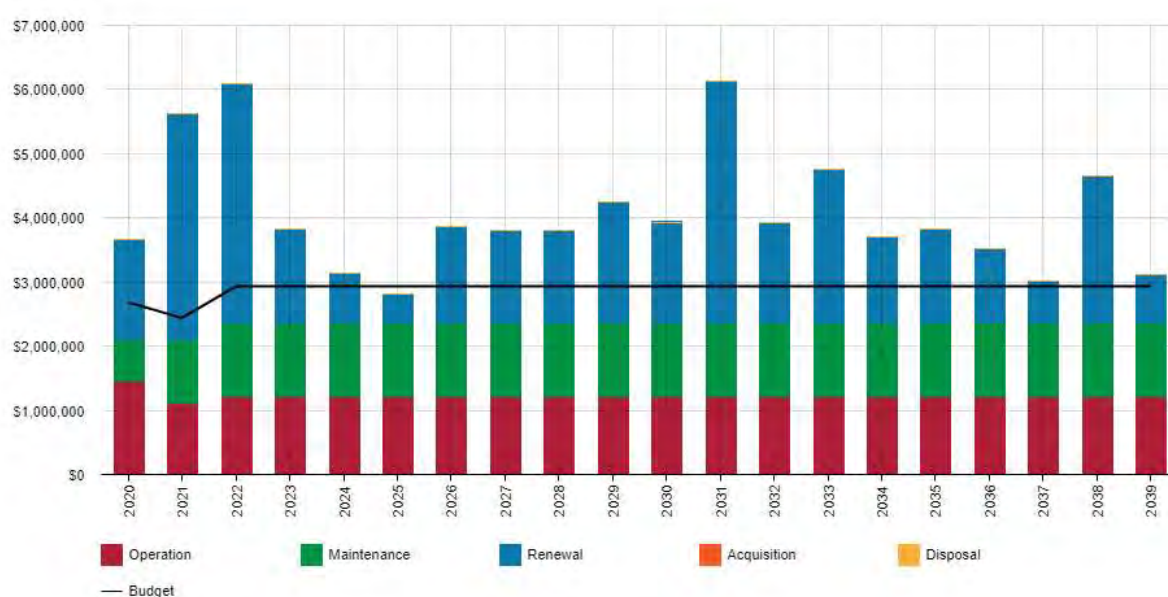


Figure Values are in current dollars.

The following describes the breakdown of values above:

- **Acquisition** – the activities to provide a higher level of service (e.g., widening a road, sealing an unsealed road, replacing a pipeline with a larger size) or a new service that did not exist previously (e.g., a new library).
- **Operation** – the regular activities to provide services (e.g., opening hours, cleansing, 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., road patching, unsealed road grading, building and structure repairs),
- **Renewal** – the activities that return the service capability of an asset up to that which it had originally provided (e.g., road resurfacing and pavement reconstruction, pipeline replacement and building component replacement),
- **Disposal** – Disposal includes any activity associated with the disposal of a decommissioned asset including sale, demolition, or relocation.

We plan to provide Fleet asset services for the following:

- Operation, maintenance, renewal, and acquisition of Fleet to meet service levels set by Torres Strait Islands Regional Council in annual budgets.
- There is no current structured program for renewals of acquisitions within the 10-year planning period.

#### 1.6.2 What we cannot do

We currently do **not** allocate enough budget to sustain these services at the proposed standard or to provide all new services being sought. Works and services that cannot be provided under present funding levels are:

- Replace or renew required Heavy Plant and vehicles unless additional funding is allocated to Fleet.
- Purchase new or near new Fleet being cost prohibitive.
- Immediately purchase all Fleet identified for replacement in the 2021 review.

- Maintain Fleet assets without changes to existing work practices and usage.
- Ongoing Maintenance Refurbishment.
- Lack of qualified skill sets to achieve the required maintenance resulting of shipping of assets back to Cairns.

### 1.6.3 Managing the Risks

Our present budget levels are insufficient to continue to manage risks in the short to medium term.

The main risk consequences are:

- Possibility of personal injury if equipment fails.
- Inability to build and maintain core Island infrastructure and services.
- Capital Project work approvals may be reduced.
- Reduced ability to complete essential services on Island.
- Environmental Contamination and hazards due to plant failure.

We will endeavour to manage these risks within available funding by:

- Reinforcing revised working practices including daily vehicle pre-starts, driver/operator awareness and safe operating practices to reduce unnecessary repairs or wear and tear.
- Seeking to purchase plant and vehicles for on-hire to TSIRC projects to make revenue to increase budget buying power, with the asset returning to the fleet pool at end of projects, whilst still having a useful life.
- Search and identify external funding sources for capital purchases of plant and vehicles.

## 1.7 Asset Management Planning Practices

Key assumptions made in this AM Plan are:

1. Council Owned Funds (COF) Funding limited to Operation and Maintenance and no additional forecast to rectify deficiencies.
2. No allowances for growth in capital and operating budgets.
3. Sourced data is the fixed asset register and condition ratings via 2021 review to establish renewal requirements.
4. External Consultancy Reporting.

Assets requiring renewal are identified from either the asset register.

- The timing of capital renewals based on the asset register is applied by adding the useful life to the year of acquisition or year of last renewal.
- Alternatively, an estimate of renewal lifecycle costs is projected from external condition modelling systems and may be supplemented with, or based on, expert knowledge.

The current Asset Register was used as the best available data to forecast the renewal lifecycle costs for this AM Plan.

This AM Plan is based on a low level of confidence information.

## 1.8 Monitoring and Improvement Program

The next steps resulting from this AM Plan to improve asset management practices are:

- Asset Management Group (AMG) to be formed reporting to executive level to provide organisational understanding of the assets Whole of Life (WOL), and how this can be influenced and managed responsibly.
- Further educate Asset Class managers and staff on planning principles and understanding of their responsibilities to manage and maintain asset service levels. This will be in the form of training and will be conducted early in the 2021/22 by an external provider and the Asset Management team.

- Seek council assistance and endorsement of acceptable service levels for communities and using this to determine minimum service levels to trigger priority action.
- Implementation of NAMS+ (IPEWA) to assist and improve data integrity and analysis using the analysis tools retained within the software product.
- TechOne enhancement Project to further improve on identification and defect management.

## 2.0 Introduction

### 2.1 Background

This AM Plan communicates the requirements for the sustainable delivery of services through management of assets, compliance with regulatory requirements, and required funding to provide the appropriate levels of service over the planning period.

The AM Plan is to be read with the Torres Strait Island Regional Council planning documents. This should include the Asset Management Policy and Asset Management Strategy, where developed, along with other key planning documents:

- Corporate Plan 2020-2025
- Operational Plan 2020/2021
- Annual Report 2020
- Capital Sustainability Matrix (Tool used to identify Capital criteria)
- Annual Budget
- Deputations 2020
- Contracted Maintenance Service Reports

The infrastructure assets covered by this AM Plan include the Fleet assets that serve the Torres Strait Island Regional Council's fleet needs. These assets include Buses, Fuel facilities, Marine vessels, Rotable Equipment Trailers, Motor Vehicles, workshop equipment and Heavy plant that improves community wellbeing by providing fleet assets to support community asset. For a detailed summary of the assets covered in this AM Plan refer to Table in Section 5.1.1.

For a detailed summary of the assets covered in this AM Plan refer to Table in Section 5.

These assets are used to provide the provision of assets to meet the service needs (including growth) of the community in a financially sustainable manner.

The infrastructure assets included in this plan have a total replacement value of \$8,026,850.

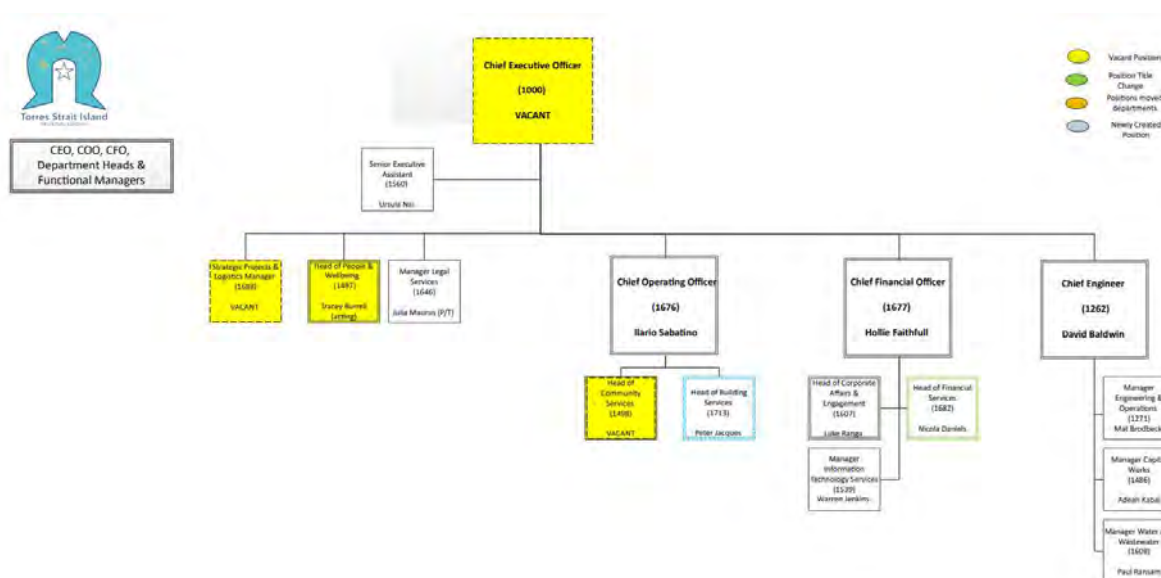
Asset Category	Replacement Value \$
Buses	179,603
Earthmoving	1,350,218
Fuel Supply	1,202,037
Marine	103,056
Minor Ancillary Equipment	370,029
Mowers	94,910
Passenger Vehicles	2,850,455
Trailers	44,550
Trucks	1,831,992
<b>TOTAL</b>	<b>\$8,026,850</b>

Key stakeholders in the preparation and implementation of this AM Plan are shown in Table 2.1.

**Table 2.1: Key Stakeholders in the AM Plan**

Key Stakeholder	Role in Asset Management Plan
Department of Local Government and Planning	Primary funding body of the Torres Strait Island Regional Council
Elected Council	Providers of the Resources to deliver on the Asset Management Plan requirements.
Operators of the Asset	To utilise the Assets for the role that was intended.
Executive Management Team	Responsible for recommendations to Elected Council and subsequent execution of the plan.

Our organisational structure for service delivery from infrastructure assets is detailed below:



## 2.2 Goals and Objectives of Asset Ownership

Our goal for managing infrastructure assets is to meet the defined level of service (as amended from time to time) in the most cost effective manner for present and future consumers. The key elements of infrastructure asset management are:

- Providing a defined level of service and monitoring performance.
- Managing the impact of growth through demand management and infrastructure investment.
- Taking a lifecycle approach to developing cost-effective management strategies for the long-term that meet the defined level of service.
- Identifying, assessing, and appropriately controlling risks.
- Linking to a Long-Term Financial Plan which identifies required, affordable forecast costs and how it will be allocated.

Key elements of the planning framework are:

- Levels of service – specifies the services and levels of service to be provided.
- Risk Management.
- Future demand – how this will impact on future service delivery and how this is to be met.
- Lifecycle management – how to manage its existing and future assets to provide defined levels of service.
- Financial summary – what funds are required to provide the defined services.
- Asset management practices – how we manage provision of the services.
- Monitoring – how the plan will be monitored to ensure objectives are met.
- Asset management improvement plan – how we increase asset management maturity.

Other references to the benefits, fundamentals principles and objectives of asset management are:

- International Infrastructure Management Manual 2015 <sup>1</sup>
- ISO 55000<sup>2</sup>

A road map for preparing an AM Plan is shown below.

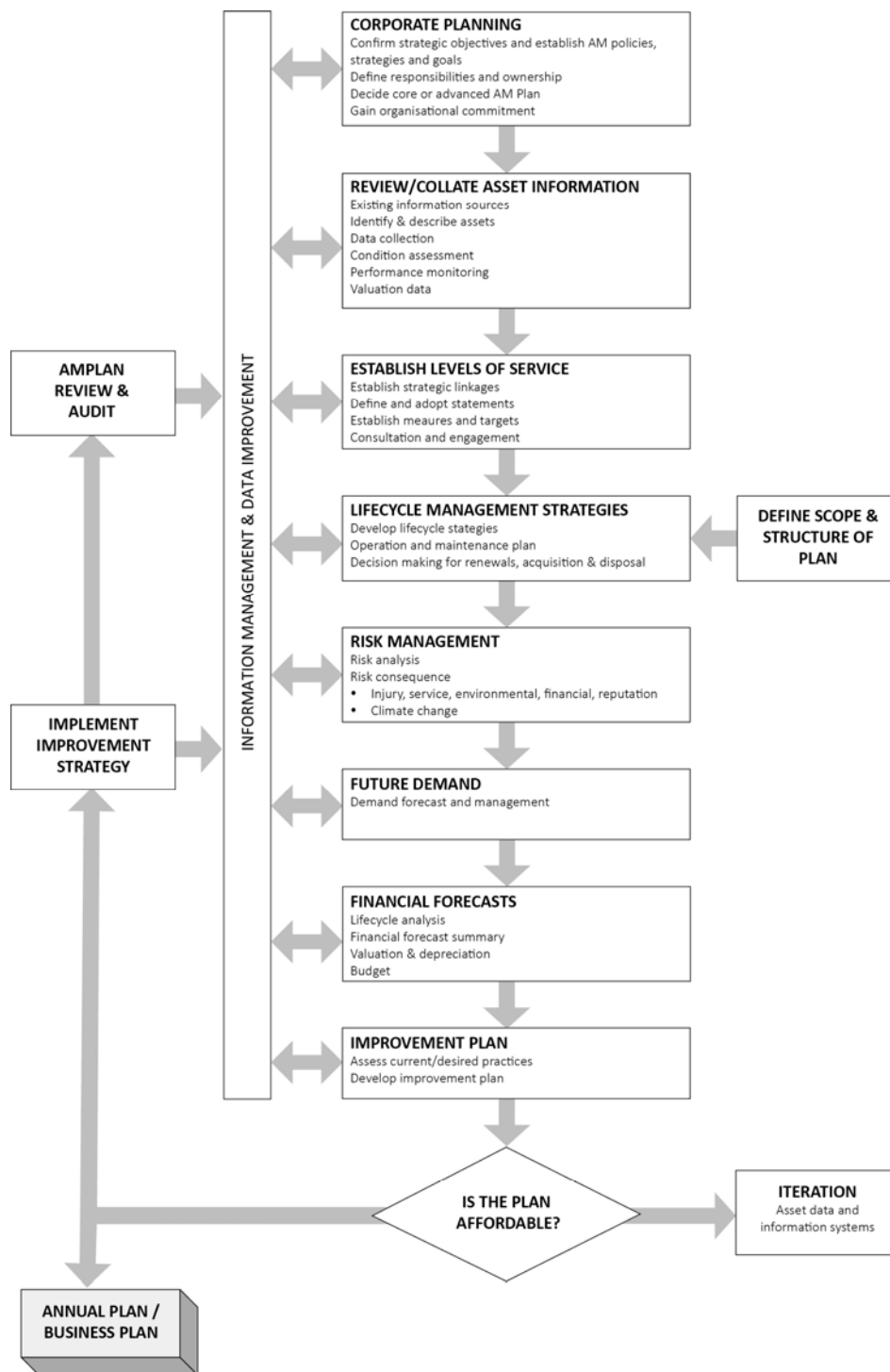
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<sup>1</sup> Based on IPWEA 2015 IIMM, Sec 2.1.3, p 2 | 13

<sup>2</sup> ISO 55000 Overview, principles and terminology

## Road Map for preparing an Asset Management Plan

Source: IPWEA, 2006, IIMM, Fig 1.5.1, p 1.11





### 3.0 LEVELS OF SERVICE

#### 3.1 Customer Research and Expectations

This AM Plan is prepared to facilitate consultation prior to adoption of levels of service by the TSIRC Councilor's. Current consultation on service levels are being undertaken by council staff. This will assist the Torres Strait Island Regional Council and stakeholders in matching the level of service required, service risks and consequences with the customer's ability and willingness to pay for the service.

**These ratings are based on assumptions and knowledge of staff and a Community Survey recently held with all staff.**

*Table 3.1: Customer Satisfaction Survey Levels*

Performance Measure	Satisfaction Level				
	Very Satisfied	Fairly Satisfied	Satisfied	Somewhat satisfied	Not satisfied
Backhoe on each island and rotatable spare				✓	
Operational Garbage truck on each island				✓	
Suitable fit for purpose vehicles on each island				✓	
Towbar fitter to vehicles on each island to facilitate trailer use				✓	
Operational fuel distribution on each island				✓	
Maintenance facilities and mechanics on all islands				✓	

#### 3.2 Strategic and Corporate Goals

This AM Plan is prepared under the direction of the Torres Strait Islands Regional Council vision, mission, goals and objectives.

**Our vision is:**

For our Communities and Council to be Autonomous, Prosperous and Sustainable.

*For youmpla ples ene Council for meke something youmpla self sor long we can gad fruit them thing we makem e praper ene las long time.*

**Our mission is:**

To improve our Communities' livability in all we do.

Strategic goals have been set by the Torres Strait Island Regional Council. The relevant goals and objectives and how these are addressed in this AM Plan are summarised in Table 3.2.

*For youmpla for strete ples blo youmpla ene weis kaine youmpla stap lor pless youmpla.*

Strategic goals have been set by the Torres Strait Island Regional Council. The relevant goals and objectives and how these are addressed in this AM Plan are summarised in Table 3.2.

**Table 3.2: Goals and how these are addressed in this Plan**

Goal	Objective	How Goal and Objectives are addressed in the AM Plan
Manage Fleet servicing and replacement ensuring sustainable management of Vehicle, Plant and Equipment to agreed service levels .	Provision of Fleet assets to meet the service needs (including growth) of the community in a financially sustainable, collaborative and safe manner.	Develop and implement strategic asset management plans for Vehicles, Plant and Equipment that result in provision of sustainable, value for money and fit for purpose Fleet assets.

### 3.3 Legislative Requirements

There are many legislative requirements relating to the management of assets. Legislative requirements that impact the delivery of the Fleet service are outlined in Table 3.3.

**Table 3.3: Legislative Requirements**

Legislation	Requirement
Transport Operation (Road Use Management) Act 1995 Qld	Maintain roadworthiness
Transport Operations (Road Use Management – Vehicle Standards and Safety) Amendment Regulation (No.1) 2015	Maintain vehicle roadworthiness
Transport Operations (Road Use Management – Vehicle Standards and Safety) Regulation 2010	Maintain vehicle roadworthiness
Work Health and Safety Act 2011 (Qld)	Safety Compliance in the workplace
Police Powers and Responsibility Act 2000 Hoon Laws Qld	Anti-hooning law to prevent reckless and dangerous driving
Petroleum and Gas (Production and Safety) Act 2004	Standards and Safety requirements
Petroleum and Gas (Safety) Regulation 2018	Standards and Safety requirements. All liable petroleum and gas operations regulated by the Petroleum and Gas (Production and Safety) Act 2004 are required to complete a Petroleum and Gas Safety and Health Return Form in accordance with section 157 of the Petroleum and Gas (Safety) Regulation 2018. The annual Petroleum and Gas Fee is charged by RSHQ for safety and health services provided to petroleum and gas operations across Queensland. The fee is based on information supplied by industry in relation to volumes of gas stored on each island.

### 3.4 Customer Values

Service levels are defined in three ways, customer values, customer levels of service and technical levels of service.

**Customer Values** indicate:

- what aspects of the service is important to the customer?

- whether they see value in what is currently provided and
- the likely trend over time based on the current budget provision

**Table 3.4: Customer Values**

Service Objective:			
Customer Values	Customer Satisfaction Measure	Current Feedback	Expected Trend Based on Planned Budget
Condition	Qualitative scale (1 – 5) excellent to poor.	Customer Survey outcome 3+	Service levels need to be set at a particular condition rating, i.e., 3.5 as a trigger for future funding prediction.
Safety	Qualitative scale (1 – 5) excellent to poor.	Customer Survey outcome 3+	Service levels need to be set at a particular condition rating, i.e., 3.5 as a trigger for future funding prediction.
Functionality	Qualitative scale (1 – 5) excellent to poor.	Customer Survey outcome 3+	Service levels need to be set at a particular condition rating, i.e., 3.5 as a trigger for future funding prediction.

### 3.5 Customer Levels of Service

The Customer Levels of Service are considered in terms of:

**Condition**      How good is the service ... what is the condition or quality of the service?

**Function**      Is it suitable for its intended purpose .... Is it the right service?

**Capacity/Use**      Is the service over or under used ... do we need more or less of these assets?

In Table 3.5 under each of the service measures types (Condition, Function, Capacity/Use) there is a summary of the performance measure being used, the current performance, and the expected performance based on the current budget allocation.

These are measures of fact related to the service delivery outcome (e.g. number of occasions when service is not available or proportion of replacement value by condition %'s) to provide a balance in comparison to the customer perception that may be more subjective.

**Table 3.5: Customer Level of Service Measures**

Type of Measure	Level of Service	Performance Measure	Current Performance	Expected Trend Based on Planned Budget
<b>Condition</b>	Assets to be maintained at a minimum acceptable level.	Assets have a minimum physical condition score >3.5	3 +	While maintaining the current trend, Council's budget will continue to be undertaken on a reactive nature dependent on failures with a decision to strategically review assets and consolidate future funding requirements.
	<b>Confidence levels</b>		Medium  Medium (Professional judgement supported by data sampling)	Low  Low lack of mid to long term planning which will change from regular AM Plan reviews and maturity of strategic planning processes.
<b>Function</b>	Assets meet current functional requirement of council.	Assets have a minimum functional condition score. >3.5	3+.	Comment on Expected Trend While maintaining the current trend, Council's budget will continue to be undertaken on a reactive nature dependent on failures with a decision to strategically review assets and consolidate future funding requirements.
	<b>Confidence levels</b>		Medium	Low – lack of mid to long term planning which will change from regular AMP reviews and maturity of planning.
<b>Capacity</b>	Assets have adequate capacity ratios (usage levels).	Usage levels > 100%	3+	While maintaining the current trend, Council's budget will continue to be undertaken on a reactive nature dependent on failures with a decision to strategically review assets and consolidate future funding requirements.
	<b>Confidence levels</b>		Medium	Low – lack of mid to long term planning which will change from regular AMP reviews and maturity of planning.

### 3.6 Technical Levels of Service

**Technical Levels of Service** – To deliver the customer values, and impact the achieved Customer Levels of Service, are operational or technical measures of performance. These technical measures relate to the activities and allocation 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., widening a road, sealing an unsealed road, replacing a pipeline with a larger size) or a new service that did not exist previously (e.g., a new library).
- **Operation** – the regular activities to provide services (e.g., opening hours, cleansing, 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., road patching, unsealed road grading, building and structure repairs).
- **Renewal** – the activities that return the service capability of an asset up to that which it had originally provided (e.g., road resurfacing and pavement reconstruction, pipeline replacement and building component replacement).

Service and asset managers plan, implement and control technical service levels to influence the service outcomes.<sup>3</sup>

Table 3.6 shows the activities expected to be provided under the current 10 year Planned Budget allocation, and the Forecast activity requirements being recommended in this AM Plan.

**Table 3.6: Technical Levels of Service**

Lifecycle Activity	Purpose of Activity	Activity Measure	Current Performance*	Recommended Performance **
<b>TECHNICAL LEVELS OF SERVICE</b>				
<b>Acquisition</b>	Acquisitions in line with changing council requirement and fit-for purpose.	Council consultation regarding engagement and utilisation of acquisitions	3+	As data comes available for new acquisitions data will be updated.
	New assets previously not owned	Council consultation in regard to engagement and utilisation of acquisitions	3+	As data comes available for new acquisitions data will be updated
		<b>Budget</b>	\$0	\$0
<b>Operation</b>	Recurrent outlay costs driven by the operations and engineering teams.	Costs limited to Scheduled Compliance related Maintenance	3+	All vehicles to be returned to fully operational service.

<sup>3</sup> IPWEA, 2015, IIMM, p 2|28.

Lifecycle Activity	Purpose of Activity	Activity Measure	Current Performance*	Recommended Performance **
		Defects being listed when maintenance staff review assets	limited to knowledge provided and funding constraints	Until such time as final review completed no additional funds will allocated.
		<b>Budget</b>	\$1,224,796	\$1,224,796
<b>Maintenance</b>	Maintaining assets to minimum operational standards	Work request management from Divisional team for general R&M	3+  System under review to review the data in future years.	The maintenance activities we would like to do as per the Lifecycle Forecast, however this function is driven by the Divisional Management Team. A more strategic approach is being developed as this AMP matures
	,	Monitoring Defects being listed when maintenance staff review assets	3+  System under review to review the data in future years	Until such time as final review completed no additional funds will allocated.
		<b>Budget</b>	\$1,089,322	\$1,089,322
<b>Renewal</b>	To replace Assets in average condition	Vehicle condition assessments during maintenance reviews	Limited based on risk and COF allocated during budget review	Targeted performance is to replace bad condition >=4.5
	Workplace Health and Safety	Maintain assets at current legislative requirements.	100% or asset tagged out	100%
		<b>Budget</b>	\$5,690,000	\$1,773,840
<b>Disposal</b>	Dispose of assets in line with changing council requirements	Compliance with environmental, community factors	The Disposal activities that can be done within the current Planned Budget restraints	Performance measure to be established
	Clear out unwarranted fleet assets	Linked to renewal program	Runs parallel with renewal program	Performance measure to be established
		<b>Budget</b>	\$0	\$0

Note: \* Current activities related to Planned Budget.

\*\* Expected performance related to forecast lifecycle costs.

It is important to monitor the service levels regularly as circumstances can and do change. Current performance is based on existing resource provision and work efficiencies. It is acknowledged changing circumstances such as technology and customer priorities will change over time.

## 4.0 FUTURE DEMAND

### 4.1 Demand Drivers

Drivers affecting demand include things such as population change, regulations, changes in demographics, seasonal factors, vehicle ownership rates, consumer preferences and expectations, technological changes, economic factors, agricultural practices, environmental awareness, etc.

### 4.2 Demand Forecasts

The present position and projections for demand drivers that may impact future service delivery and use of assets have been identified and documented. (refer the table below).

### 4.3 Demand Impact and Demand Management Plan

The impact of demand drivers that may affect future service delivery and use of assets are shown in Table 4.3.

Demand for new services will be managed through a combination of managing existing assets, upgrading of 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 shown in Table 4.3. Further opportunities will be developed in future revisions of this AM Plan.

**Table 4.3: Demand Management Plan**

Demand driver	Current position	Projection	Impact on services	Demand Management Plan
Population	7,403 (2016 Census)	8,416 (2031)	Increased pressure on central services. Need for additional council staff resources.	Review and plan for appropriate upgrades to fleet as the utilisation levels reach upper levels of utilisation.
Demographics	25.5% under the age of 10, 35% between the ages of 10 and 30, 31.3% between the ages of 30 and 60 and 8.2% over the age of 60	No projection data is available.	Changing community requirements for the building's assets including increased needs for access.	Review and plan for appropriate upgrades to align with accessibility needs of changing community demographic profile.
Grant funding timeframe	Short term and does not cover maintenance	Change to long-term rolling program	Improved strategic planning and maintenance opportunities	Review and plan for appropriate upgrades to fleet as the utilisation levels reach upper levels of utilisation
Greater number of projects	Higher demand on fleet vehicles	No Data Available	Availability of fleet	Review project vs fleet requirements

## Indigenous regions, projected increase and rate of growth (series B), 2016 to 2031, at 30 June

Indigenous region	2016	2031	Projected growth 2016 to 2031	
	— persons —		no.	%
Brisbane	84,454	126,482	42,028	49.8
Cairns–Atherton	30,050	39,064	9,014	30.0
Cape York	10,579	13,469	2,890	27.3
Mount Isa	9,003	9,253	250	2.8
Rockhampton	26,941	35,528	8,587	31.9
Toowoomba–Roma	21,350	27,648	6,298	29.5
Torres Strait	7,403	8,156	753	10.2
Townsville–Mackay	31,496	44,795	13,299	42.2
<b>Queensland</b>	<b>221,276</b>	<b>304,395</b>	<b>83,119</b>	<b>37.6</b>
<b>Australia</b>	<b>798,365</b>	<b>1,071,871</b>	<b>273,506</b>	<b>34.3</b>

### 4.4 Asset Programs to meet Demand

The new assets required to meet demand may be acquired or donated. Additional assets are discussed in Section 5.4.

Acquiring new assets will commit the Torres Strait Island Regional Council to ongoing operations, maintenance and renewal costs for the period that the service provided from the assets is required. These future costs would be identified and considered in developing forecasts of future operations, maintenance and renewal costs for inclusion in the long-term financial plan when they are incurred (Refer to Section 5).

### 4.5 Climate Change Adaptation

The impacts of climate change may have a minimal impact on the assets we manage and the services they provide based on the internal combustion engine. In the context of the Asset Management Planning process climate change can still be considered as both a future demand and a risk based on changes in technology.

How climate change impacts on assets will vary depending on the location and the type of services provided, as will the way in which we respond and manage those impacts.<sup>4</sup>

As a minimum we consider how to manage our existing assets given potential climate change impacts for our region.

<sup>4</sup> IPWEA Practice Note 12.1 Climate Change Impacts on the Useful Life of Infrastructure



Risk and opportunities identified to date are shown in Table 4.5.1

**Table 4.5.1 Managing the Impact of Climate Change on Assets and Services**

Climate Change Description	Projected Change	Potential Impact on Assets and Services	Management
High cost of fuel	Review replacement of equipment using combustion engines	Cost and availability of alternate vehicles and plant	Plan to reduce carbon footprint (e.g., solar fuel facilities) or offset carbon credits
Rising air and sea temperatures	Increased storm activity and/or severity	Higher levels of damage and corrosion to equipment left outside.	Introducing corrosion resistant applications, i.e., spraying vehicles for anticorrosive agents. Where possible house vehicles out of the weather

Additionally, the way in which we use and maintain new assets should recognise that there is opportunity to build in resilience to climate change impacts. Building resilience can have the following benefits:

- Assets will withstand the impacts of climate change.
- Services can be sustained; and
- Assets that can endure may potentially lower the lifecycle cost and reduce their carbon footprint.

Table 4.5.2 summarises some asset climate change resilience opportunities.

**Table 4.5.2 Building Asset Resilience to Climate Change**

New Asset Description	Climate Change impact These assets?	Build Resilience in New Works
Electric vehicles	Reduce carbon emissions	Reduce maintenance costs
Solar powered fuel tanks and bowzers	Reduce carbon emissions	No electrical power required – will still work during power outages
Shelters for all plant and vehicles	Reduce climatic caused damage	Reduce costs to repair assets

The impact of climate change on assets is a new and complex discussion and further opportunities will be developed in future revisions of this AM Plan.

## 5.0 LIFECYCLE MANAGEMENT PLAN

The lifecycle management plan details how the Torres Strait Island Regional Council plans to manage and operate the assets at the agreed levels of service (Refer to Section 3) while managing life cycle costs.

### 5.1 Background Data

#### 5.1.1 Physical parameters

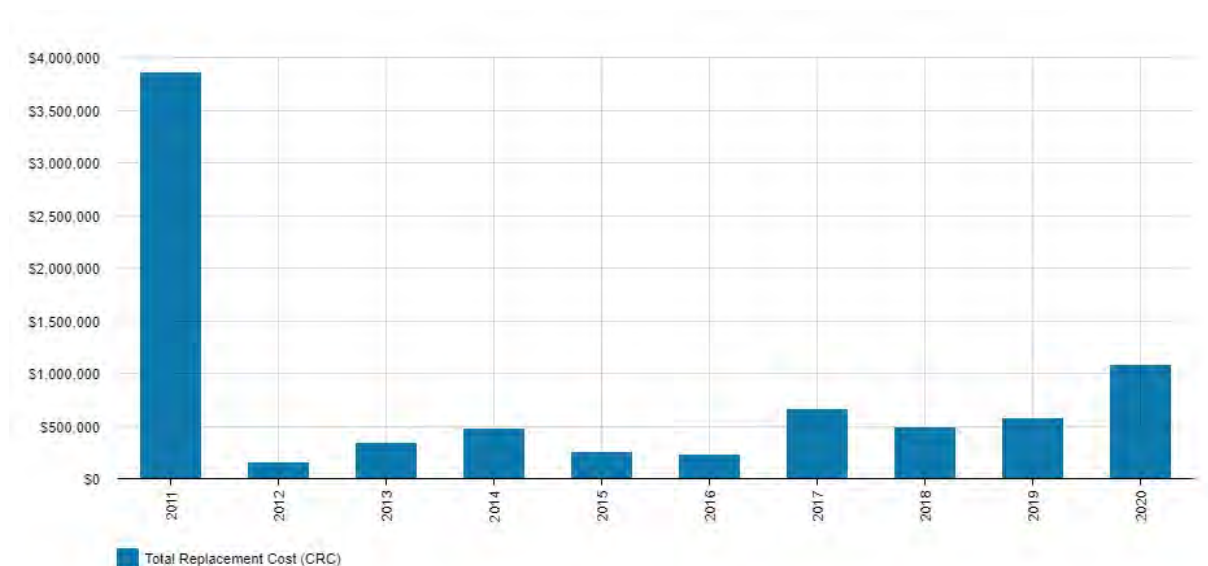
The assets covered by this AM Plan are shown in Table 5.1.1.

The Fleet Assets comprise; Buses, Fuel Facilities, Marine Assets Motor Vehicles Rotable Plant Workshop Equipment And Heavy Plant with an estimated gross replacement cost estimated at 30 June 2021 of \$8,026,850.

The age profile of the assets included in this AM Plan are shown in Figure 5.1.1.

**Table 5.1.1: Assets covered by this Plan**

Asset Category	Number of Assets	Replacement Value \$
Buses	4	179,603
Earthmoving	25	1,350,218
Fuel Supply	11	1,202,037
Marine	2	103,056
Minor Ancillary Equipment	15	370,029
Mowers	5	94,910
Passenger Vehicles	114	2,652,386
Trailers	20	242,619
Trucks	34	1,831,992
<b>TOTAL</b>	<b>230</b>	<b>\$ 8,026,850</b>



All figure values are shown in current day dollars.

Add discussion about the age asset profile. Outline how past peaks of investment that may require peaks in renewals in the future. Comment on the overall age versus useful lives of the assets.

### 5.1.2 Asset capacity and performance

Assets are generally provided to meet design standards where these are available. However, there is insufficient resources to address all known deficiencies. Locations where deficiencies in service performance are known are detailed in Table 5.1.2.

**Table 5.1.2: Known Service Performance Deficiencies**

Location	Service Deficiency
Various Islands	Heavy plant not functional or available
Various Islands	Motor Vehicles not functional or available
Various Islands	Garbage Truck Condition deteriorating
Various Islands	Fuel Assets

The above service deficiencies were identified from the Asset Class Manager during scheduled maintenance Inspections which comprises of inspections of all Fleet Assets from 15 communities each financial year.

### 5.1.3 Asset condition

Condition is currently monitored based on a scale of 0 to 5 with 0.5 increments, to facilitate the data being introduced to NAMS+ model, values of 0.5 increased to the next increment, this has not impacted on the description of the condition rating as the 1 to 5 representation indicated below was consistent.

Condition is measured using a 1 – 5 grading system<sup>5</sup> as detailed in Table 5.1.3. It is important that a consistent approach is used in reporting asset performance enabling effective decision support. A finer grading system may be used at a more specific level, however, for reporting in the AM plan results are translated to a 1 – 5 grading scale for ease of communication.

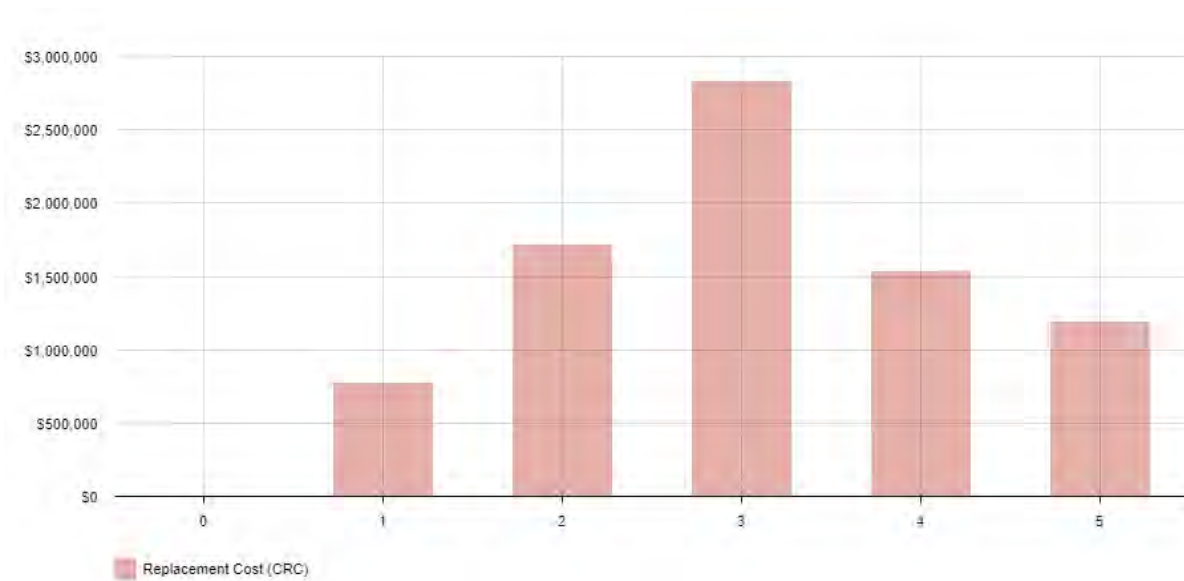
<sup>5</sup> IPWEA, 2015, IIMM, Sec 2.5.4, p 2|80.

**Table 5.1.3: Condition Grading System**

Condition Grading	Description of Condition
1	<b>Very Good:</b> free of defects, only planned and/or routine maintenance required
2	<b>Good:</b> minor defects, increasing maintenance required plus planned maintenance
3	<b>Fair:</b> defects requiring regular and/or significant maintenance to reinstate service
4	<b>Poor:</b> significant defects, higher order cost intervention likely
5	<b>Very Poor:</b> physically unsound and/or beyond rehabilitation, immediate action required

The condition profile of our assets is shown in Figure 5.1.3.

**Figure 5.1.3: Asset Condition Profile**



It is anticipated that the overall asset conditions will deteriorate over time given the magnitude of funding deficit for maintenance and replacement. This will have a detrimental impact on services.

All figure values are shown in current day dollars.

## 5.2 Operations and Maintenance Plan

Operations include regular activities to provide services. Examples of typical operational activities include cleaning, street sweeping, 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 pipe repairs, asphalt patching, and equipment repairs.

The trend in maintenance budgets are shown in Table 5.2.1.

**Table 5.2.1: Maintenance Budget Trends**

Year	Maintenance Budget \$
2020	657,227
2021	984,076
2022	1,156,490

Maintenance budget levels are considered to be adequate to meet projected service levels, which may be less than or equal to current service levels. Where maintenance budget allocations are such that they will result in a lesser level of service, the service consequences and service risks have been identified and are highlighted in this AM Plan and service risks considered in the Infrastructure Risk Management Plan.

Assessment and priority of reactive maintenance is undertaken by staff using experience and judgement.

#### **Asset hierarchy**

An asset hierarchy provides a framework for structuring data in an information system to assist in collection of data, reporting information and making decisions. The hierarchy includes the asset class and component used for asset planning and financial reporting and service level hierarchy used for service planning and delivery.

The service hierarchy is shown in Table 5.2.2.

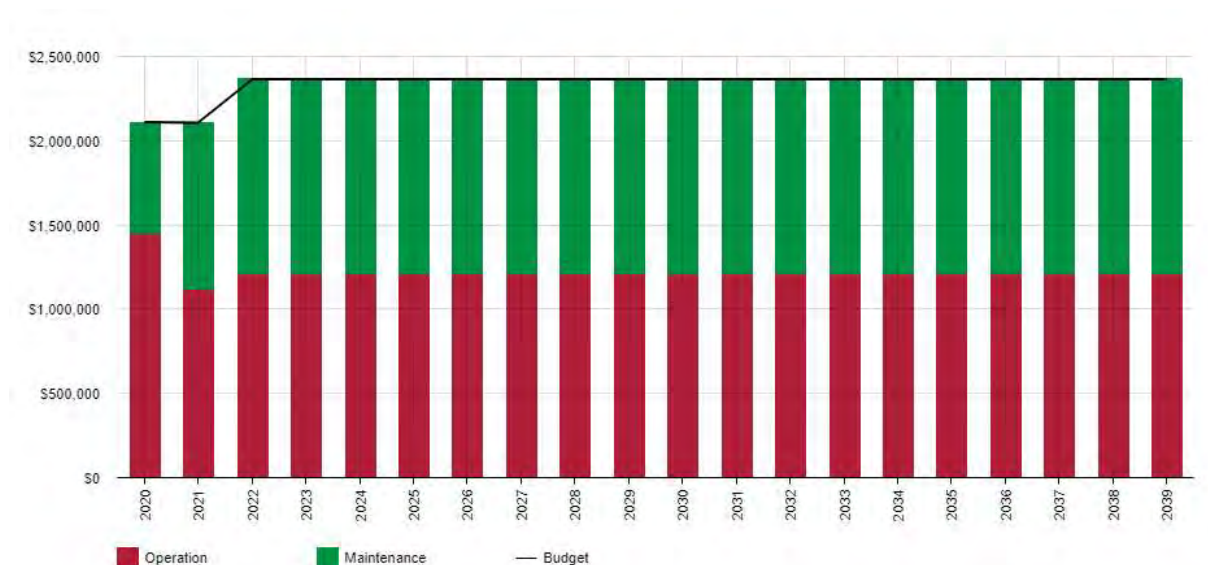
**Table 5.2.2: Asset Service Hierarchy**

Service Hierarchy	Service Level Objective
Category 1- High (Fuel Facilities Heavy Plant)	Maintain to a good standard and adapt to changing community needs.
Category 2- Standard (Motor Vehicles Rotable Plant workshops).	Maintain to a good standard and adapt to changing community needs.
Category 3- Low (Buses, Workshop Equipment, Marine Assets, Trailers)	Maintain to a good standard and adapt to changing community needs.

#### **Summary of forecast operations and maintenance costs**

Forecast operations and maintenance costs are expected to vary in relation to the total value of the asset stock. If additional assets are acquired, the future operations and maintenance costs are forecast to increase. If assets are disposed of the forecast operation and maintenance costs are expected to decrease. Figure 5.2 shows the forecast operations and maintenance costs relative to the proposed operations and maintenance Planned Budget.

**Figure 5.2: Operations and Maintenance Summary**



All figure values are shown in current day dollars.

The maintenance and operations budget are reactive in nature with minimal scheduled maintenance apart from compliance and regulatory requirements.

### 5.3 Renewal Plan

Renewal is major capital work which does 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 currently identified in the Lifecycle Model using asset register data to project the renewal cost (Current replacement cost) and renewal timing (acquisition year plus updated useful life to determine the renewal year).

The typical useful lives of assets used to develop projected asset renewal forecasts are shown in Table 5.3. Asset useful lives were last reviewed on 30 June 2021.<sup>6</sup>

<sup>6</sup> Annual Review of Useful Life of Assets

**Table 5.3: Useful Lives of Assets**

Asset (Sub)Category	Useful Life in Years
Buses	8
Earthmoving	5-7
Fuel Supply	10-16
Marine	7-11
Minor Ancillary Equipment	8-20
Mowers	0-8
Passenger Vehicles	0-8
Trailers	1-10
Trucks	5-7

The estimates for renewals in this AM Plan were based on the asset register .

#### **5.3.1 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 20t excavator with similar capacity), or
- To ensure the infrastructure is of sufficient quality to meet the service requirements (e.g., condition of a fuel facility to dispense fuel.<sup>7</sup>

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

- Have a high consequence of failure,
- Have high use and subsequent impact on users would be significant,
- Have higher than expected operational or maintenance costs, and
- Have potential to reduce life cycle costs by replacement with a modern equivalent asset that would provide the equivalent service.<sup>8</sup>

The ranking criteria used to determine priority of identified renewal proposals is detailed in Table 5.3.1.

**Table 5.3.1: Renewal Priority Ranking Criteria**

Criteria	Weighting
Sustainability Matrix	TBD
<b>Total</b>	<b>100%</b>

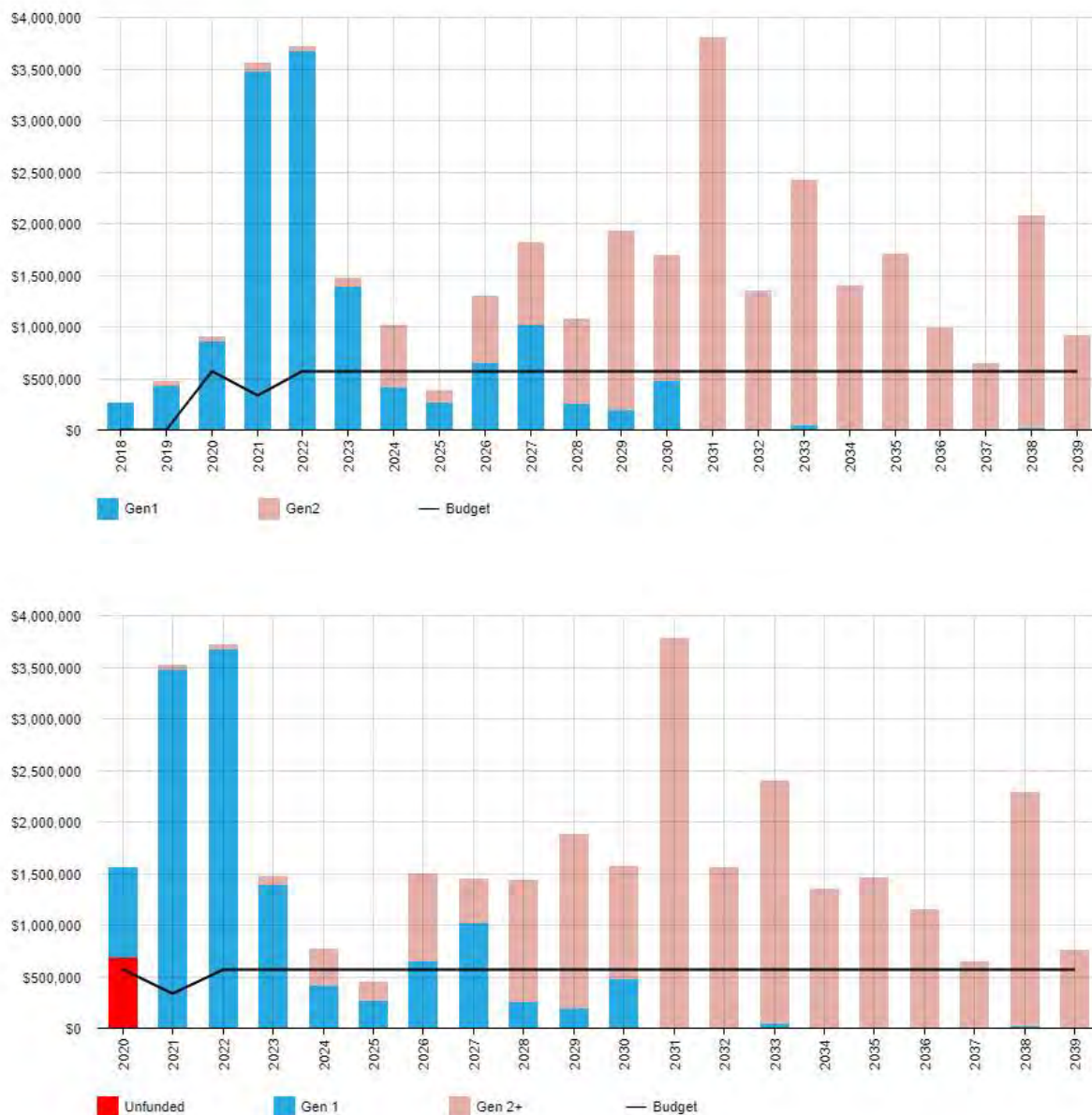
<sup>7</sup> IPWEA, 2015, IIMM, Sec 3.4.4, p 3|91.

<sup>8</sup> Based on IPWEA, 2015, IIMM, Sec 3.4.5, p 3|97.

## 5.4 Summary of future renewal costs

Forecast renewal costs are projected to increase over time if the asset stock increases. The forecast costs associated with renewals are shown relative to the proposed renewal budget in Figure 5.4.1. A detailed summary of the forecast renewal costs is shown in Appendix D.

**Figure 5.4.1: Forecast Renewal Costs**



Unfunded – Relates to asset renewals that are not funded in the current year's budget.

Gen 1 – Relates to the “first” generation of asset renewals. The basis of this assessment is derived from data extracted from the 2020 comprehensive valuation and the revised estimated useful life. Due to legacy data from amalgamation a large component has been identified as being requiring renewal in 2021.

Gen 2+ - Relates to subsequent generations of asset renewals.

All figure values are shown in current day dollars.



There are currently no planned renewal projects aside from the renewals budget. This will be updated with planned projects in future iterations of the AM Plan.

## **5.5 Acquisition Plan**

Acquisition reflects are new assets that did not previously exist 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 the Torres Strait Island Regional Council.

### **5.5.1 Selection criteria**

Proposed acquisition of new assets, and upgrade of existing assets, are identified from various sources such as community requests, proposals identified by strategic plans or partnerships with others. Potential upgrade and new works should be reviewed to verify that they are essential to the Entities needs. Proposed upgrade and new work analysis should also include the development of a preliminary renewal estimate to ensure that the services are sustainable over the longer term. Verified proposals can then be ranked by priority and available funds and scheduled in future works programmes. The priority ranking criteria is detailed in Table 5.5.1.

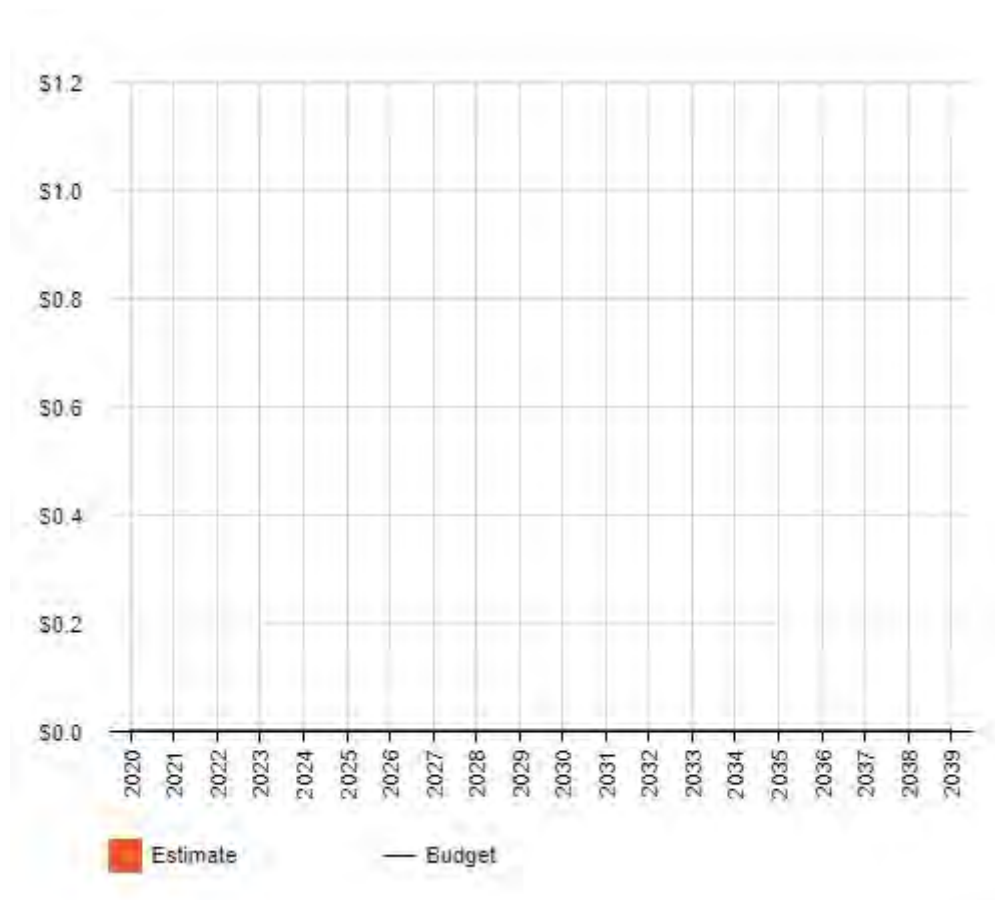
**Table 5.5.1: Acquired Assets Priority Ranking Criteria**

Criteria	Weighting
Not applicable to this class currently due to no long-term planning.	N/A
<b>Total</b>	<b>100%</b>

#### Summary of future asset acquisition costs

Forecast acquisition asset costs are summarised / summarised in Figure 5.5.1 and shown relative to the proposed acquisition budget. The forecast acquisition capital works program is shown in Appendix A.

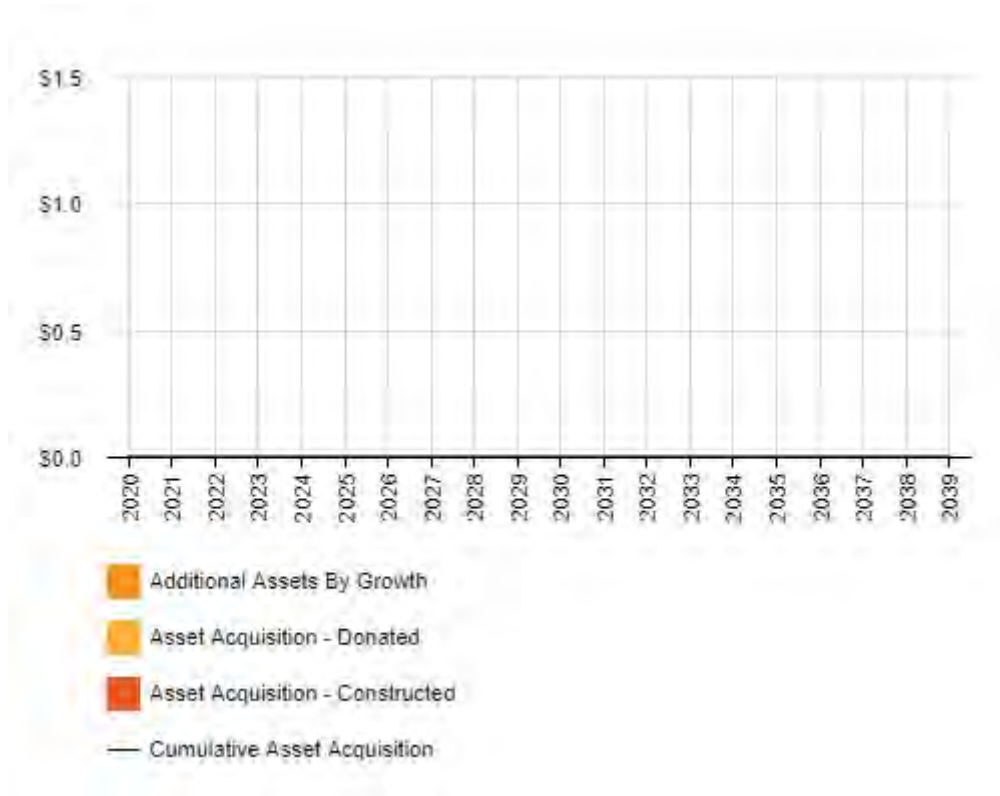
**Figure 5.5.1: Acquisition (Constructed) Summary**



All figure values are shown in current day dollars.

When an Entity commits to new assets, they must be prepared to fund future operations, maintenance, and renewal costs. They must also account for future depreciation when reviewing long term sustainability. When reviewing the long-term impacts of asset acquisition, it is useful to consider the cumulative value of the acquired assets being taken on by the Entity. The cumulative value of all acquisition work, including assets that are constructed and contributed shown in Figure 5.5.2.

**Figure 5.5.2: Acquisition Summary**



All figure values are shown in current dollars.

Expenditure on new assets and services in the capital works program will be accommodated in the long-term financial plan, but only to the extent that there is available funding.

The current forecast acquisition costs have been projected based on the proposed budget. With current funding proposals limited no projection of any apparent trends or highlighting significant projects has been undertaken. When new assets e.g., acquiring these new assets will commit the funding of ongoing operations, maintenance, and renewal costs for the period that the service provided from the assets is required is undertaken as the model matures these projections will be revised.

## 5.6 Disposal Plan

Disposal includes any activity associated with the disposal of a decommissioned asset including sale, demolition or relocation. Assets identified for possible decommissioning and disposal are shown in Table 5.6. A summary of the disposal costs and estimated reductions in annual operations and maintenance of disposing of the assets are also outlined in Table 5.6. Any costs or revenue gained from asset disposals is included in the long-term financial plan.

**Table 5.6: Assets Identified for Disposal**

Asset	Reason for Disposal	Timing	Disposal Costs \$	Operations & Maintenance Annual Savings \$
Dependent on current funding and risk assessment	urgency of service replacement	2022	TBD	TBD
Fuel Facilities	Divestment once fuel facilities have been upgraded	2-3 year	TBD	\$1,383,100*

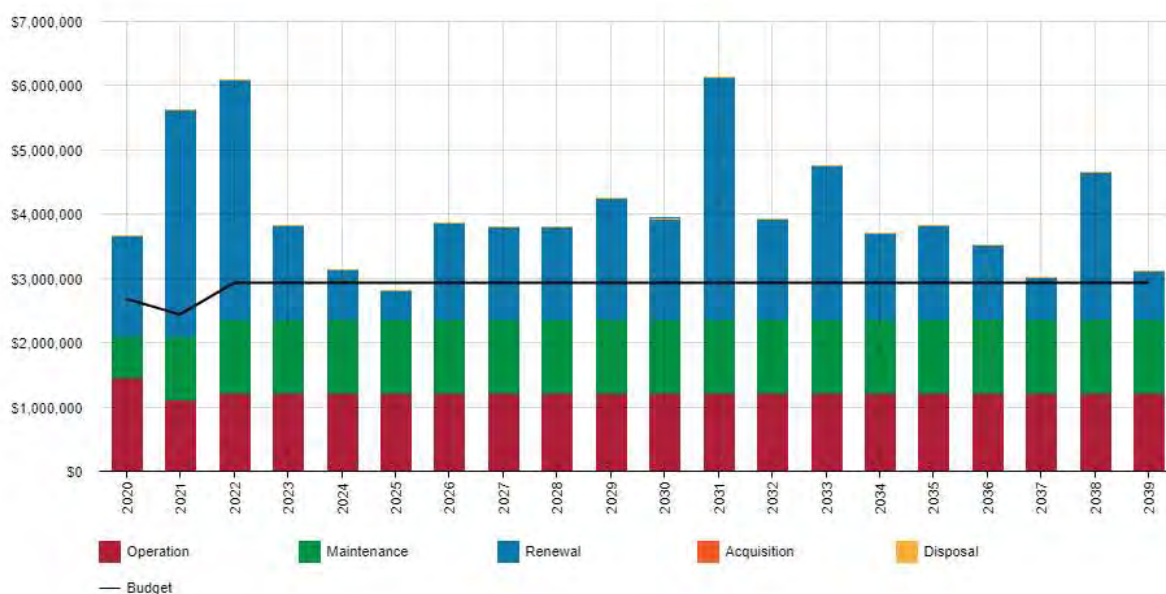
\*Based on \$581,600 community fuel subsidy 2019-2020, \$255,500 maintenance budget and \$546,00 labour costs (6.5 FTE across 13 sites @ \$84,000 PA Salary and Benefits)

## 5.7 Summary of asset forecast costs

The financial projections from this asset plan are shown in Figure 5.7.1. These projections include forecast costs for acquisition, operation, maintenance, renewal, and disposal. These forecast costs are shown relative to the proposed budget.

The bars in the graphs represent the forecast costs needed to minimise the life cycle costs associated with the service provision. The proposed budget line indicates the estimate of available funding. The gap between the forecast work and the proposed budget is the basis of the discussion on achieving balance between costs, levels of service and risk to achieve the best value outcome.

**Figure 5.7.1: Lifecycle Summary**



All figure values are shown in current day dollars.

## 6.0 RISK MANAGEMENT PLANNING

The purpose of infrastructure risk management is to document the findings and recommendations resulting from the periodic identification, assessment and treatment of risks associated with providing services from infrastructure, using the fundamentals of International Standard ISO 31000:2018 Risk management – Principles and guidelines.

Risk Management is defined in ISO 31000:2018 as: ‘coordinated activities to direct and control with regard to risk’<sup>9</sup>.

An assessment of risks<sup>10</sup> associated with service delivery will identify risks that will result in loss or reduction in service, personal injury, environmental impacts, a ‘financial shock’, reputational impacts, or other consequences. The risk assessment process identifies credible risks, the likelihood of the risk event occurring, and the consequences should the event occur. The risk assessment should also include the development of a risk rating, evaluation of the risks and development of a risk treatment plan for those risks that are deemed to be non-acceptable.

### 6.1 Critical Assets

Critical assets are defined as those which have a high consequence of failure causing significant loss or reduction of service. Critical assets have been identified and along with their typical failure mode, and the impact on service delivery, are summarised in Table 6.1. Failure modes may include physical failure, collapse or essential service interruption.

**Table 6.1 Critical Assets**

Critical Asset(s)	Failure Mode	Impact
Heavy Plant	High/Critical	Elongation of Project and possible increase in costs
Motor Vehicles	High	Unable to service facilities from lack of assets
Fuel Sites	Environmental impacts hazards	Financial & reputational

By identifying critical assets and failure modes an organisation can ensure that investigative activities, condition inspection programs, maintenance and capital expenditure plans are targeted at critical assets.

### 6.2 Risk Assessment

The risk management process used is shown in Figure 6.2 below.

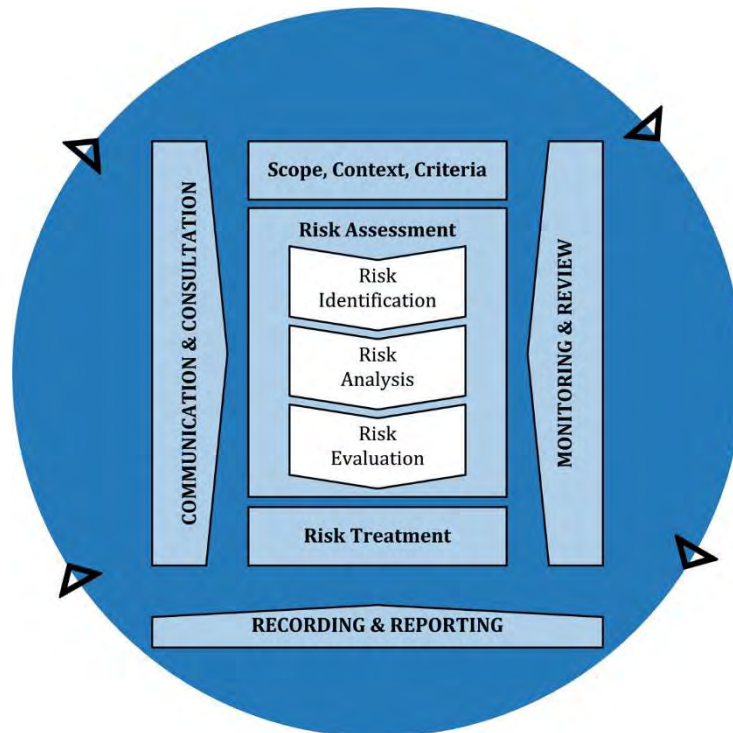
It is an analysis and problem-solving technique designed to provide a logical process for the selection of treatment plans and management actions to protect the community against unacceptable risks.

The process is based on the fundamentals of International Standard ISO 31000:2018.

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<sup>9</sup> ISO 31000:2009, p 2

<sup>10</sup> REPLACE with Reference to the Corporate or Infrastructure Risk Management Plan as the footnote



**Fig 6.2 Risk Management Process – Abridged**  
Source: ISO 31000:2018, Figure 1, p9

The risk assessment process identifies credible risks, the likelihood of the risk event occurring, the consequences should the event occur, development of a risk rating, evaluation of the risk and development of a risk treatment plan for non-acceptable risks.

An assessment of risks<sup>11</sup> associated with service delivery will identify risks that will result in loss or reduction in service, personal injury, environmental impacts, a ‘financial shock’, reputational impacts, or other consequences.

Critical risks are those assessed with ‘Very High’ (requiring immediate corrective action) and ‘High’ (requiring corrective action) risk ratings identified in the Infrastructure Risk Management Plan. The residual risk and treatment costs of implementing the selected treatment plan is shown in Table 6.2. It is essential that these critical risks and costs are reported to management and the Torres Strait Island Regional Council.

<sup>11</sup> Reference to the Corporate or Infrastructure Risk Management Plan still to be adopted

**Table 6.2: Risks and Treatment Plans**

Service or Asset at Risk	What can Happen	Risk Rating (VH, H)	Risk Treatment Plan	Residual Risk *	Treatment Costs \$
All Fleet Assets	<b>Highly corrosive natural environment</b>	VH	Provide protective coating to vehicles before being sent to islands  Improve storage and cleaning processes	High	TBA
Sustainability and continuity	Loss of key staff leading to reinvention of data and knowledge.  (Staff retention)	VH	Adequate mature policies and procedure in place to capture and store relevant data.	Medium	\$350k
All Fleet Assets	Lack of sufficient funds to erect and maintain protective plant storage facilities;	VH	Provide coverage for vehicles  Seek new capital funding program	High	\$6m
All Fleet Assets	Safe mechanic workshop facilities on each Island.	VH	Construct specific facilities in all communities- Fit for purposes.	Medium	\$5m
Fuel Assets	13 x safe fuel facility	VH	Construct specific facilities in all remaining communities to Fuel standards	Medium	\$8m funding required \$2.6m currently budgeted

Note \* The residual risk is the risk remaining after the selected risk treatment plan is implemented.

### 6.3 Infrastructure Resilience Approach

The resilience of our critical infrastructure is vital to the ongoing provision of services to customers. To adapt to changing conditions we need to understand our capacity to 'withstand a given level of stress or demand', and to respond to possible disruptions to ensure continuity of service.

Resilience recovery planning, financial capacity, climate change risk assessment and crisis leadership.

Our current measure of resilience is shown in Table 6.3 which includes the type of threats and hazards and the current measures that the organisation takes to ensure service delivery resilience.

**Table 6.3: Resilience Assessment**

Threat / Hazard	Assessment Method	Current Resilience Approach
N/A	N/A	N/A

We do not currently measure our resilience in service delivery. This will be included in future iterations of the AM Plan.

## **6.4 Service and Risk Trade-Offs**

The decisions made in adopting this AM Plan are based on the objective to achieve the optimum benefits from the available resources.

### **6.4.1 What we cannot do**

There are some operations and maintenance activities and capital projects that are unable to be undertaken within the next 10 years. These include:

- Replace or renew Heavy Plant unless additional funding is allocated to Fleet.
- Purchase new or near new Fleet.
- Immediately purchase all Fleet identified for replacement in the 2022 Fleet AM Plan.

### **6.4.2 Service trade-off**

If there is forecast work (operations, maintenance, renewal, acquisition or disposal) that cannot be undertaken due to available resources, then this will result in service consequences for users. These service consequences include:

- No forecast works scheduled at this point in. All work undertaken on a prioritised reactive basis.

### **6.4.3 Risk trade-off**

The operations and maintenance activities and capital projects that cannot be undertaken may sustain or create risk consequences. These risk consequences include:

- Increased maintenance services costs.
- Increased ageing of assets and acceleration physical deterioration.

These actions and expenditures are considered and included in the forecast costs, and where developed, the Risk Management Plan.



## 7.0 FINANCIAL SUMMARY

This section contains the financial requirements resulting from the information presented in the previous sections of this AM Plan. The financial projections will be improved as the discussion on desired levels of service and asset performance matures.

### 7.1 Financial Sustainability and Projections

#### 7.1.1 Sustainability of service delivery

There are two key indicators of sustainable service delivery that are considered in the AM Plan for this service area. The two indicators are the:

- asset renewal funding ratio (proposed renewal budget for the next 10 years / forecast renewal costs for next 10 years), and
- medium term forecast costs/proposed budget (over 10 years of the planning period).

##### Asset Renewal Funding Ratio

Asset Renewal Funding Ratio<sup>12</sup>13.1%

The Asset Renewal Funding Ratio is an important indicator and illustrates that over the next 10 years we expect to have 13.1% of the funds required for the optimal renewal of assets.

The forecast renewal works along with the proposed renewal budget, and the cumulative shortfall, is illustrated in Appendix D.

##### Medium term – 10-year financial planning period

This AM Plan identifies the forecast operations, maintenance and renewal costs required to provide an agreed level of service to the community over a 10 year period. This provides input into 10 year financial and funding plans aimed at providing the required services in a sustainable manner.

This forecast work can be compared to the proposed budget over the first 10 years of the planning period to identify any funding shortfall.

The forecast operations, maintenance and renewal costs over the 10 year planning period is \$4,087,958 average per year.

The proposed (budget) operations, maintenance and renewal funding is \$2,371,022 on average per year giving a 10 year funding shortfall of (\$1,716,936) per year. This indicates that 58% of the forecast costs needed to provide the services documented in this AM Plan are accommodated in the proposed budget. Note, these calculations exclude acquired assets.

Providing sustainable services from infrastructure requires the management of service levels, risks, forecast outlays and financing to achieve a financial indicator of approximately 1.0 for the first years of the AM Plan and ideally over the 10 year life of the Long-Term Financial Plan.

#### 7.1.2 Forecast Costs (outlays) for the long-term financial plan

Table 7.1.3 shows the forecast costs (outlays) required for consideration in the 10 year long-term financial plan.

Providing services in a financially sustainable manner requires a balance between the forecast outlays required to deliver the agreed service levels with the planned budget allocations in the long-term financial plan.

A gap between the forecast outlays and the amounts allocated in the financial plan indicates further work is required on reviewing service levels in the AM Plan (including possibly revising the long-term financial plan).

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<sup>12</sup> AIFMM, 2015, Version 1.0, Financial Sustainability Indicator 3, Sec 2.6, p 9.

We will manage the 'gap' by developing this AM Plan to provide guidance on future service levels and resources required to provide these services in consultation with the community.

Forecast costs are shown in 2021-dollar values.

**Table 7.1.2: Forecast Costs (Outlays) for the Long-Term Financial Plan**

Year	Acquisition \$	Operation \$	Maintenance \$	Renewal \$	Disposal \$
2020	0	1,453,411	657,227	1,558,200	0
2021	0	1,122,304	984,076	3,521,000	0
2022	0	1,209,030	1,156,490	3,725,000	0
2023	0	1,209,030	1,156,490	1,461,000	0
2024	0	1,209,030	1,156,490	775,000	0
2025	0	1,209,030	1,156,490	446,000	0
2026	0	1,209,030	1,156,490	1,490,000	0
2027	0	1,209,030	1,156,490	1,446,000	0
2028	0	1,209,030	1,156,490	1,436,800	0
2029	0	1,209,030	1,156,490	1,879,400	0
2030	0	1,209,030	1,156,490	1,569,000	0
2031	0	1,209,030	1,156,490	3,773,000	0
2032	0	1,209,030	1,156,490	1,555,000	0
2033	0	1,209,030	1,156,490	2,390,000	0
2034	0	1,209,030	1,156,490	1,341,000	0
2035	0	1,209,030	1,156,490	1,457,000	0
2036	0	1,209,030	1,156,490	1,146,800	0
2037	0	1,209,030	1,156,490	640,000	0
2038	0	1,209,030	1,156,490	2,284,400	0
2039	0	1,209,030	1,156,490	758,000	0

## 7.2 Funding Strategy

The proposed funding for assets is outlined in the Entity's budget and Long-Term financial plan.

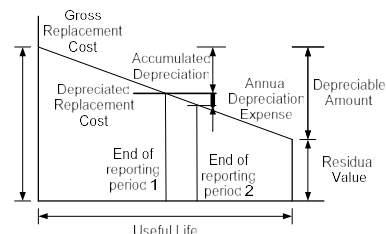
The financial strategy of the entity determines how funding will be provided, whereas the AM Plan communicates how and when this will be spent, along with the service and risk consequences of various service alternatives.

## 7.3 Valuation Forecasts

### 7.3.1 Asset valuations

The best available estimate of the value of assets included in this AM Plan are shown below. The assets are valued at Cost.

Replacement Cost (Current/Gross)	\$8,026,850
Depreciable Amount	\$13,510,200
Depreciated Replacement Cost <sup>13</sup>	\$3,100,827
Depreciation	\$935,049



### 7.3.2 Valuation forecast

Asset values are forecast to increase as additional assets are added from service.

Additional assets will generally add to the operations and maintenance needs in the longer term. Additional assets will also require additional costs due to future renewals. Any additional assets will also add to future depreciation forecasts.

## 7.4 Key Assumptions Made in Financial Forecasts

In compiling this AM Plan, it was necessary to make some assumptions. This section details the key assumptions made in the development of this AM plan and should provide readers with an understanding of the level of confidence in the data behind the financial forecasts.

Key assumptions made in this AM Plan are:

- Assumptions made around the maintenance and operations budget, being maintained to exiting levels.
- Renewals are based on the fixed asset register replacement as the current best data.
- Capital costs for renewals are based on the estimated replacement costs from professional knowledge.
- Capital funding is fixed based on the current year funding over each year.
- No Asset acquisitions and disposals are planned. All disposals are for renewals undertaken.

## 7.5 Forecast Reliability and Confidence

The forecast costs, proposed budgets, and valuation projections in this AM Plan are based on the best available data. For effective asset and financial management, it is critical that the information is current and accurate. Data confidence is classified on a A - E level scale<sup>14</sup> in accordance with Table 7.5.1.

<sup>13</sup> Also reported as Written Down Value, Carrying or Net Book Value.

<sup>14</sup> IPWEA, 2015, IIMM, Table 2.4.6, p 2|71.

**Table 7.5.1: Data Confidence Grading System**

Confidence Grade	Description
A. Very High	Data based on sound records, procedures, investigations and analysis, documented properly and agreed as the best method of assessment. Dataset is complete and estimated to be accurate $\pm 2\%$
B. High	Data based on sound records, procedures, investigations and analysis, documented properly but has minor shortcomings, for example some of the data is old, some documentation is missing and/or reliance is placed on unconfirmed reports or some extrapolation. Dataset is complete and estimated to be accurate $\pm 10\%$
C. Medium	Data based on sound records, procedures, investigations and analysis which is incomplete or unsupported, or extrapolated from a limited sample for which grade A or B data are available. Dataset is substantially complete but up to 50% is extrapolated data and accuracy estimated $\pm 25\%$
D. Low	Data is based on unconfirmed verbal reports and/or cursory inspections and analysis. Dataset may not be fully complete, and most data is estimated or extrapolated. Accuracy $\pm 40\%$
E. Very Low	None or very little data held.

The estimated confidence level for and reliability of data used in this AM Plan is shown in Table 7.5.2.

**Table 7.5.2: Data Confidence Assessment for Data used in AM Plan**

Data	Confidence Assessment	Comment
Demand drivers	Low	Business not currently in line with this function
Growth projections	Low	Business not currently in line with this function
Acquisition forecast	Low	Business not currently in line with this function
Operation forecast	Low	Business not currently in line with this function
Maintenance forecast	Low	Business not currently in line with this function
Renewal forecast	Low	Business not currently in line with this function
Asset values	Low	Business not currently in line with this function
Asset useful lives	Low	Business not currently in line with this function
Condition modelling	Low	Business not currently in line with this function
Disposal forecast	Low	Business not currently in line with this function

The estimated confidence level for and reliability of data used in this AM Plan is considered to be a Low Confidence Level to increase as future reviews are completed.

## 8.0 PLAN IMPROVEMENT AND MONITORING

### 8.1 Status of Asset Management Practices<sup>15</sup>

#### 8.1.1 Accounting and financial data sources

This AM Plan utilises accounting and financial data. The source of the data is the TechnologyOne ERP Platform and the Sustainability Matrix.

#### 8.1.2 Asset management data sources

This AM Plan also utilises asset management data. The source of the data is the TechnologyOne ERP Platform.

### 8.2 Improvement Plan

It is important that an entity recognise areas of their AM Plan and planning process that require future improvements to ensure effective asset management and informed decision making. The improvement plan generated from this AM Plan is shown in Table 8.2.

**Table 8.2: Improvement Plan**

Task	Task	Responsibility	Resources Required	Timeline
1	Apply rust preventative coatings to all horizontal surfaces when Fleet is in Cairns undergoing renewal	Fleet	1 Staff	2022
2	Re-rustproof all Fleet items when in Cairns for undergoing renewal	Fleet	1 Staff	2022
3	Educate staff on Island to complete Daily Pre-Start checks for all Fleet	Fleet	5 Staff to be trained	2022
4	Refine and update Fleet Rationalisation Plan for Council approval	Fleet	1 Staff	2022
5	Record Fleet Service Level Performance in Tech One	Fleet	1 Staff	2022
6	Conduct yearly Fleet audits to review and record expected useful remaining life	Fleet	1 Staff	2022
7	Review Fleet 10-year capital/renewal plan to align to approved budget	Fleet	1 Staff	2022
8	Towbars only to be fitted to Water and Sewer vehicles/remove towbars from all other vehicles	Fleet	1 Staff	2022
9	Where possible purchase same make/type of Plant	Fleet	1 Staff	2022
10	4WD vehicles to be only purchased to complete Water & Pool hire tasks	Fleet	1 Staff	2022

### 8.3 Monitoring and Review Procedures

This AM Plan will be reviewed during the annual budget planning process and revised to show any material changes in service levels, risks, forecast costs and proposed budgets as a result of budget decisions.

The AM Plan will be reviewed and updated annually to ensure it represents the current service level, asset values, forecast operations, maintenance, renewals, acquisition and asset disposal costs and planned budgets.

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<sup>15</sup> ISO 55000 Refers to this as the Asset Management System

These forecast costs and proposed budget are incorporated into the Long-Term Financial Plan or will be incorporated into the Long-Term Financial Plan once completed.

The AM Plan has a maximum life of 4 years and is due for complete revision and updating within 12 Months of each Council election.

#### **8.4 Performance Measures**

The effectiveness of this AM Plan can be measured in the following ways:

- The degree to which the required forecast costs identified in this AM Plan are incorporated into the long-term financial plan,
- The degree to which the 1–5-year detailed works programs, budgets, business plans and corporate structures consider the ‘global’ works program trends provided by the AM Plan,
- The degree to which the existing and projected service levels and service consequences, risks and residual risks are incorporated into the Strategic Planning documents and associated plans,
- The Asset Renewal Funding Ratio achieving the Organisational target (this target is often 90 – 100%).

## 9.0 REFERENCES

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- Strategic Asset Management Plan 2021– 2023
- 2020 Annual Report Corporate Plan 2020-2025
- Operational Plan 2020/21
- Deputations 2020

## 10.0 APPENDICES

### Appendix A Acquisition Forecast

#### A.1 – Acquisition Forecast Assumptions and Source

There are no acquisitions to forecast

#### A.2 – Acquisition Project Summary

There are no project titles included in the lifecycle forecast included here.

#### A.3 – Acquisition Forecast Summary

Recommend using NAMS+ Outputs Summary for Acquisition.

*Table A3 - Acquisition Forecast Summary*

Year	Constructed \$	Donated \$	Growth \$
2020	0	0	0
2021	0	0	0
2022	0	0	0
2023	0	0	0
2024	0	0	0
2025	0	0	0
2026	0	0	0
2027	0	0	0
2028	0	0	0
2029	0	0	0
2030	0	0	0
2031	0	0	0
2032	0	0	0
2033	0	0	0
2034	0	0	0
2035	0	0	0
2036	0	0	0
2037	0	0	0
2038	0	0	0
2039	0	0	0



## Appendix B      Operation Forecast

### B.1 – Operation Forecast Assumptions and Source

The primary assumption in relation to the Operation forecast was to be consistent with the current plan for 2022 financial allocation.

### B.2 – Operation Forecast Summary

Recommend using NAMS+ Outputs Summary for Operation.

**Table B2 - Operation Forecast Summary**

Year	Operation Forecast \$	Additional Operation Forecast \$	Total Operation Forecast \$
2020	1,453,411	0	1,453,411
2021	1,122,304	0	1,122,304
2022	1,209,030	0	1,209,030
2023	1,209,030	0	1,209,030
2024	1,209,030	0	1,209,030
2025	1,209,030	0	1,209,030
2026	1,209,030	0	1,209,030
2027	1,209,030	0	1,209,030
2028	1,209,030	0	1,209,030
2029	1,209,030	0	1,209,030
2030	1,209,030	0	1,209,030
2031	1,209,030	0	1,209,030
2032	1,209,030	0	1,209,030
2033	1,209,030	0	1,209,030
2034	1,209,030	0	1,209,030
2035	1,209,030	0	1,209,030
2036	1,209,030	0	1,209,030
2037	1,209,030	0	1,209,030
2038	1,209,030	0	1,209,030
2039	1,209,030	0	1,209,030

## Appendix C Maintenance Forecast

### C.1 – Maintenance Forecast Assumptions and Source

The Maintenance Forecast has been based on the present level forecast for 2022 to be reflective of available funds being available for future years.

### C.2 – Maintenance Forecast Summary

Recommend using NAMS+ Outputs Summary for Maintenance.

**Table C2 - Maintenance Forecast Summary**

Year	Maintenance Forecast \$	Additional Maintenance Forecast \$	Total Maintenance Forecast \$
2020	657,227	0	657,227
2021	984,076	0	984,076
2022	1,156,490	0	1,156,490
2023	1,156,490	0	1,156,490
2024	1,156,490	0	1,156,490
2025	1,156,490	0	1,156,490
2026	1,156,490	0	1,156,490
2027	1,156,490	0	1,156,490
2028	1,156,490	0	1,156,490
2029	1,156,490	0	1,156,490
2030	1,156,490	0	1,156,490
2031	1,156,490	0	1,156,490
2032	1,156,490	0	1,156,490
2033	1,156,490	0	1,156,490
2034	1,156,490	0	1,156,490
2035	1,156,490	0	1,156,490
2036	1,156,490	0	1,156,490
2037	1,156,490	0	1,156,490
2038	1,156,490	0	1,156,490
2039	1,156,490	0	1,156,490

## Appendix D     Renewal Forecast Summary

### D.1 – Renewal Forecast Assumptions and Source

Renewals forecasts are based on TechOne asset registers.

### D.2 – Renewal Project Summary

The project titles included in the lifecycle forecast are included here are based on the asset register useful life.

### D.3 – Renewal Forecast Summary

Recommend using NAMS+ Outputs Summary for Renewal.

**Table D3 - Renewal Forecast Summary**

Year	Renewal Forecast \$	Renewal Budget \$
2020	1,558,200	569,040
2021	3,521,000	334,000
2022	3,725,000	569,040
2023	1,461,000	569,040
2024	775,000	569,040
2025	446,000	569,040
2026	1,490,000	569,040
2027	1,446,000	569,040
2028	1,436,800	569,040
2029	1,879,400	569,040
2030	1,569,000	569,040
2031	3,773,000	569,040
2032	1,555,000	569,040
2033	2,390,000	569,040
2034	1,341,000	569,040
2035	1,457,000	569,040
2036	1,146,800	569,040
2037	640,000	569,040
2038	2,284,400	569,040
2039	758,000	569,040

### D.4 –Renewal Plan

Detail output from NAMS+ Report is based on using the Asset Register Method of replacement cost

Appendix 10 Year Report refer below.

These are figures to be input into the executive summary.

10 year total cost [10 yr Ops, Maint, Renewal & Acquisition Forecast]	40,879,576
10 year average forecast	4,087,958
10 year planned budget [Ops, Maint & Acquisition] (from LTFP)	28,596,538
10 year average planned budget	2,859,654
10 year AM financial indicator	69.95%
10 year average shortfall	-1,228,304

## Appendix E Disposal Summary

### E.1 – Disposal Forecast Assumptions and Source

The primary assumption is that there are no deemed disposals as the renewal value will offset any change.

### E.2 – Disposal Project Summary

There are no project titles included in the lifecycle forecast here.

### E.3 – Disposal Forecast Summary

Recommend using NAMS+ Outputs Summary for Disposal.

**Table E3 – Disposal Activity Summary**

Year	Disposal Forecast \$	Disposal Budget \$
2020	0	0
2021	0	0
2022	0	0
2023	0	0
2024	0	0
2025	0	0
2026	0	0
2027	0	0
2028	0	0
2029	0	0
2030	0	0
2031	0	0
2032	0	0
2033	0	0
2034	0	0
2035	0	0
2036	0	0
2037	0	0
2038	0	0
2039	0	0

## Appendix F      Budget Summary by Lifecycle Activity

Previous assumptions listed in Appendices A-E are consistent with this Appendix.

**Table F1 – Budget Summary by Lifecycle Activity**

Year	Acquisition \$	Operation \$	Maintenance \$	Renewal \$	Disposal \$	Total \$
2020	0	1,453,411	657,227	569,040	0	2,679,678
2021	0	1,122,304	984,076	334,000	0	2,440,380
2022	0	1,209,030	1,156,490	569,040	0	2,934,560
2023	0	1,209,030	1,156,490	569,040	0	2,934,560
2024	0	1,209,030	1,156,490	569,040	0	2,934,560
2025	0	1,209,030	1,156,490	569,040	0	2,934,560
2026	0	1,209,030	1,156,490	569,040	0	2,934,560
2027	0	1,209,030	1,156,490	569,040	0	2,934,560
2028	0	1,209,030	1,156,490	569,040	0	2,934,560
2029	0	1,209,030	1,156,490	569,040	0	2,934,560
2030	0	1,209,030	1,156,490	569,040	0	2,934,560
2031	0	1,209,030	1,156,490	569,040	0	2,934,560
2032	0	1,209,030	1,156,490	569,040	0	2,934,560
2033	0	1,209,030	1,156,490	569,040	0	2,934,560
2034	0	1,209,030	1,156,490	569,040	0	2,934,560
2035	0	1,209,030	1,156,490	569,040	0	2,934,560
2036	0	1,209,030	1,156,490	569,040	0	2,934,560
2037	0	1,209,030	1,156,490	569,040	0	2,934,560
2038	0	1,209,030	1,156,490	569,040	0	2,934,560
2039	0	1,209,030	1,156,490	569,040	0	2,934,560





# **ASSET MANAGEMENT PLAN**

Torres Strait Island Regional Council  
Information Technology & Communication

Document Control		Asset Management Plan			
Document ID : ECM (Record #)					
Rev No	Date	Revision Details	Author	Reviewer	Approver
V1.0	August 2021	Revision to new template Adopted by Council August 2021 Workshop with Asset Class Managers undertaken July 2021.	Enzo Vecchio-Ruggeri Norman Griffett Tony Wynen	JLL	Warren Jenkins



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## **1.0 EXECUTIVE SUMMARY**

### **1.1 The Purpose of the Plan**

This Asset Management Plan (AM Plan) details information about infrastructure assets with actions required to provide an agreed level of service in the most cost-effective manner while outlining associated risks. The Information Technology and Communications (ITC) plan defines the services to be provided, how the services are provided and what funds are required to provide over the 20 year planning period. The AM Plan will link to a Long-Term Financial Plan which typically considers a 10-year planning period.

### **1.2 Asset Description**

This plan covers the infrastructure assets that provide computers, printers and monitors that improve community wellbeing by supporting activities and functions delivered to the community.

The ITC network comprises:

- Computer Hardware.
- Computer Software.
- Communications Equipment.
- Networking Hardware Video Conferencing Security Systems.

The above infrastructure assets have gross replacement value estimated at \$2,222,316.

### **1.3 Levels of Service**

The allocation in the planned budget is insufficient to continue providing existing services at current levels for the planning period.

The main service consequences of the Planned Budget are:

- It is likely that we will have to reduce service levels in some areas unless new sources of revenue are found. In a lot of cases, we may be able to operationally fund some of the on-going services though this may be less efficient from a financial perspective. For software assets this may be difficult to achieve at least in the short to medium term.
- Loss of Council Services to the Community including communications

### **1.4 Future Demand**

The factors influencing future demand and the impacts they have on service delivery are created by:

- Central processing location (Grafton St).
- Bandwidth within community.
- Technology change.
- Software Licencing changes.

These demands will be approached using a combination of managing existing assets, upgrading existing assets and providing new assets to meet demand. Demand management practices may also include a combination of non-asset solutions, insuring against risks and managing failures.

- Asset Management Group (AMG) formed reporting to executive level to provide organisational understanding of the assets Whole Of Life, and how this can be influenced and managed responsibly.
- Further educate Asset Class managers and staff on planning principles and understanding of their responsibilities to manage and maintain asset service levels. This will be in the form of training and will be conducted early in the 2021 by an external provider and the Asset Management team.
- Reduce funding being directed to projects not providing core service level outcomes to communities.

- Sustainability Matrix: A prioritisation tool developed to assist in the assessment of capital project submissions and their priority for funding against the pillars of the corporate plan.
- Maintaining existing assets to achieve the maximum useful life possible.
- Upgrading or renewal providing new assets as per demand.

## 1.5 Lifecycle Management Plan

### 1.5.1 What does it Cost?

The forecast lifecycle costs necessary to provide the services covered by this AM Plan includes operation, maintenance, renewal, acquisition, and disposal of assets. Although the AM Plan may be prepared for a range of time periods, it typically informs a Long-Term Financial Planning period of 10 years. Therefore, a summary output from the AM Plan is the forecast of 10-year total outlays, which for the information technology and communications assets is estimated as \$25,375,286, or \$2,537,529 on average per year.

## 1.6 Financial Summary

### 1.6.1 What we will do

Estimated available funding for the 10 year period is \$24,083,356 or \$2,408,336 on average per year as per the Long-Term Financial plan or Planned Budget. This is 94.91% of the cost to sustain the current level of service at the lowest lifecycle cost.

The infrastructure reality is that only what is funded in the long-term financial plan can be provided. The Informed decision making depends on the AM Plan emphasising the consequences of Planned Budgets on the service levels provided and risks.

The anticipated Planned Budget for ITC leaves a shortfall of (\$129,193) on average per year of the forecast lifecycle costs required to provide services in the AM Plan compared with the Planned Budget currently included in the Long-Term Financial Plan. This is shown in the figure below.

**Forecast Lifecycle Costs and Planned Budgets**

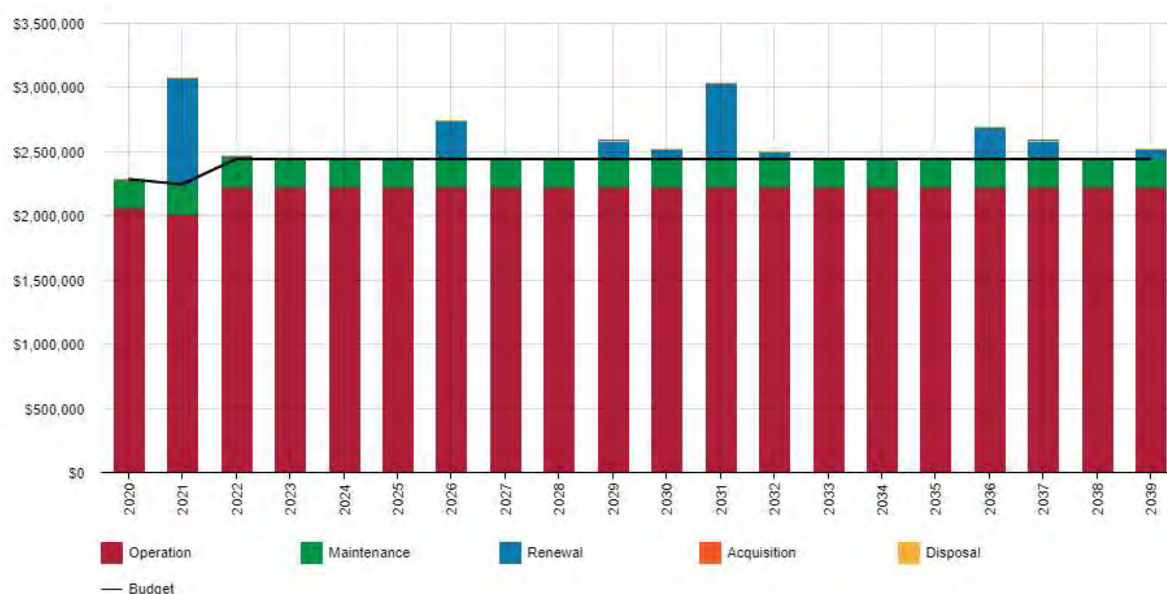


Figure Values are in current dollars.

The following describes the breakdown of values above:

- **Acquisition** – the activities to provide a higher level of service (e.g., widening a road, sealing an unsealed road, replacing a pipeline with a larger size) or a new service that did not exist previously (e.g., a new library).
- **Operation** – the regular activities to provide services (e.g., opening hours, cleansing, 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., road patching, unsealed road grading, building and structure repairs),
- **Renewal** – the activities that return the service capability of an asset up to that which it had originally provided (e.g., road resurfacing and pavement reconstruction, pipeline replacement and building component replacement),
- **Disposal** – Disposal includes any activity associated with the disposal of a decommissioned asset including sale, demolition, or relocation.

We plan to provide ITC services for the following:

- Operation, maintenance, renewal, and acquisition of ITC assets to meet service levels set by Torres Strait Island Regional Council in annual budgets.
- There are currently no confirmed renewals/acquisitions for ITC systems planned within the 10-year planning period.

#### 1.6.2 What we cannot do

We currently do **not** allocate enough budget to sustain these services at the proposed standard or to provide all new services being sought. Works and services that cannot be provided under present funding levels are:

- expansion of community-based services.

#### 1.6.3 Managing the Risks

Our present budget levels are sufficient to continue to manage risks in the short term.

The main risk consequences are:

- Inability to secure suitable funding to address major software upgrades.
- Price gouging from proprietary computer software systems.

We will endeavour to manage these risks within available funding by:

- Using funding to carry out repairs on a priority needs/breakdown basis.
- Issues of safety will be highest priority.

### 1.7 Asset Management Planning Practices

Key assumptions made in this AM Plan are:

- Funding limited to around 2 million dollars over Operation and Maintenance and no additional forecast to rectify deficiencies.
- No allowances for growth in capital and operating budgets.
- Sourced data is the fixed asset register and asset class manager knowledge to establish renewal requirements.

Assets requiring renewal are identified from the asset register.

- The timing of capital renewals based on the asset register is applied by adding the useful life to the year of acquisition or year of last renewal.

- Alternatively, an estimate of renewal lifecycle costs is projected from external condition modelling systems and may be supplemented with, or based on, expert knowledge.

The Current Office Register was used as the best available data to forecast renewal life cycle for this AM Plan  
This AM Plan is based on a low level of confidence information.

## **1.8 Monitoring and Improvement Program**

The next steps resulting from this AM Plan to improve asset management practices are:

- Asset Management Group (AMG) formed reporting to executive level to provide organisational understanding of the assets Whole of Life (WOL), and how this can be influenced and managed responsibly.
- Further educate Asset Class managers and staff on planning principles and understanding of their responsibilities to manage and maintain asset service levels. This will be in the form of training and will be conducted early in the 2021/22 by an external provider and the Asset Management team.
- Seek council assistance and endorsement of acceptable service levels for communities and using this to determine minimum service levels to trigger priority action.
- Implementation of NAMS+ (IPEWA) to assist and improve data integrity and analysis using the analysis tools retained within the software product.
- TechOne enhancement Project to further improve on identification and defect management.

## 2.0 Introduction

### 2.1 Background

This AM Plan communicates the requirements for the sustainable delivery of services through management of assets, compliance with regulatory requirements, and required funding to provide the appropriate levels of service over the planning period.

The AM Plan is to be read with the Torres Strait Islands Regional Council planning documents. This should include the Asset Management Policy and Asset Management Strategy, where developed, along with other key planning documents:

- Corporate Plan 2020-2025
- Operational Plan 2020/2021
- Annual Report 2020
- Capital Sustainability Matrix (Tool used to identify Capital criteria)
- Annual Budget
- Deputations 2020

Comment on the current status of Asset Management in the Organisation.

The infrastructure assets covered by this AM Plan include the ITC assets that serve the Torres Strait Island Regional Council's Corporate Enterprise Reporting, document control, and communication system needs. These assets include system hardware, software and communications assets that improve community wellbeing by providing a secure platform of information and communication across the communities. For a detailed summary of the assets covered in this AM Plan refer to Table in Section 5.1.1:

These assets are used to provide the mechanism to meet the information technology service needs (including growth) of the community in a financially sustainable manner services.

The ITC assets included in this plan have a total replacement value of \$2,222,316.

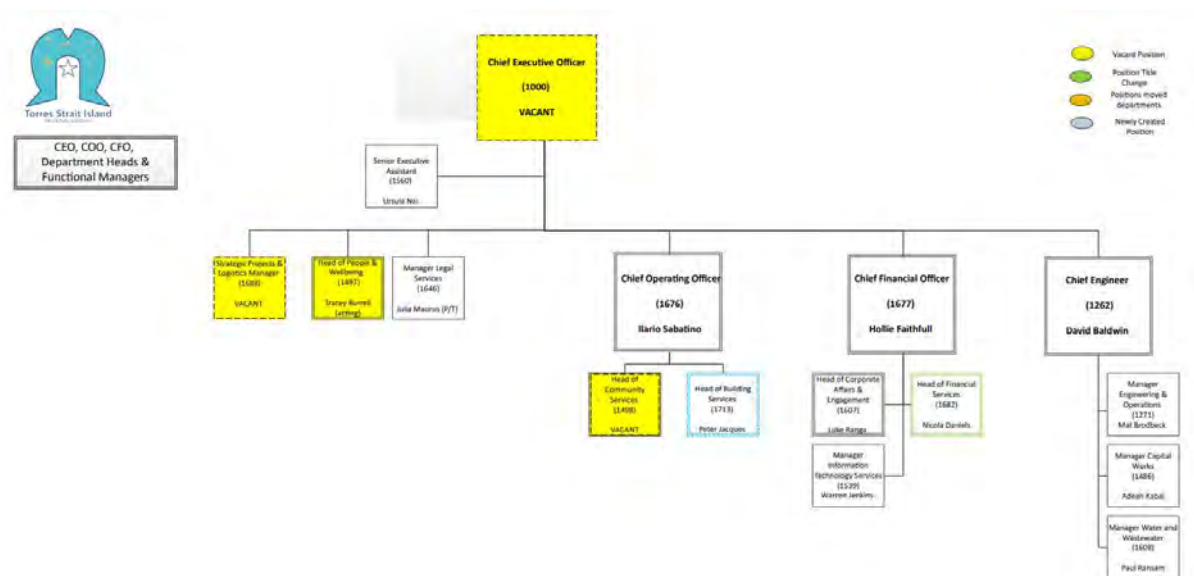
Asset Category	Replacement Value \$
Hardware	598,456
Software	1,457,686
Communication Assets	166,174
<b>TOTAL</b>	<b>\$2,222.316</b>

Key stakeholders in the preparation and implementation of this AM Plan are shown in Table 2.1.

**Table 2.1: Key Stakeholders in the AM Plan**

Key Stakeholder	Role in Asset Management Plan
Elected Council	<ul style="list-style-type: none"> <li>Represent needs of community/shareholders</li> <li>Allocate resources to meet planning objectives in providing services while managing risks</li> <li>Ensure service sustainable</li> <li>Endorsement of Final Asset Management Plans</li> </ul>
CEO/COO/CFO/ CE (executive Group)	Maintaining Sustainable Base Line and executive endorsement of final document
Department of Local Government and Planning	Primary funding body of the Torres Strait Island Regional Council
Asset Management Group (AMG)	Asset Planning Committee
Asset Class Manager	Information Technology & Communication
Council Staff	End Users

Our organisational structure for service delivery from infrastructure assets is detailed below,



## 2.2 Goals and Objectives of Asset Ownership

Our goal for managing infrastructure assets is to meet the defined level of service (as amended from time to time) in the most cost effective manner for present and future consumers. The key elements of infrastructure asset management are:

- Providing a defined level of service and monitoring performance,
- Managing the impact of growth through demand management and infrastructure investment,



- Taking a lifecycle approach to developing cost-effective management strategies for the long-term that meet the defined level of service,
- Identifying, assessing, and appropriately controlling risks, and
- Linking to a Long-Term Financial Plan which identifies required, affordable forecast costs and how it will be allocated.

Key elements of the planning framework are

- Levels of service – specifies the services and levels of service to be provided,
- Risk Management,
- Future demand – how this will impact on future service delivery and how this is to be met,
- Lifecycle management – how to manage its existing and future assets to provide defined levels of service,
- Financial summary – what funds are required to provide the defined services,
- Asset management practices – how we manage provision of the services,
- Monitoring – how the plan will be monitored to ensure objectives are met,
- Asset management improvement plan – how we increase asset management maturity.

Other references to the benefits, fundamentals principles and objectives of asset management are:

- International Infrastructure Management Manual 2015 <sup>1</sup>
- ISO 55000<sup>2</sup>

A road map for preparing an AM Plan is shown below.

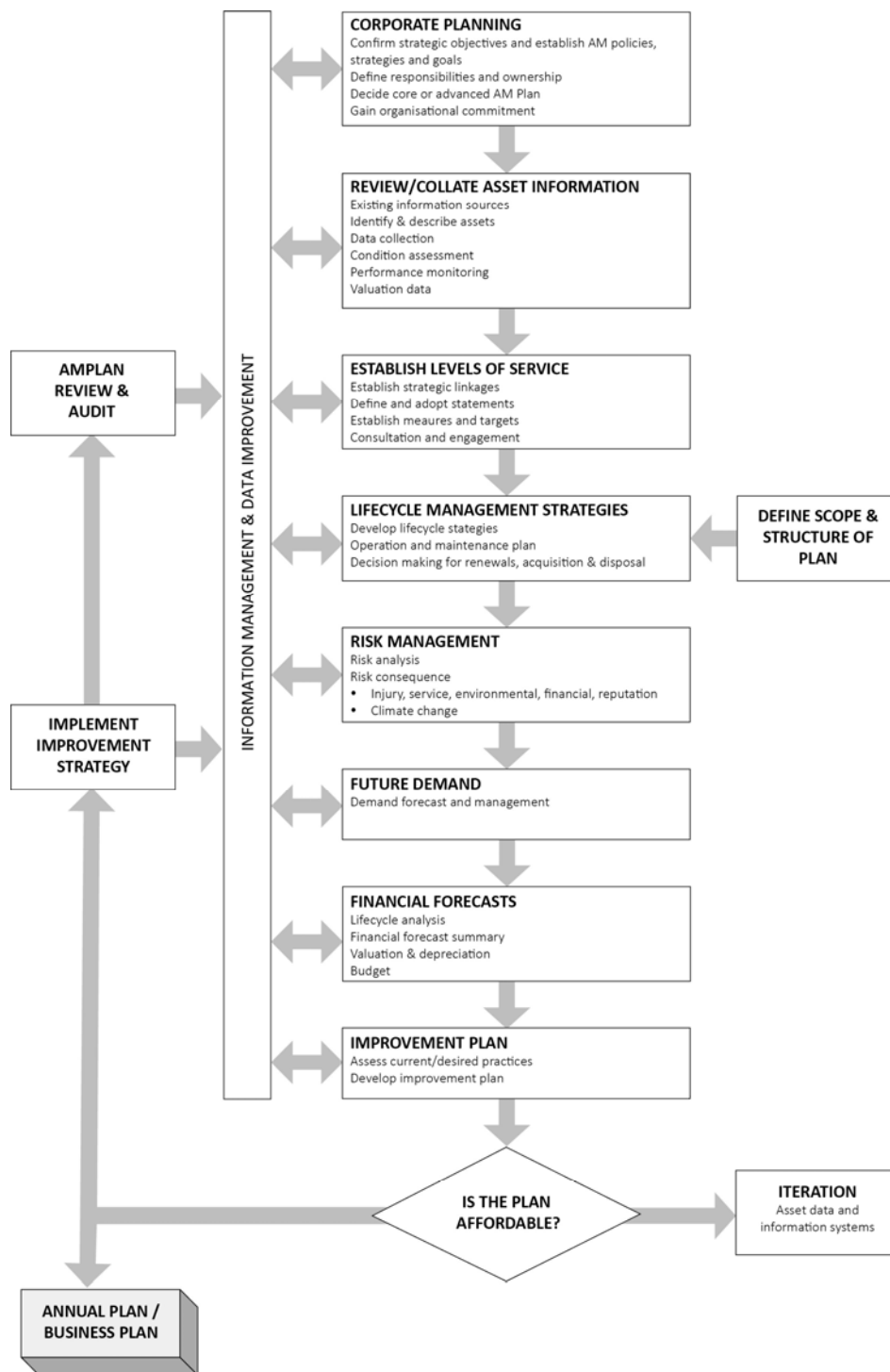
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<sup>1</sup> Based on IPWEA 2015 IIMM, Sec 2.1.3, p 2 | 13

<sup>2</sup> ISO 55000 Overview, principles and terminology

## Road Map for preparing an Asset Management Plan

Source: IPWEA, 2006, IIMM, Fig 1.5.1, p 1.11



### 3.0 LEVELS OF SERVICE

#### 3.1 Customer Research and Expectations

This AM Plan is prepared to facilitate consultation prior to adoption of levels of service by the Torres Strait Island Regional Council. Future revisions of the AM Plan will incorporate customer consultation on service levels and costs of providing the service. This will assist the Torres Strait Island Regional Council and stakeholders in matching the level of service Table 3.1 summarises the results from our Customer Satisfaction Survey.

**Table 3.1: Customer Satisfaction Survey Levels**

Performance Measure	Satisfaction Level				
	Very Satisfied	Fairly Satisfied	Satisfied	Somewhat satisfied	Not satisfied
Assets should be in a condition which allows prime functions to operate at maximum efficiency and effective in a safe manner			✓		

#### 3.2 Strategic and Corporate Goals

This AM Plan is prepared under the direction of the Torres Strait Islands Regional Council vision, mission, goals and objectives.

##### Our vision is:

For our Communities and Council to be Autonomous, Prosperous and Sustainable.

*For youmpla ples ene Council for meke something youmpla self sor long we can gad fruit them thing we makem e praper ene las long time.*

##### Our mission is:

To improve our Communities' livability in all we do.

Strategic goals have been set by the Torres Strait Island Regional Council. The relevant goals and objectives and how these are addressed in this AM Plan are summarised in Table 3.2.

*For youmpla for strete ples blo youmpla ene weis kaine youmpla stap lor pless youmpla*

Strategic goals have been set by the Torres Strait Island Regional Council. The relevant goals and objectives and how these are addressed in this AM Plan are summarised in Table 3.2.

**Table 3.2: Goals and how these are addressed in this Plan**

Goal	Objective	How Goal and Objectives are addressed in the AM Plan
Managing the Technological environment to ensure sustainable management of community infrastructure & services	Provision of assets to meet the information, data and communication needs (including growth) of the community in a financially sustainable manner	Development and implementation of strategic asset management plans for Information Technology and Communication infrastructure

Infrastructure and technical services that meet current and future community needs and aspirations.	Monitor technology infrastructure development to ensure it is in accordance with Council corporate and strategic planning	Properly functioning IT&C assets to provide the platform for the Community to develop an economic and social base
Communications always maintained	Redundancy provided to mitigate risk of failure	Working with our stakeholders to plan and schedule replacement

### 3.3 Legislative Requirements

There are many legislative requirements relating to the management of assets. Legislative requirements that impact the delivery of the ITC service are outlined in Table 3.3.

**Table 3.3: Legislative Requirements**

Legislation	Requirement
Local Government Act 2009	Overarching Governance
Local Laws	Local governance provision for amenities
WH&S Act 2011	Safety Compliance in the workplace
Archives Act 1983	Authorisation disposal & destruction of records.
Privacy Act 2001 Crimes Act 1979 Criminal Code Act 1995	Cyber Security Laws t to ensure data is keep secure
Freedom of Information Act 1982	Right to access individual documentation
Financial Management & Accountability Act 1997	Framework to provide public money and public property
Telecommunications Act 1997 Broadcasting Services Act 1992 Australian Communications and Media Authority Act 2005	Australian Communications & Media Authority to responsibly control the operation of facilities that supply communications

### 3.4 Customer Values

Service levels are defined in three ways, customer values, customer levels of service and technical levels of service.

**Customer Values** indicate:

- what aspects of the service is important to the customer?
- whether they see value in what is currently provided.
- the likely trend over time based on the current budget provision.

**Table 3.4: Customer Values**

Customer Values	Customer Satisfaction Measure	Current Feedback	Expected Trend Based on Planned Budget
Quality	Qualitative scale (1 – 5) excellent to poor.	3+	Service levels need to be set at a particular condition rating, i.e., 3.5 as a trigger for future funding prediction.
Safety	Qualitative scale (1 – 5) excellent to poor.	3+	Service levels need to be set at a particular condition rating, i.e., 3.5 as a trigger for future funding prediction.

### 3.5 Customer Levels of Service

The Customer Levels of Service are considered in terms of:

**Condition**            How good is the service ... what is the condition or quality of the service?

**Function**            Is it suitable for its intended purpose .... Is it the right service?

**Capacity/Use**        Is the service over or under used ... do we need more or less of these assets?

In Table 3.5 under each of the service measures types (Condition, Function, Capacity/Use) there is a summary of the performance measure being used, the current performance, and the expected performance based on the current budget allocation.

These are measures of fact related to the service delivery outcome (e.g. number of occasions when service is not available or proportion of replacement value by condition %'s) to provide a balance in comparison to the customer perception that may be more subjective.

Table 3.5: Customer Level of Service Measures

Type of Measure	Level of Service	Performance Measure	Current Performance	Expected Trend Based on Planned Budget
<b>Condition</b>	Provision of assets to meet the information, data and communication needs (including growth) of the community in a financially sustainable manner	Assets have a minimum condition score. >3.5	3+.	While maintaining the current trend, Council's budget will continue to be undertaken on a reactive nature dependent on failures with a decision to strategically review assets and consolidate future funding requirements.
	<b>Confidence levels</b>		Medium  Medium Professional judgement	Medium  Medium Professional judgement supported by limited data
<b>Function</b>	Monitor technology infrastructure development to ensure it is in accordance with Council corporate and strategic planning	Assets have a minimum functional condition score. >3.5	3+	While maintaining the current trend, Council's budget will continue to be undertaken on a reactive nature dependent on failures with a decision to strategically review assets and consolidate future funding requirements.
	<b>Confidence levels</b>		Medium  Medium Professional judgement supported with limited data Low (Professional Judgement with no data evidence)	Medium  Medium Professional judgement supported by data sampling
<b>Capacity</b>	Assets should be in a condition which allows prime functions to operate at maximum efficiency and in a safe manner	Assets have a minimum capacity condition score. >3.5	3+.	While maintaining the current trend, Council's budget will continue to be undertaken on a reactive nature dependent on failures with a decision to strategically review assets and consolidate future funding requirements.
	<b>Confidence levels</b>		Medium  Medium Professional judgement supported by data sampling	Medium  Medium Professional judgement supported by data sampling

### 3.6 Technical Levels of Service

**Technical Levels of Service** – To deliver the customer values, and impact the achieved Customer Levels of Service, are operational or technical measures of performance. These technical measures relate to the activities and allocation 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., widening a road, sealing an unsealed road, replacing a pipeline with a larger size) or a new service that did not exist previously (e.g., a new library).
- **Operation** – the regular activities to provide services (e.g., opening hours, cleansing, 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., road patching, unsealed road grading, building and structure repairs),
- **Renewal** – the activities that return the service capability of an asset up to that which it had originally provided (e.g., road resurfacing and pavement reconstruction, pipeline replacement and building component replacement),

Service and asset managers plan, implement and control technical service levels to influence the service outcomes.<sup>3</sup>

Table 3.6 shows the activities expected to be provided under the current 10 year Planned Budget allocation, and the Forecast activity requirements being recommended in this AM Plan.

**Table 3.6: Technical Levels of Service**

Lifecycle Activity	Purpose of Activity	Activity Measure	Current Performance*	Recommended Performance **
<b>TECHNICAL LEVELS OF SERVICE</b>				
<b>Acquisition</b>	Acquisitions in line with changing council requirement and fit-for purpose.	Community consultation regarding engagement and utilisation of acquisitions	3+	As data comes available for new acquisitions data will be updated.
		<b>Budget</b>	\$0	\$0
<b>Operation</b>	Recurrent outlay costs driven by the IT&C Team	Scheduled Compliance and related Maintenance	3+ Compliant	All activities will be undertaken in accordance with TSIRC directives and within budget constraints
		<b>Budget</b>	\$2,191,993	\$2,191,993
<b>Maintenance</b>	Maintaining assets to minimum operational standards	Work request management from Divisional teams for general R&M and Executive Team for compliance	Compliant	Maintain compliance and repair in accordance with equipment specifications
		<b>Budget</b>	\$216,343	\$216,343

<sup>3</sup> IPWEA, 2015, IIMM, p 2|28.

Lifecycle Activity	Purpose of Activity	Activity Measure	Current Performance*	Recommended Performance **
<b>Renewal</b>	What is the purpose of the Activity Replace assets in average condition	Work request management from Divisional team for general R&M and for compliance	3+	Replacement on a regular basis when warranty expired, and equipment cost to maintain exceeds replacement cost
		<b>Budget</b>	\$0	\$129,193
<b>Disposal</b>	Dispose of assets in line with changing Council requirements	Annual asset condition review	3+	Performance measure to be established
		<b>Budget</b>	\$0	\$0

Note: \* Current activities related to Planned Budget.

\*\* Expected performance related to forecast lifecycle costs.

It is important to monitor the service levels regularly as circumstances can and do change. Current performance is based on existing resource provision and work efficiencies. It is acknowledged changing circumstances such as technology and customer priorities will change over time.



## 4.0 FUTURE DEMAND

### 4.1 Demand Drivers

Drivers affecting demand include things such as population change, regulations, changes in demographics, seasonal factors, vehicle ownership rates, consumer preferences and expectations, technological changes, economic factors, agricultural practices, environmental awareness, etc.

### 4.2 Demand Forecasts

The present position and projections for demand drivers that may impact future service delivery and use of assets have been identified and documented. (refer the table below).

### 4.3 Demand Impact and Demand Management Plan

The impact of demand drivers that may affect future service delivery and use of assets are shown in Table 4.3.

Demand for new services will be managed through a combination of managing existing assets, upgrading of 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 shown in Table 4.3. Further opportunities will be developed in future revisions of this AM Plan.

**Table 4.3: Demand Management Plan**

Demand driver	Current position	Projection	Impact on services	Demand Management Plan
Staffing	360	100%	Staff retention issues	Forecast equipment in line with approved staffing structure.
Funding	Restricted funding	Meet budget targets	restrictions on service	Demand based on risk

## Indigenous regions, projected increase and rate of growth (series B), 2016 to 2031, at 30 June

Indigenous region	2016	2031	Projected growth 2016 to 2031	
	— persons —		no.	%
Brisbane	84,454	126,482	42,028	49.8
Cairns–Atherton	30,050	39,064	9,014	30.0
Cape York	10,579	13,469	2,890	27.3
Mount Isa	9,003	9,253	250	2.8
Rockhampton	26,941	35,528	8,587	31.9
Toowoomba–Roma	21,350	27,648	6,298	29.5
Torres Strait	7,403	8,156	753	10.2
Townsville–Mackay	31,496	44,795	13,299	42.2
<b>Queensland</b>	<b>221,276</b>	<b>304,395</b>	<b>83,119</b>	<b>37.6</b>
<b>Australia</b>	<b>798,365</b>	<b>1,071,871</b>	<b>273,506</b>	<b>34.3</b>

### 4.4 Asset Programs to meet Demand

The new assets required to meet demand may be acquired, donated or constructed. Additional assets are discussed in Section 5.4.

Acquiring new assets will commit the Torres Strait Island Regional Council to ongoing operations, maintenance and renewal costs for the period that the service provided from the assets is required. These future costs are identified and considered in developing forecasts of future operations, maintenance and renewal costs for inclusion in the long-term financial plan (Refer to Section 5).

### 4.5 Climate Change Adaptation

The impacts of climate change continue to be reviewed to determine whether it may have a significant impact on the assets we manage and the services they provide. In the context of the Asset Management Planning process climate change can be considered as both a future demand and a risk.

How climate change impacts on assets will vary depending on the location and the type of services provided, as will the way in which we respond and manage those impacts.<sup>4</sup>

As a minimum we consider how to manage our existing assets given potential climate change impacts for our region.

<sup>4</sup> IPWEA Practice Note 12.1 Climate Change Impacts on the Useful Life of Infrastructure

Risk and opportunities identified to date are shown in Table 4.5.1

**Table 4.5.1 Managing the Impact of Climate Change on Assets and Services**

Climate Change Description	Projected Change	Potential Impact on Assets and Services	Management
Increased severity of weather events. season	Damage to infrastructure	Loss of communication services to community.	Mitigate to provide alternate communication systems.

Additionally, the way in which we construct new assets should recognise that there is opportunity to build in resilience to climate change impacts. Building resilience can have the following benefits:

- Assets will withstand the impacts of climate change.
- Services can be sustained; and
- Assets that can endure may potentially lower the lifecycle cost and reduce their carbon footprint

Table 4.5.2 summarises some asset climate change resilience opportunities.

**Table 4.5.2 Building Asset Resilience to Climate Change**

New Asset Description	Climate Change impact These assets?	Build Resilience in New Works
Communication Towers	Shortened end of life due to corrosion.	Use of Corrosion resistant materials
Dedicated transmission Lines	Access to systems	Negotiate to have dedicated access

The impact of climate change on assets is a new and complex discussion and further opportunities will be developed in future revisions of this AM Plan.

## 5.0 LIFECYCLE MANAGEMENT PLAN

The lifecycle management plan details how the Torres Strait Island Regional Council plans to manage and operate the assets at the agreed levels of service (Refer to Section 3) while managing life cycle costs.

### 5.1 Background Data

#### 5.1.1 Physical parameters

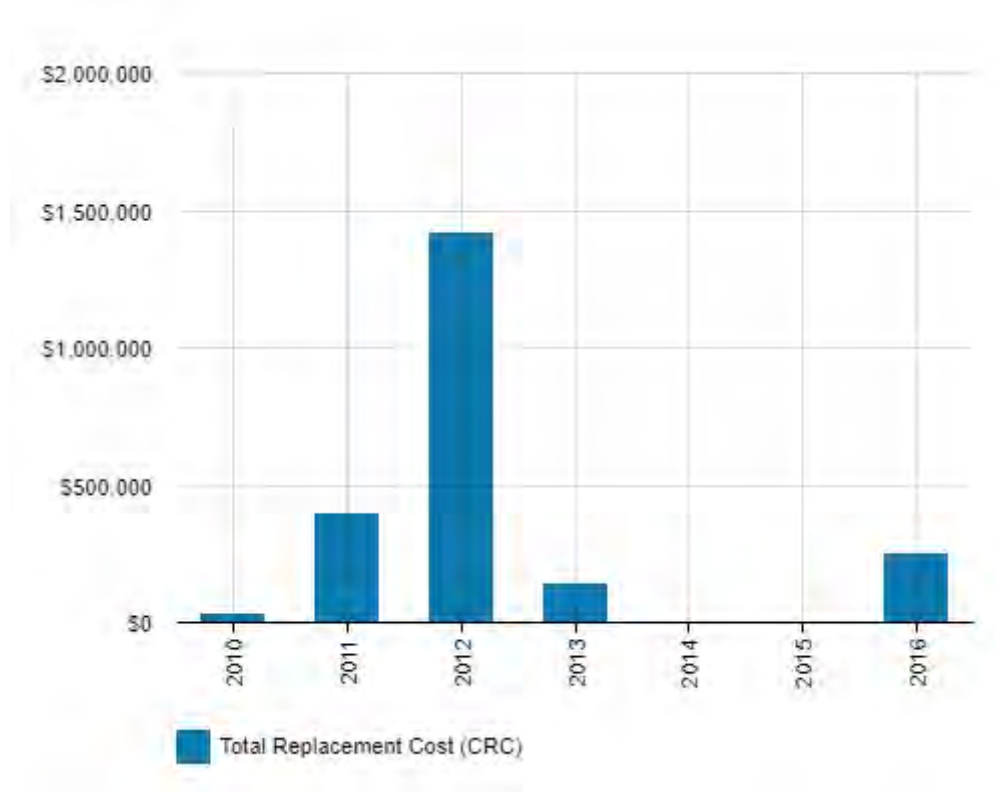
The assets covered by this AM Plan are shown in Table 5.1.1.

The ITC network comprises; system hardware, system software and communications network assets with a gross replacement value estimated at 30 June 2021 of \$2,222,316

The age profile of the assets included in this AM Plan are shown in Figure 5.1.1.

**Table 5.1.1: Assets covered by this Plan**

Asset Category	Number of Assets	Replacement Value \$
System Hardware	41	598,456
System Software (Now a SAAS product)	2	1,457,686
Communication Assets	6	166,174
<b>TOTAL</b>	<b>49</b>	<b>\$2,222,316</b>



All figure values are shown in current day dollars.

Add discussion about the age asset profile. Outline how past peaks of investment that may require peaks in renewals in the future. Comment on the overall age versus useful lives of the assets.

### 5.1.2 Asset capacity and performance

Assets are generally provided to meet design standards where these are available. However, there is insufficient resources to address all known deficiencies. Locations where deficiencies in service performance are known are detailed in Table 5.1.2.

**Table 5.1.2: Known Service Performance Deficiencies**

Location	Service Deficiency
Currently all locations covered	Only key deficiency is bandwidth to provide uninterrupted service this outside of TSIRC's direct control.

The above service deficiencies were identified from customer survey.

### 5.1.3 Asset condition

Condition is currently monitored based on a scale of 0 to 5 with 0.5 increments, to facilitate the data being introduced to NAMS+ model, values of 0.5 increased to the next increment, this has not impacted on the description of the condition rating as the 1 to 5 representation indicated below was consistent.

Condition is measured using a 1 – 5 grading system<sup>5</sup> as detailed in Table 5.1.3. It is important that a consistent approach is used in reporting asset performance enabling effective decision support. A finer grading system may be used at a more specific level, however, for reporting in the AM plan results are translated to a 1 – 5 grading scale for ease of communication.

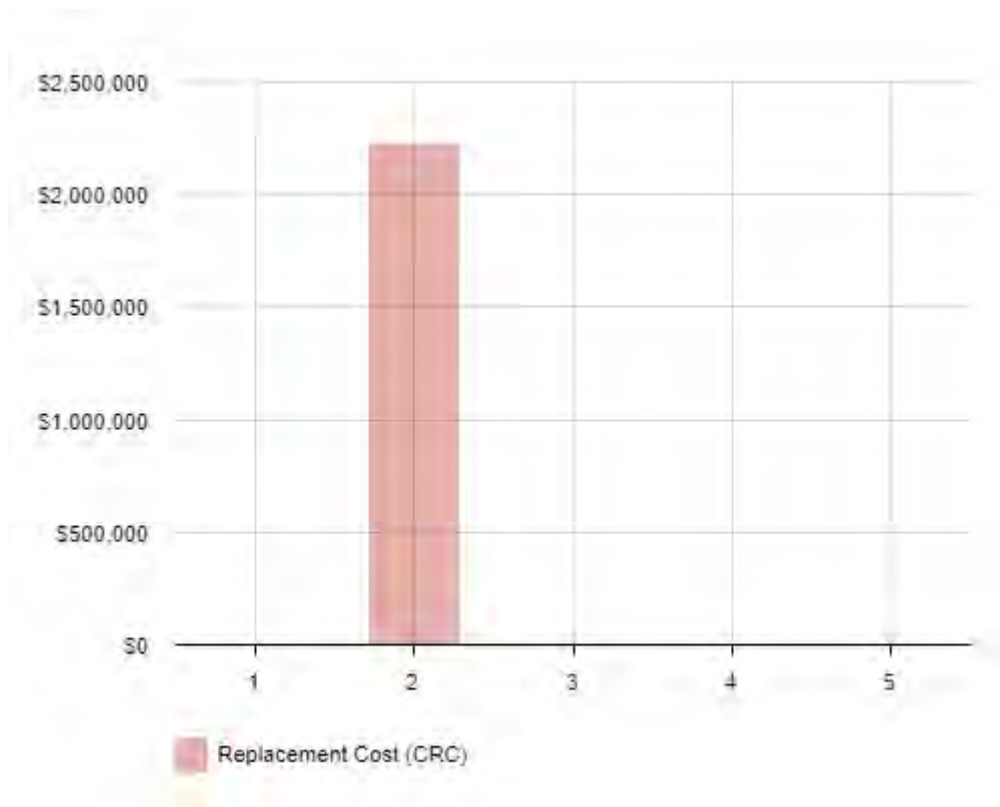
**Table 5.1.3: Condition Grading System**

Condition Grading	Description of Condition
<b>1</b>	<b>Very Good:</b> free of defects, only planned and/or routine maintenance required
<b>2</b>	<b>Good:</b> minor defects, increasing maintenance required plus planned maintenance
<b>3</b>	<b>Fair:</b> defects requiring regular and/or significant maintenance to reinstate service
<b>4</b>	<b>Poor:</b> significant defects, higher order cost intervention likely
<b>5</b>	<b>Very Poor:</b> physically unsound and/or beyond rehabilitation, immediate action required

The condition profile of our assets is shown in Figure 5.1.3.

<sup>5</sup> IPWEA, 2015, IIMM, Sec 2.5.4, p 2|80.

**Figure 5.1.3: Asset Condition Profile**



It is anticipated that the overall asset conditions may deteriorate over time given the insecure nature of funding for maintenance and replacement. This has the potential to have a detrimental impact on services as systems become less reliable.

All figure values are shown in current day dollars.

## 5.2 Operations and Maintenance Plan

Operations include regular activities to provide services. Examples of typical operational activities include cleaning, street sweeping, 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 pipe repairs, asphalt patching, and equipment repairs.

The trend in maintenance budgets are shown in Table 5.2.1.

**Table 5.2.1: Maintenance Budget Trends**

Year	Maintenance Budget \$
2020	\$225,108
2021	\$230,801
2022	\$213,440

Maintenance budget levels are considered to be adequate to meet projected service levels, which may be less than or equal to current service levels. Where maintenance budget allocations are such that they will result in

a lesser level of service, the service consequences and service risks have been identified and are highlighted in this AM Plan and service risks considered in the Infrastructure Risk Management Plan.

Assessment and priority of reactive maintenance is undertaken by staff using experience and judgement.

### **Asset hierarchy**

An asset hierarchy provides a framework for structuring data in an information system to assist in collection of data, reporting information and making decisions. The hierarchy includes the asset class and component used for asset planning and financial reporting and service level hierarchy used for service planning and delivery.

The service hierarchy is shown in Table 5.2.2.

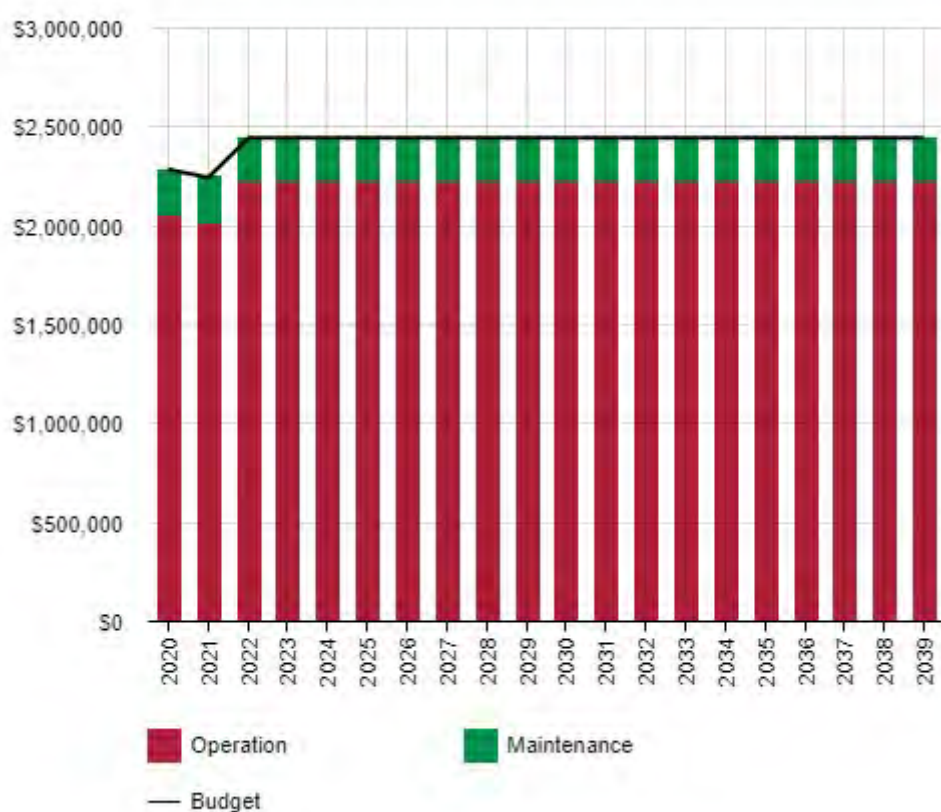
**Table 5.2.2: Asset Service Hierarchy**

<b>Service Hierarchy</b>	<b>Service Level Objective</b>
Category 1- High System Hardware & selected software	Maintain to a good standard and adapt to changing community needs.
Category 2- Standard System Software.	Maintain to a good standard and adapt to changing community needs.
Category 3- Low Communication network	Maintain to a good standard and adapt to changing community needs.

### **Summary of forecast operations and maintenance costs**

Forecast operations and maintenance costs are expected to vary in relation to the total value of the asset stock. If additional assets are acquired, the future operations and maintenance costs are forecast to increase. If assets are disposed of the forecast operation and maintenance costs are expected to decrease. Figure 5.2 shows the forecast operations and maintenance costs relative to the proposed operations and maintenance Planned Budget.

**Figure 5.2: Operations and Maintenance Summary**



All figure values are shown in current day dollars.

The maintenance and operations budget are reactive in nature with some scheduled maintenance and fixed costs from compliance and regulatory requirements.

### 5.3 Renewal Plan

Renewal is major capital work which does 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 currently identified in the Lifecycle Model using asset register data to project the renewal cost (Current replacement cost) and renewal timing (acquisition year plus updated useful life to determine the renewal year).

The typical useful lives of assets used to develop projected asset renewal forecasts are shown in Table 5.3. Asset useful lives were last reviewed at 30 June 2021<sup>6</sup>

<sup>6</sup> Review of Useful Life of Assets from Asset register



**Table 5.3: Useful Lives of Assets**

Asset (Sub)Category	Useful Life in Years
System Hardware	3-10
System Software	3-10
Communication Network	3-10

The estimates for renewals in this AM Plan were based on the asset register including all components associated with the primary asset.

### 5.3.1 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 a pc with Laptop), or
- To ensure the infrastructure is of sufficient quality to meet the service requirements (e.g., condition of a playground).<sup>7</sup>

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

- Have a high consequence of failure,
- Have high use and subsequent impact on users would be significant,
- Have higher than expected operational or maintenance costs, and
- Have potential to reduce life cycle costs by replacement with a modern equivalent asset that would provide the equivalent service.<sup>8</sup>

The ranking criteria used to determine priority of identified renewal proposals is detailed in Table 5.3.1.

**Table 5.3.1: Renewal Priority Ranking Criteria**

Criteria	Weighting
Sustainability Matrix	TBD
<b>Total</b>	<b>100%</b>

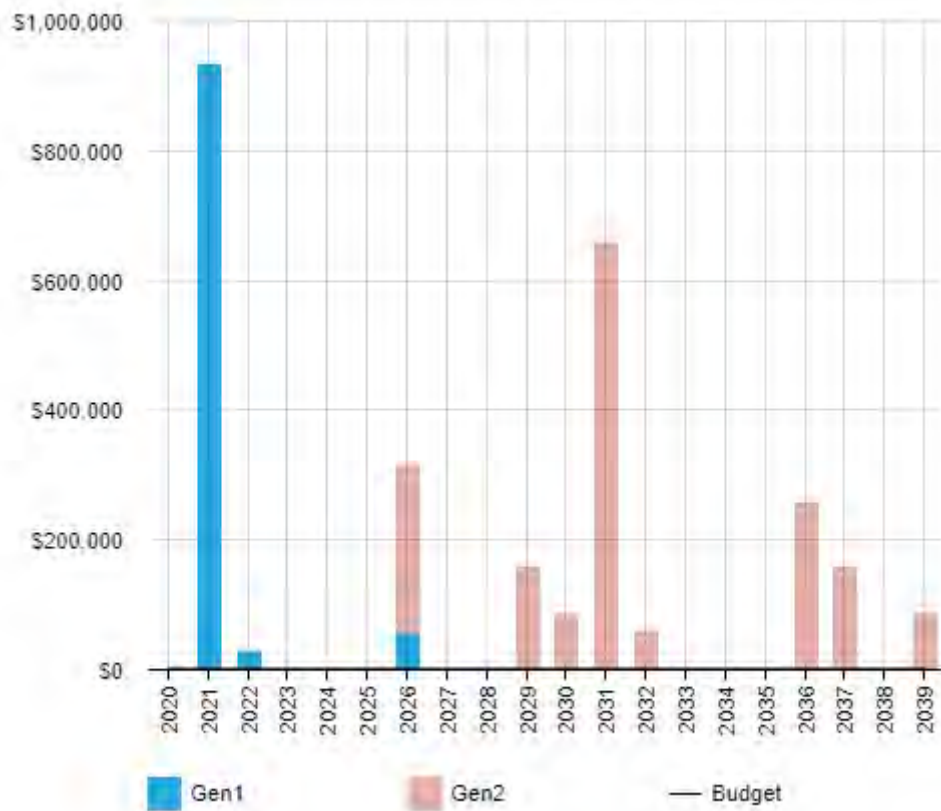
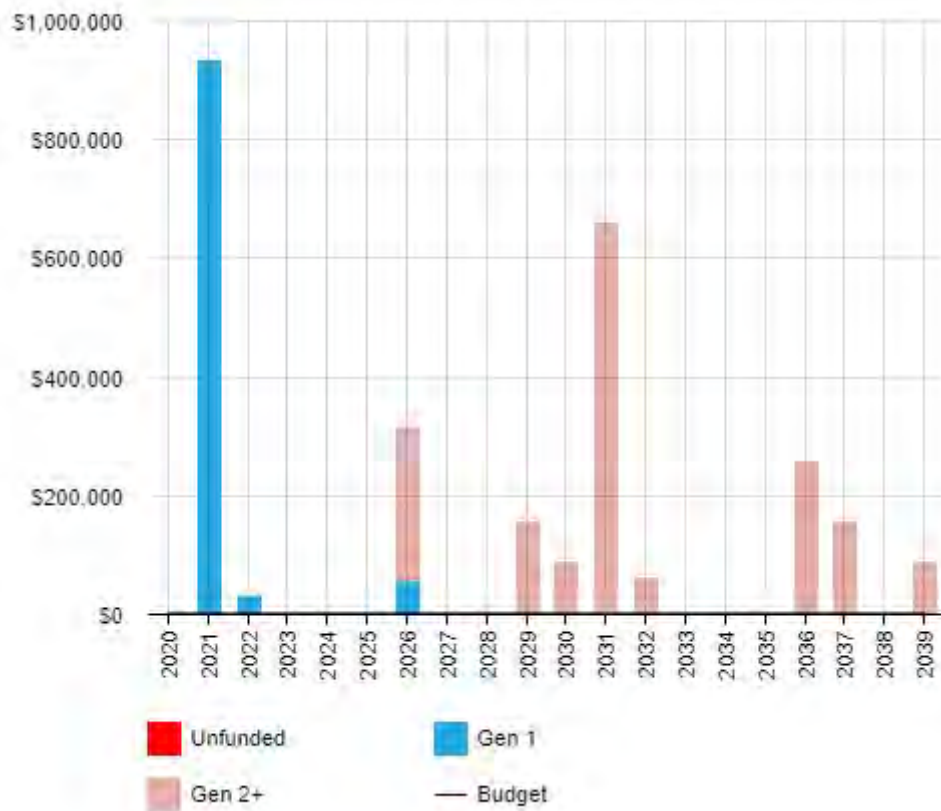
## 5.4 Summary of future renewal costs

Forecast renewal costs are projected to increase over time if the asset stock increases. The forecast costs associated with renewals are shown relative to the proposed renewal budget in Figure 5.4.1. A detailed summary of the forecast renewal costs is shown in Appendix D.

<sup>7</sup> IPWEA, 2015, IIMM, Sec 3.4.4, p 3|91.

<sup>8</sup> Based on IPWEA, 2015, IIMM, Sec 3.4.5, p 3|97.

**Figure 5.4.1: Forecast Renewal Costs**



Unfunded – Relates to asset renewals that are not funded in the current year's budget.

Gen 1 – Relates to the “first” generation of asset renewals. The basis of this assessment is derived from data extracted from the 2020 comprehensive valuation and the revised estimated useful life. Due to legacy data from amalgamation a large component has been identified as being requiring renewal in 2021.

Gen 2+ - Relates to subsequent generations of asset renewals.

All figure values are shown in current day dollars.

There are currently no planned renewal projects aside from the renewals budget. This will be updated with planned projects in future iterations of the asset management plan.

## 5.5 Acquisition Plan

Acquisition reflects are new assets that did not previously exist 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 the Torres Strait Island Regional Council.

### 5.5.1 Selection criteria

Proposed acquisition of new assets, and upgrade of existing assets, are identified from various sources such as community requests, proposals identified by strategic plans or partnerships with others. Potential upgrade and new works should be reviewed to verify that they are essential to the Entities needs. Proposed upgrade and new work analysis should also include the development of a preliminary renewal estimate to ensure that the services are sustainable over the longer term. Verified proposals can then be ranked by priority and available funds and scheduled in future works programmes. The priority ranking criteria is detailed in Table 5.5.1.

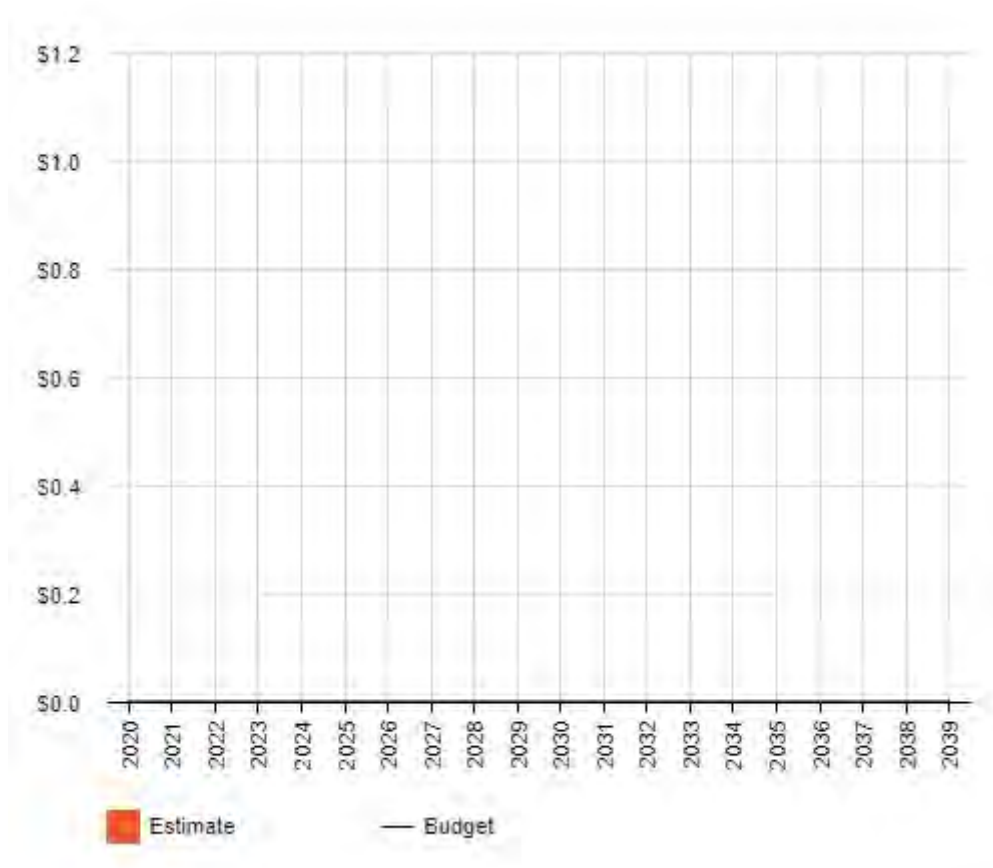
**Table 5.5.1: Acquired Assets Priority Ranking Criteria**

Criteria	Weighting
Not applicable to this class currently due to no long-term planning.	N/A
<b>Total</b>	<b>100%</b>

### Summary of future asset acquisition costs

Forecast acquisition asset costs are summarised / summarised in Figure 5.5.1 and shown relative to the proposed acquisition budget. The forecast acquisition capital works program is shown in Appendix A.

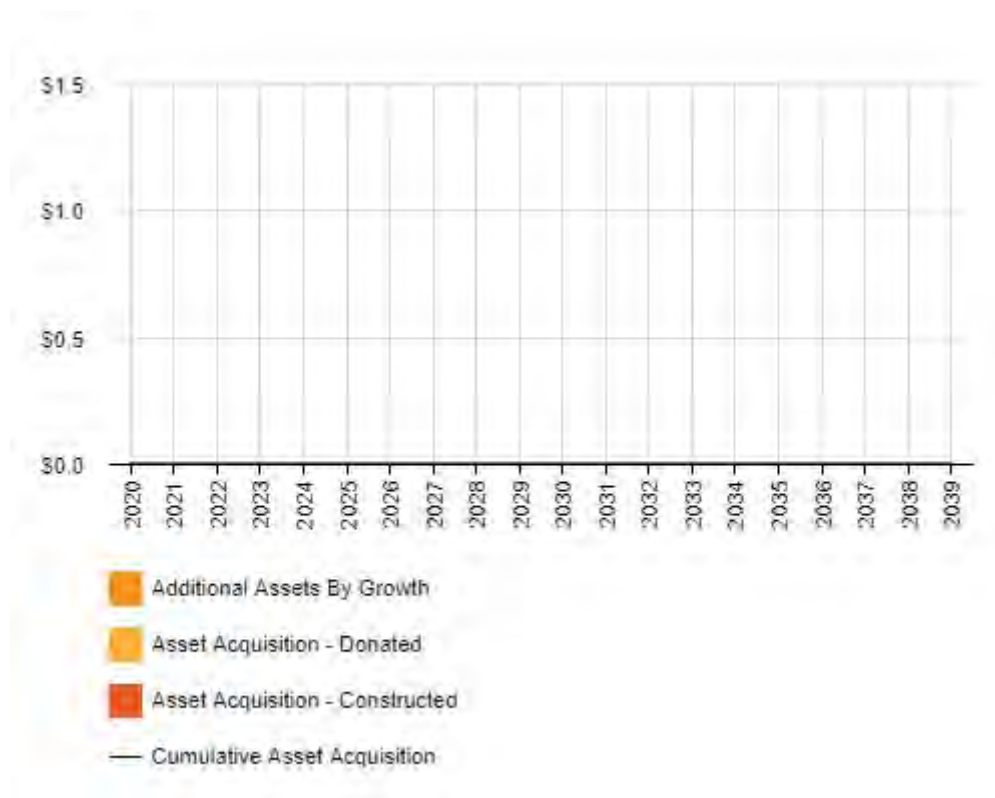
**Figure 5.5.1: Acquisition (Constructed) Summary**



All figure values are shown in current day dollars.

When an Entity commits to new assets, they must be prepared to fund future operations, maintenance and renewal costs. They must also account for future depreciation when reviewing long term sustainability. When reviewing the long-term impacts of asset acquisition, it is useful to consider the cumulative value of the acquired assets being taken on by the Entity. The cumulative value of all acquisition work, including assets that are constructed and contributed shown in Figure 5.5.2.

**Figure 5.5.2: Acquisition Summary**



All figure values are shown in current dollars.

Expenditure on new assets and services in the capital works program will be accommodated in the long-term financial plan, but only to the extent that there is available funding.

## 5.6 Disposal Plan

Disposal includes any activity associated with the disposal of a decommissioned asset including sale, demolition or relocation. Assets identified for possible decommissioning and disposal are shown in Table 5.6. A summary of the disposal costs and estimated reductions in annual operations and maintenance of disposing of the assets are also outlined in Table 5.6. Any costs or revenue gained from asset disposals is included in the long-term financial plan.

**Table 5.6: Assets Identified for Disposal**

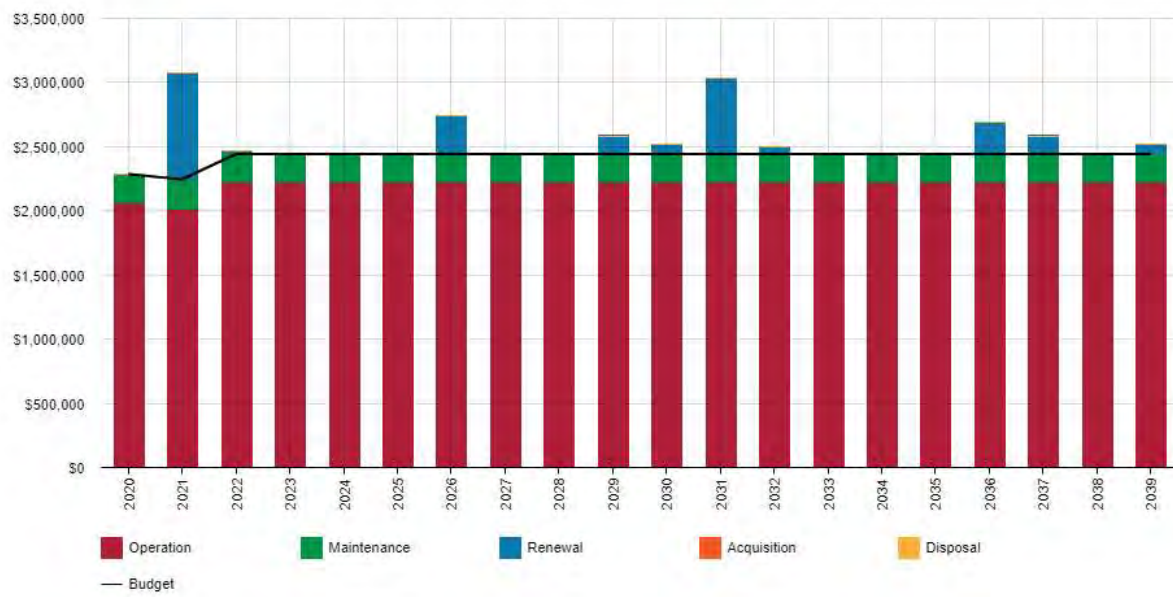
Asset	Reason for Disposal	Timing	Disposal Costs \$	Operations & Maintenance Annual Savings
No current defined assets	N/A	2022	N/A	N/A

## 5.7 Summary of asset forecast costs

The financial projections from this asset plan are shown in Figure 5.7.1. These projections include forecast costs for acquisition, operation, maintenance, renewal, and disposal. These forecast costs are shown relative to the proposed budget.

The bars in the graphs represent the forecast costs needed to minimise the life cycle costs associated with the service provision. The proposed budget line indicates the estimate of available funding. The gap between the forecast work and the proposed budget is the basis of the discussion on achieving balance between costs, levels of service and risk to achieve the best value outcome.

**Figure 5.7.1: Lifecycle Summary**



There are no forecast costs compared to the proposed budget as the ability to plan long term based on funding constraints is limited.

## 6.0 RISK MANAGEMENT PLANNING

The purpose of infrastructure risk management is to document the findings and recommendations resulting from the periodic identification, assessment and treatment of risks associated with providing services from infrastructure, using the fundamentals of International Standard ISO 31000:2018 Risk management – Principles and guidelines.

Risk Management is defined in ISO 31000:2018 as: ‘coordinated activities to direct and control with regard to risk’<sup>9</sup>.

An assessment of risks<sup>10</sup> associated with service delivery will identify risks that will result in loss or reduction in service, personal injury, environmental impacts, a ‘financial shock’, reputational impacts, or other consequences. The risk assessment process identifies credible risks, the likelihood of the risk event occurring, and the consequences should the event occur. The risk assessment should also include the development of a risk rating, evaluation of the risks and development of a risk treatment plan for those risks that are deemed to be non-acceptable.

### 6.1 Critical Assets

Critical assets are defined as those which have a high consequence of failure causing significant loss or reduction of service. Critical assets have been identified and along with their typical failure mode, and the impact on service delivery, are summarised in Table 6.1. Failure modes may include physical failure, collapse or essential service interruption.

**Table 6.1 Critical Assets**

Critical Asset(s)	Failure Mode	Impact
System Hardware	High/critical	Loss of communications and management direction to staff and community

By identifying critical assets and failure modes an organisation can ensure that investigative activities, condition inspection programs, maintenance and capital expenditure plans are targeted at critical assets.

### 6.2 Risk Assessment

The risk management process used is shown in Figure 6.2 below.

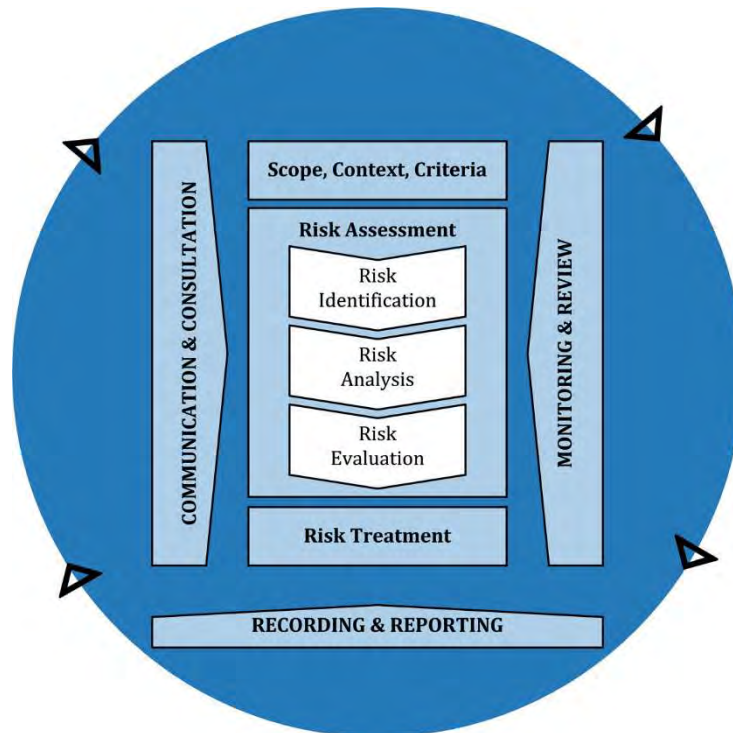
It is an analysis and problem-solving technique designed to provide a logical process for the selection of treatment plans and management actions to protect the community against unacceptable risks.

The process is based on the fundamentals of International Standard ISO 31000:2018.

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<sup>9</sup> ISO 31000:2009, p 2

<sup>10</sup> REPLACE with Reference to the Corporate or Infrastructure Risk Management Plan as the footnote



**Fig 6.2 Risk Management Process – Abridged**  
Source: ISO 31000:2018, Figure 1, p9

The risk assessment process identifies credible risks, the likelihood of the risk event occurring, the consequences should the event occur, development of a risk rating, evaluation of the risk and development of a risk treatment plan for non-acceptable risks.

An assessment of risks<sup>11</sup> associated with service delivery will identify risks that will result in loss or reduction in service, personal injury, environmental impacts, a ‘financial shock’, reputational impacts, or other consequences.

Critical risks are those assessed with ‘Very High’ (requiring immediate corrective action) and ‘High’ (requiring corrective action) risk ratings identified in the Infrastructure Risk Management Plan. The residual risk and treatment costs of implementing the selected treatment plan is shown in Table 6.2. It is essential that these critical risks and costs are reported to management and the Torres Strait Island Community Council.

<sup>11</sup> REPLACE with Reference to the Corporate or Infrastructure Risk Management Plan as the footnote



**Table 6.2: Risks and Treatment Plans**

Service or Asset at Risk	What can Happen	Risk Rating (VH, H)	Risk Treatment Plan	Residual Risk *	Treatment Costs
Sustainability and continuity	Loss of key staff leading to reinvention of data and knowledge. (Staff retention)	VH	Adequate mature policies and procedure in place to capture and store relevant data.	Medium	150k
All ITC Assets	Inability to meet QAO Requirements.	VH	Adoption of new APM model for forward planning and recommendations for strategic groups i.e., AMG.	Medium	TechOne enhancement Project + associated costs 320k

Note \* The residual risk is the risk remaining after the selected risk treatment plan is implemented.

### 6.3 Infrastructure Resilience Approach

The resilience of our critical infrastructure is vital to the ongoing provision of services to customers. To adapt to changing conditions we need to understand our capacity to 'withstand a given level of stress or demand', and to respond to possible disruptions to ensure continuity of service.

Resilience recovery planning, financial capacity, climate change risk assessment and crisis leadership.

Our current measure of resilience is shown in Table 6.3 which includes the type of threats and hazards and the current measures that the organisation takes to ensure service delivery resilience.

**Table 6.3: Resilience Assessment**

Threat / Hazard	Assessment Method	Current Resilience Approach
N/A	N/A	N/A

We do not currently measure our resilience in service delivery. This will be included in future versions of the AM Plan.

### 6.4 Service and Risk Trade-Offs

The decisions made in adopting this AM Plan are based on the objective to achieve the optimum benefits from the available resources.

#### 6.4.1 What we cannot do

There are some operations and maintenance activities and capital projects that are unable to be undertaken within the next 10 years. These include:

- We do **not** have enough funding to provide all services at the desired service levels or provide new services. Works and services that cannot be provided under present funding levels will be addressed when funding is available.

#### **6.4.2 Service trade-off**

If there is forecast work (operations, maintenance, renewal, acquisition or disposal) that cannot be undertaken due to available resources, then this will result in service consequences for users. These service consequences include:

#### **6.4.3 Funding will be utilised firstly in a triage manner to address critical services and then by where the most efficiency can be realised by the organisation Risk trade-off.**

The operations and maintenance activities and capital projects that cannot be undertaken may sustain or create risk consequences. These risk consequences include:

- Inability to fulfil legal, financial reporting and audit requirements Increased maintenance services costs.
- Increased ageing of assets and acceleration physical deterioration.

These actions and expenditures are considered and included in the forecast costs, and where developed, the Risk Management Plan.

## 7.0 FINANCIAL SUMMARY

This section contains the financial requirements resulting from the information presented in the previous sections of this AM Plan. The financial projections will be improved as the discussion on desired levels of service and asset performance matures.

### 7.1 Financial Sustainability and Projections

#### 7.1.1 Sustainability of service delivery

There are two key indicators of sustainable service delivery that are considered in the AM Plan for this service area. The two indicators are the:

- asset renewal funding ratio (proposed renewal budget for the next 10 years / forecast renewal costs for next 10 years), and
- medium term forecast costs/proposed budget (over 10 years of the planning period).

##### **Asset Renewal Funding Ratio**

Asset Renewal Funding Ratio<sup>12</sup> 14.3% this is the current ratio based on limited future information being available and will improve with future investigation and documentation of plan being undertaken.

The Asset Renewal Funding Ratio is an important indicator and illustrates that over the next 10 years we expect to have greater confidence of the funds required for the optimal renewal of assets.

The forecast renewal works along with the proposed renewal budget, and the cumulative shortfall, is illustrated in Appendix D.

##### **Medium term – 10-year financial planning period**

This AM Plan identifies the forecast operations, maintenance and renewal costs required to provide an agreed level of service to the community over a 10 year period. This provides input into 10 year financial and funding plans aimed at providing the required services in a sustainable manner.

This forecast work can be compared to the proposed budget over the first 10 years of the planning period to identify any funding shortfall.

The forecast operations, maintenance and renewal costs over the 10 year planning period is \$2,551,736 average per year.

The proposed (budget) operations, maintenance and renewal funding is \$2,408,336 on average per year giving a 10 year funding shortfall of (\$129,193) per year. This indicates that 94.91% of the forecast costs needed to provide the services documented in this AM Plan are accommodated in the proposed budget. Note, these calculations exclude acquired assets.

Providing sustainable services from infrastructure requires the management of service levels, risks, forecast outlays and financing to achieve a financial indicator of approximately 1.0 for the first years of the AM Plan and ideally over the 10 year life of the Long-Term Financial Plan.

#### 7.1.2 Forecast Costs (outlays) for the long-term financial plan

Table 7.1.3 shows the forecast costs (outlays) required for consideration in the 10 year long-term financial plan.

Providing services in a financially sustainable manner requires a balance between the forecast outlays required to deliver the agreed service levels with the planned budget allocations in the long-term financial plan.

A gap between the forecast outlays and the amounts allocated in the financial plan indicates further work is required on reviewing service levels in the AM Plan (including possibly revising the long-term financial plan).

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<sup>12</sup> AIFMM, 2015, Version 1.0, Financial Sustainability Indicator 3, Sec 2.6, p 9.

We will manage the 'gap' by developing this AM Plan to provide guidance on future service levels and resources required to provide these services in consultation with the community.

Forecast costs are shown in 2020dollar values.

**Table 7.1.2: Forecast Costs (Outlays) for the Long-Term Financial Plan**

Year	Acquisition \$	Operation \$	Maintenance \$	Renewal \$	Disposal \$
2020	0	2,061,513	225,108	0	0
2021	0	2,015,102	230,801	829,850	0
2022	0	2,230,414	213,440	24,974	0
2023	0	2,230,414	213,440	0	0
2024	0	2,230,414	213,440	0	0
2025	0	2,230,414	213,440	0	0
2026	0	2,230,414	213,440	296,912	0
2027	0	2,230,414	213,440	0	0
2028	0	2,230,414	213,440	0	0
2029	0	2,230,414	213,440	140,194	0
2030	0	2,230,414	213,440	75,405	0
2031	0	2,230,414	213,440	588,259	0
2032	0	2,230,414	213,440	50,966	0
2033	0	2,230,414	213,440	0	0
2034	0	2,230,414	213,440	0	0
2035	0	2,230,414	213,440	0	0
2036	0	2,230,414	213,440	246,912	0
2037	0	2,230,414	213,440	140,194	0
2038	0	2,230,414	213,440	0	0
2039	0	2,230,414	213,440	75,405	0

## 7.2 Funding Strategy

The proposed funding for assets is outlined in the Entity's budget and Long-Term financial plan.

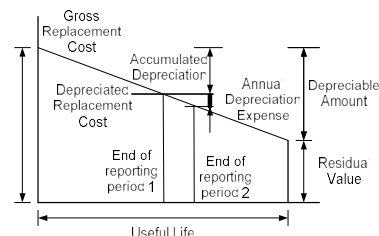
The financial strategy of the entity determines how funding will be provided, whereas the AM Plan communicates how and when this will be spent, along with the service and risk consequences of various service alternatives.

## 7.3 Valuation Forecasts

### 7.3.1 Asset valuations

The best available estimate of the value of assets included in this AM Plan are shown below. The assets are valued at cost

Replacement Cost (Current/Gross)	\$2,222,316
Depreciable Amount	\$904,824
Depreciated Replacement Cost <sup>13</sup>	\$283,165
Depreciation	\$264,001



### 7.3.2 Valuation forecast

Asset values are forecast to increase as additional assets are added to the service.

Additional assets will generally add to the operations and maintenance needs in the longer term. Additional assets will also require additional costs due to future renewals. Any additional assets will also add to future depreciation forecasts.

## 7.4 Key Assumptions Made in Financial Forecasts

In compiling this AM Plan, it was necessary to make some assumptions. This section details the key assumptions made in the development of this AM plan and should provide readers with an understanding of

Key assumptions made in this AM Plan are:

- Assumptions made around the maintenance and operations budget.
- Renewals are based on the fixed asset register replacement and maybe unreliable for renewal forecasting.
- Capital costs for renewals are based on the replacement costs developed as a part of the valuations.
- Capital funding is limited based on the current year funding over each year.
- No Asset acquisitions and disposals are planned.

## 7.5 Forecast Reliability and Confidence

The forecast costs, proposed budgets, and valuation projections in this AM Plan are based on the best available data. For effective asset and financial management, it is critical that the information is current and accurate. Data confidence is classified on a A - E level scale<sup>14</sup> in accordance with Table 7.5.1.

**Table 7.5.1: Data Confidence Grading System**

Confidence Grade	Description
A. Very High	Data based on sound records, procedures, investigations and analysis, documented properly and agreed as the best method of assessment. Dataset is complete and estimated to be accurate $\pm 2\%$
B. High	Data based on sound records, procedures, investigations and analysis, documented properly but has minor shortcomings, for example some of the data is old, some

<sup>13</sup> Also reported as Written Down Value, Carrying or Net Book Value.

<sup>14</sup> IPWEA, 2015, IIMM, Table 2.4.6, p 2|71.

Confidence Grade	Description
	documentation is missing and/or reliance is placed on unconfirmed reports or some extrapolation. Dataset is complete and estimated to be accurate $\pm 10\%$
C. Medium	Data based on sound records, procedures, investigations and analysis which is incomplete or unsupported, or extrapolated from a limited sample for which grade A or B data are available. Dataset is substantially complete but up to 50% is extrapolated data and accuracy estimated $\pm 25\%$
D. Low	Data is based on unconfirmed verbal reports and/or cursory inspections and analysis. Dataset may not be fully complete, and most data is estimated or extrapolated. Accuracy $\pm 40\%$
E. Very Low	None or very little data held.

The estimated confidence level for and reliability of data used in this AM Plan is shown in Table 7.5.2.

**Table 7.5.2: Data Confidence Assessment for Data used in AM Plan**

Data	Confidence Assessment	Comment
Demand drivers	Low	Business not currently in line with this function
Growth projections	Low	Business not currently in line with this function
Acquisition forecast	Low	Business not currently in line with this function
Operation forecast	Low	Business not currently in line with this function
Maintenance forecast	Low	Business not currently in line with this function
Renewal forecast		Business not currently in line with this function
- Asset values	Low	
- Asset useful lives	Low	Business not currently in line with this function
- Condition modelling	Low	Business not currently in line with this function
Disposal forecast	Low	Business not currently in line with this function

The estimated confidence level for and reliability of data used in this AM Plan is considered to be a Low Confidence Level.

## 8.0 PLAN IMPROVEMENT AND MONITORING

### 8.1 Status of Asset Management Practices<sup>15</sup>

#### 8.1.1 Accounting and financial data sources

This AM Plan utilises accounting and financial data. The source of the data is the TechnologyOne ERP Platform and the Sustainability Matrix.

#### 8.1.2 Asset management data sources

This AM Plan also utilises asset management data. The source of the data is the TechnologyOne ERP Platform.

### 8.2 Improvement Plan

It is important that an entity recognise areas of their AM Plan and planning process that require future improvements to ensure effective asset management and informed decision making. The improvement plan generated from this AM Plan is shown in Table 8.2.

**Table 8.2: Improvement Plan**

Task	Task	Responsibility	Resources Required	Timeline
1	Functional assessments of ITC assets	Assets	Two (2) Staff	3 years (2021-2023)
2	Develop & implement a risk management framework.	Risk & Ethics/Assets	Two (Staff)	2021
3	Conduct risk assessment on assets at a network level	IT	Two (Staff)	2021
4	Finalise desired levels of service from community consultation.	IT	4	2021
5	Develop & implement the Sustainability Matrix.	Assets & Heads of Departments	TBD	2021-2022
6	Reinstated the Asset Management Group (AMG) consisting of all Asset Managers.	Assets	TBD	2021-2022
7	TECH ONE Enhancement upgrade	IT & Assets	6	2022/23
8	Data validation and Asset Register Integrity check	Assets	2	2022
9	Rationalisation of Asset base.	Assets, Executive Group & Council	TBD	2023
10	ECM for records Management & TechOne Training	ITC and Assets	TBD	2021
11	Future planning to present costed options for upgrades to maintain service levels	IT & Assets	1	2022

### 8.3 Monitoring and Review Procedures

This AM Plan will be reviewed during the annual budget planning process and revised to show any material changes in service levels, risks, forecast costs and proposed budgets as a result of budget decisions.

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<sup>15</sup> ISO 55000 Refers to this as the Asset Management System

The AM Plan will be reviewed and updated annually to ensure it represents the current service level, asset values, forecast operations, maintenance, renewals, acquisition and asset disposal costs and planned budgets. These forecast costs and proposed budget are incorporated into the Long-Term Financial Plan or will be incorporated into the Long-Term Financial Plan once completed.

The AM Plan has a maximum life of 4 years and is due for complete revision and updating within 12 months.

#### **8.4 Performance Measures**

The effectiveness of this AM Plan can be measured in the following ways:

- The degree to which the required forecast costs identified in this AM Plan are incorporated into the long-term financial plan,
- The degree to which the 1–5-year detailed works programs, budgets, business plans and corporate structures consider the ‘global’ works program trends provided by the AM Plan,
- The degree to which the existing and projected service levels and service consequences, risks and residual risks are incorporated into the Strategic Planning documents and associated plans,
- The Asset Renewal Funding Ratio achieving the Organisational target (this target is often 90 – 100%).



## 9.0 REFERENCES

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- ISO, 2014, ISO 55000:2014, Overview, principles, and terminology
- ISO, 2018, ISO 31000:2018, Risk management – Guidelines
- Strategic Asset Management Plan 2021– 2023
- 2020 Annual Report
- Corporate Plan 2020-2025
- Operational Plan 2020/21
- Deputations 2020

## 10.0 APPENDICES

### Appendix A Acquisition Forecast

#### A.1 – Acquisition Forecast Assumptions and Source

There are currently no acquisitions being forecast

#### A.2 – Acquisition Project Summary

There are currently no project titles that are approved by TSIRC for future works.

#### A.3 – Acquisition Forecast Summary

Recommend using NAMS+ Outputs Summary for Acquisition.

*Table A3 - Acquisition Forecast Summary*

Year	Constructed \$	Donated \$	Growth \$
2020	0	0	0
2021	0	0	0
2022	0	0	0
2023	0	0	0
2024	0	0	0
2025	0	0	0
2026	0	0	0
2027	0	0	0
2028	0	0	0
2029	0	0	0
2030	0	0	0
2031	0	0	0
2032	0	0	0
2033	0	0	0
2034	0	0	0
2035	0	0	0
2036	0	0	0
2037	0	0	0
2038	0	0	0
2039	0	0	0

## Appendix B      Operation Forecast

### B.1 – Operation Forecast Assumptions and Source

Primary assumption is that funds are limited, and future projections are based on current level spend.

### B.2 – Operation Forecast Summary

Recommend using NAMS+ Outputs Summary for Operation.

*Table B2 - Operation Forecast Summary*

Year	Operation Forecast \$	Additional Operation Forecast \$	Total Operation Forecast \$
2020	2,061,513	0	2,061,513
2021	2,015,102	0	2,015,102
2022	2,230,414	0	2,230,414
2023	2,230,414	0	2,230,414
2024	2,230,414	0	2,230,414
2025	2,230,414	0	2,230,414
2026	2,230,414	0	2,230,414
2027	2,230,414	0	2,230,414
2028	2,230,414	0	2,230,414
2029	2,230,414	0	2,230,414
2030	2,230,414	0	2,230,414
2031	2,230,414	0	2,230,414
2032	2,230,414	0	2,230,414
2033	2,230,414	0	2,230,414
2034	2,230,414	0	2,230,414
2035	2,230,414	0	2,230,414
2036	2,230,414	0	2,230,414
2037	2,230,414	0	2,230,414
2038	2,230,414	0	2,230,414
2039	2,230,414	0	2,230,414

## Appendix C Maintenance Forecast

### C.1 – Maintenance Forecast Assumptions and Source

Refer body of document for the assumptions and relevant information relating to the Maintenance Forecast.

### C.2 – Maintenance Forecast Summary

Recommend using NAMS+ Outputs Summary for Maintenance.

**Table C2 - Maintenance Forecast Summary**

Year	Maintenance Forecast \$	Additional Maintenance Forecast \$	Total Maintenance Forecast \$
2020	225,108	0	225,108
2021	230,801	0	230,801
2022	213,440	0	213,440
2023	213,440	0	213,440
2024	213,440	0	213,440
2025	213,440	0	213,440
2026	213,440	0	213,440
2027	213,440	0	213,440
2028	213,440	0	213,440
2029	213,440	0	213,440
2030	213,440	0	213,440
2031	213,440	0	213,440
2032	213,440	0	213,440
2033	213,440	0	213,440
2034	213,440	0	213,440
2035	213,440	0	213,440
2036	213,440	0	213,440
2037	213,440	0	213,440
2038	213,440	0	213,440
2039	213,440	0	213,440

## Appendix D    Renewal Forecast Summary

### D.1 – Renewal Forecast Assumptions and Source

Refer the body of the document for assumptions and relevant information relating to the Renewal Forecast.

### D.2 – Renewal Project Summary

The project titles included in the lifecycle forecast are based on the asset register useful life.

### D.3 – Renewal Forecast Summary

Statistics are based on using NAMS+ Outputs Summary for Renewal.

**Table D3 - Renewal Forecast Summary**

Year	Renewal Forecast \$	Renewal Budget \$
2020	0	0
2021	829,850	0
2022	24,974	0
2023	0	0
2024	0	0
2025	0	0
2026	296,912	0
2027	0	0
2028	0	0
2029	140,194	0
2030	75,405	0
2031	588,259	0
2032	50,966	0
2033	0	0
2034	0	0
2035	0	0
2036	246,912	0
2037	140,194	0
2038	0	0
2039	75,405	0

### D.4 –Renewal Plan

Detail output from NAMS+ Report is based on using the Asset Register Method of replacement cost

## Appendix 10 Year Report

These are figures to be input into the executive summary.

10 year total cost [10 yr Ops, Maint, Renewal & Acquisition Forecast]	25,375,286
10 year average forecast	2,537,529
10 year planned budget [Ops, Maint & Acquisition] (from LTFP)	24,083,356
10 year average planned budget	2,408,336
10 year AM financial indicator	94.91%
10 year average shortfall	-129,193

## Appendix E      Disposal Summary

### E.1 – Disposal Forecast Assumptions and Source

Refer body of the document for the assumptions and relevant information relating to the Disposal Forecast.

### E.2 – Disposal Project Summary

The project titles included in the lifecycle forecast are based on the asset register useful life.

### E.3 – Disposal Forecast Summary

Recommend using NAMS+ Outputs Summary for Disposal.

**Table E3 – Disposal Activity Summary**

Year	Disposal Forecast \$	Disposal Budget \$
2020	0	0
2021	0	0
2022	0	0
2023	0	0
2024	0	0
2025	0	0
2026	0	0
2027	0	0
2028	0	0
2029	0	0
2030	0	0
2031	0	0
2032	0	0
2033	0	0
2034	0	0
2035	0	0
2036	0	0
2037	0	0
2038	0	0
2039	0	0

## Appendix F      Budget Summary by Lifecycle Activity

Refer the body of the document for the assumptions and relevant information relating to the Planned Budget estimates.

**Table F1 – Budget Summary by Lifecycle Activity**

Year	Acquisition \$	Operation \$	Maintenance \$	Renewal \$	Disposal \$	Total \$
2020	0	2,061,513	225,108	0	0	2,286,621
2021	0	2,015,102	230,801	0	0	2,245,903
2022	0	2,230,414	213,440	0	0	2,443,854
2023	0	2,230,414	213,440	0	0	2,443,854
2024	0	2,230,414	213,440	0	0	2,443,854
2025	0	2,230,414	213,440	0	0	2,443,854
2026	0	2,230,414	213,440	0	0	2,443,854
2027	0	2,230,414	213,440	0	0	2,443,854
2028	0	2,230,414	213,440	0	0	2,443,854
2029	0	2,230,414	213,440	0	0	2,443,854
2030	0	2,230,414	213,440	0	0	2,443,854
2031	0	2,230,414	213,440	0	0	2,443,854
2032	0	2,230,414	213,440	0	0	2,443,854
2033	0	2,230,414	213,440	0	0	2,443,854
2034	0	2,230,414	213,440	0	0	2,443,854
2035	0	2,230,414	213,440	0	0	2,443,854
2036	0	2,230,414	213,440	0	0	2,443,854
2037	0	2,230,414	213,440	0	0	2,443,854
2038	0	2,230,414	213,440	0	0	2,443,854
2039	0	2,230,414	213,440	0	0	2,443,854





# **ASSET MANAGEMENT PLAN**

Torres Strait Island Regional Council  
Recreation

Document Control		Asset Management Plan			
Document ID : ECM (Record #)					
Rev No	Date	Revision Details	Author	Reviewer	Approver
V1.0	August 2021	Revision to new template Adopted by Council August 2021 Workshop with Asset Class Managers undertaken	Tony Wynen Norman Griffett	JLL	Tony Wynen Asset Class Manager

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## **1.0 EXECUTIVE SUMMARY**

### **1.1 The Purpose of the Plan**

This Asset Management Plan (AM Plan) details information about infrastructure assets with actions required to provide an agreed level of service in the most cost-effective manner while outlining associated risks. The plan defines the services to be provided, how the services are provided and what funds are required to provide over the 20 year planning period. The AM Plan will link to a Long-Term Financial Plan which typically considers a 10-year planning period.

### **1.2 Asset Description**

This plan covers the infrastructure assets that provide Recreational Services

The Recreation network comprises:

- Change Rooms
- Court (Basketball Courts)
- Playground (Playground & Equipment)
- Shelters & Gazebos
- Club Houses Stadium Grandstands
- Wet Canteen
- Commentary Box
- Cricket nets
- Garden sheds
- Fencing
- Kiosk
- Outdoor Exercise Equipment
- Sports Hall
- Ticket Box
- Timekeepers Box
- Amenities
- Shade Sail
- Sports oval
- Sports Field Covered Area

The above infrastructure assets have replacement value estimated at 30 June 2020 of \$26,337,950.00 with the inclusion of the 2021 desktop valuation the estimate replacement value indexation as on 30 June 2021 of 4% which equates to approximately \$27,391,468.00.

### **1.3 Levels of Service**

The allocation in the planned budget is insufficient to continue providing existing services at current levels for the planning period.

The main service consequences of the Planned Budget are:

- Loss of Council Services to the Community.
- Shutdown of Council Assets.

## 1.4 Future Demand

The factors influencing future demand and the impacts they have on service delivery are created by:

- Grant Funds being received for the replacement of infrastructure.
- Guidance from communities to identify the corporate buildings which are critical to living on the islands and focus available R&M budget to these sites first.
- Council assistance and endorsement of acceptable service levels for communities, And using this to determine minimum service levels to trigger priority action.
- Continue to undertake annual evaluation and condition assessments of all Corporate Buildings.
- Further develop maintenance response levels of service, based on funding restrictions.
- Continue to collect and improve asset data for the class.
- Population Forecast see Table 6:

These demands will be approached using a combination of managing existing assets, upgrading existing assets and providing new assets to meet demand. Demand management practices may also include a combination of non-asset solutions, insuring against risks and managing failures.

## 1.5 Lifecycle Management Plan

### 1.5.1 What does it Cost?

The forecast lifecycle costs necessary to provide the services covered by this AM Plan includes operation, maintenance, renewal, acquisition, and disposal of assets. Although the AM Plan may be prepared for a range of time periods, it typically informs a Long-Term Financial Planning period of 10 years. Therefore, a summary output from the AM Plan is the forecast of 10-year total outlays, which for the which for the Recreational Assets is estimated as \$11,112,145 or \$1,111,215 on average per year.

Financial Summary

### 1.5.2 What we will do

Estimated available funding for the 10 year period is \$2,475,000 or \$247,500 on average per year as per the Long-Term Financial plan or Planned Budget. This is 22.27% of the cost to sustain the current level of service at the lowest lifecycle cost.

The infrastructure reality is that only what is funded in the long-term financial plan can be provided. The Informed decision making depends on the AM Plan emphasising the consequences of Planned Budgets on the service levels provided and risks.

The anticipated Planned Budget for Recreation leaves a shortfall of (\$863,714) on average per year of the forecast lifecycle costs required to provide services in the AM Plan compared with the Planned Budget currently included in the Long-Term Financial Plan. This is shown in the figure below.

### Forecast Lifecycle Costs and Planned Budgets

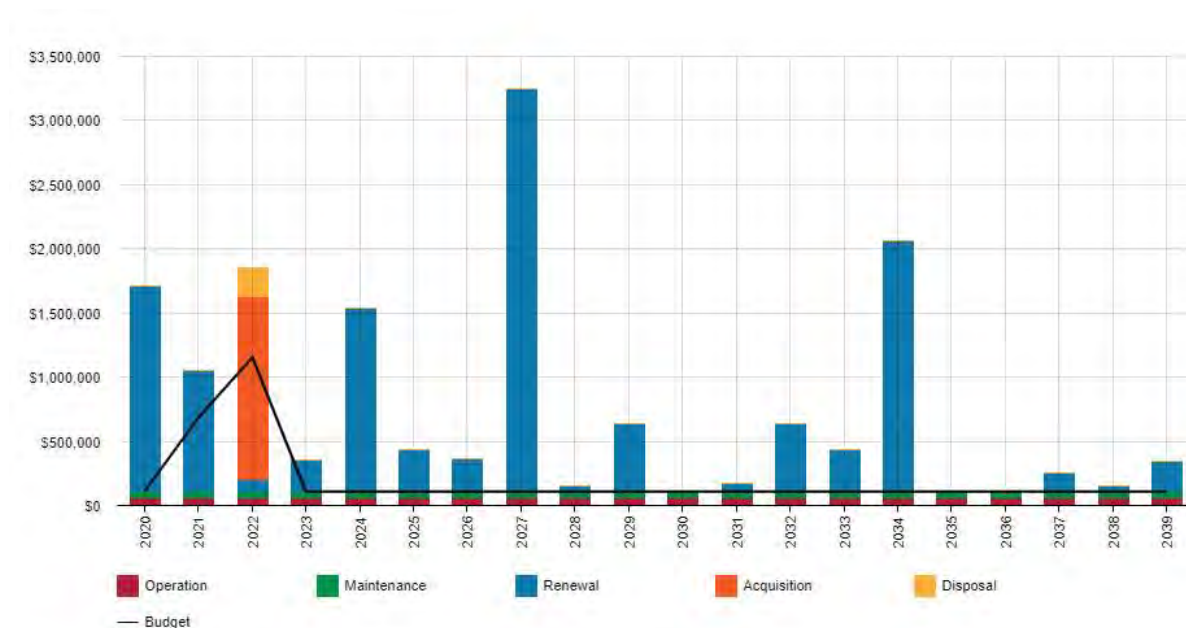


Figure Values are in current dollars.

The following describes the breakdown of values above:

- **Acquisition** – the activities to provide a higher level of service (e.g., widening a road, sealing an unsealed road, replacing a pipeline with a larger size) or a new service that did not exist previously (e.g., a new library).
- **Operation** – the regular activities to provide services (e.g., opening hours, cleansing, 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., road patching, unsealed road grading, building and structure repairs),
- **Renewal** – the activities that return the service capability of an asset up to that which it had originally provided (e.g., road resurfacing and pavement reconstruction, pipeline replacement and building component replacement),
- **Disposal** – Disposal includes any activity associated with the disposal of a decommissioned asset including sale, demolition, or relocation.

We plan to provide Recreation services for the following:

- Operation, maintenance, renewal, and acquisition of Recreation assets to meet service levels set by TSIRC in annual budgets.
- A summary of major renewals/acquisitions within the 10-year planning period include the Ima Basketball Court CP1428 and Dauan Basketball Court CP1495 totalling \$1,425,000

#### 1.5.3 What we cannot do

We currently do **not** allocate enough budget to sustain these services at the proposed standard or to provide all new services being sought. Works and services that cannot be provided under present funding levels are:

- Implementation of suitable levels of maintenance to stop the rapid degradation of buildings and facilities, after years of maintenance funding restrictions.
- Renewal works to all priority buildings to bring them up to suitable operational status.

- Planned/preventative maintenance.
- Construct new buildings or structures.

#### **1.5.4 Managing the Risks**

Our present budget levels are insufficient to continue to manage risks in the medium term.

The main risk consequences are:

- Inability to secure suitable funding to rectify high corrosion issues in maintaining service levels that meets the expectation of community.
- Lack of suitable funds to maintain suitable seal and weatherproof coatings to existing council office buildings.
- Lack of suitable funding to repair and make habitable contractor accommodation camps on the islands.
- Planning for Building Community assets current service levels are currently unknown.
- Financial position of the council does not facilitate the ongoing required needs.
- We will endeavour to manage these risks within available funding by:
- Using funding to carry out repairs on a priority needs/breakdown basis.
- Issues of safety will be highest priority.
- Shutting down sections of facilities which cannot be rectified underfunding restraints and do not provide core services.

We will endeavour to manage these risks within available funding by:

- Not building where the useful life has been reached and services discontinued due to unsuitable conditions.
- Not providing new infrastructure without appropriate grant funding.
- Not building without appropriate operational budget.
- Not building outside community strategic need.

### **1.6 Asset Management Planning Practices**

Key assumptions made in this AM Plan are:

- Funding shared with Building Corporate balance of 1 million dollars over 3 categories (General, WHS & Licenced Sites) Operation and Maintenance and no additional forecast to rectify deficiencies.
- No allowances for growth in capital and operating budgets.
- Sourced data is the fixed asset register and condition ratings via 2020 valuations to establish renewal requirements.

Assets requiring renewal are identified from either the asset register or an alternative method.

- The timing of capital renewals based on the asset register is applied by adding the useful life to the year of acquisition or year of last renewal,
- Alternatively, an estimate of renewal lifecycle costs is projected from external condition modelling systems and may be supplemented with, or based on, expert knowledge.

The Asset Register was used to forecast the renewal lifecycle costs for this AM Plan.

This AM Plan is based on a low confidence level as the maturity is low surrounding, the level of confidence in relation to information currently available.

### **1.7 Monitoring and Improvement Program**

The next steps resulting from this AM Plan to improve asset management practices are:



- Asset Management Group (AMG) formed reporting to executive level to provide organisational understanding of the assets Whole of Life (WOL), and how this can be influenced and managed responsibly.
- Further educate Asset Class managers and staff on planning principles and understanding of their responsibilities to manage and maintain asset service levels. This will be in the form of training and will be conducted early in the 2021/22 by an external provider and the Asset Management team.
- Seek council assistance and endorsement of acceptable service levels for communities and using this to determine minimum service levels to trigger priority action.
- Implementation of NAMS+ (IPEWA) to assist and improve data integrity and analysis using the analysis tools retained within the software product
- TechOne enhancement Project to further improve on identification and defect management.

## 2.0 Introduction

### 2.1 Background

This AM Plan communicates the requirements for the sustainable delivery of services through management of assets, compliance with regulatory requirements, and required funding to provide the appropriate levels of service over the planning period.

The AM Plan is to be read with the Torres Strait Island Regional Council planning documents. This should include the Asset Management Policy and Asset Management Strategy, where developed, along with other key planning documents:

- Corporate Plan 2020-2025
- Operational Plan 2020/2021
- Annual Report 2020
- Capital Sustainability Matrix (Tool used to identify Capital criteria)
- Annual Budget
- Deputations 2020

Comment on the current status of Asset Management in the Organisation.

The infrastructure assets covered by this AM Plan include Change Rooms, Courts, Shelters, Stadiums & Stands For a detailed summary of the assets covered in this AM Plan refer to Table in Section 5.

These assets are used to provide the provision of assets to meet the service needs (including growth) of the community in a financially sustainable manner service.

The above infrastructure assets have replacement value estimated at 30 June 2020 of \$26,337,950.00 with the inclusion of the 2021 desktop valuation the estimate replacement value indexation at 30 June 2021 of 4% which equates to approximately \$27,391,468

Asset Category	Replacement Value \$
Change Room	1,607,422
Court (Basketball Courts)	1,726,872
Playground (Playground & Equipment)	164,927
Shelters & Gazebos	2,121,155
Club Houses	1,727,010
Stadium	11,285,003
Grandstands	632,000
Wet Canteen	496,043
Commentary Box	21,010
Cricket Nets	81,938
Garden Sheds	79,522
Fencing	264,000
Kiosk	105,259

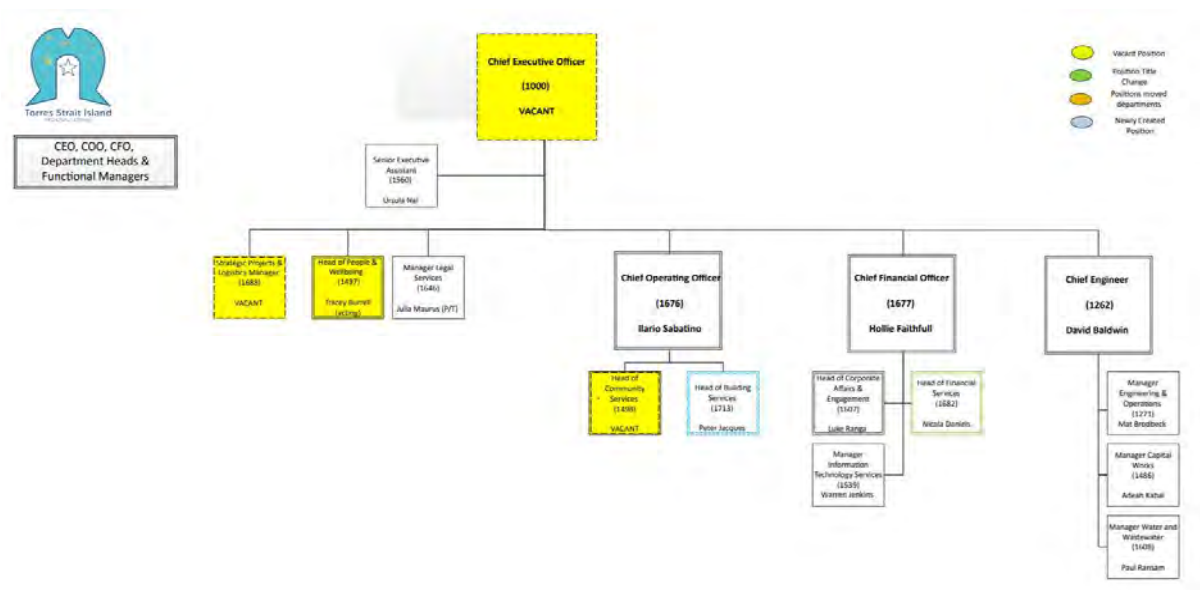
Outdoor Exercise Equipment	48,356
Sports Halls	2,717,625
Ticket Box	48,323
Time Keeps Box	0
Amenities	1854344
Shade Sail	99,504
Sports Oval (Oval and Surface Improvement Only)	143,437
Sports Field Covered Area	1,114,200
<b>TOTAL</b>	<b>\$26,337,950</b>

Key stakeholders in the preparation and implementation of this AM Plan are shown in Table 2.1.

**Table 2.1: Key Stakeholders in the AM Plan**

Key Stakeholder	Role in Asset Management Plan
Elected Council	<ul style="list-style-type: none"> <li>Represent needs of community/shareholders,</li> <li>Allocate resources to meet planning objectives in providing services while managing risks,</li> <li>Ensure service sustainable.</li> <li>Endorsement of Final Asset Management Plans</li> </ul>
CEO/COO/CFO (executive Group)	Maintaining Sustainable Base Line and executive endorsement of final document.
Department of Local Government and Planning	Primary funding body of the Torres Strait Island Regional Council
Divisional Management Team	To utilise the Assets for the role that was intended and provide operational business input.
Asset Management Group (AMG)	Asset Planning Committee
Asset Class Manager	Building Corporate

Our organisational structure for service delivery from infrastructure assets is detailed below,



## 2.2 Goals and Objectives of Asset Ownership

Our goal for managing infrastructure assets is to meet the defined level of service (as amended from time to time) in the most cost effective manner for present and future consumers. The key elements of infrastructure asset management are:

- Providing a defined level of service and monitoring performance,
- Managing the impact of growth through demand management and infrastructure investment,
- Taking a lifecycle approach to developing cost-effective management strategies for the long-term that meet the defined level of service,
- Identifying, assessing, and appropriately controlling risks, and
- Linking to a Long-Term Financial Plan which identifies required, affordable forecast costs and how it will be allocated.

Key elements of the planning framework are

- Levels of service – specifies the services and levels of service to be provided,
- Risk Management,
- Future demand – how this will impact on future service delivery and how this is to be met,
- Lifecycle management – how to manage its existing and future assets to provide defined levels of service,
- Financial summary – what funds are required to provide the defined services,
- Asset management practices – how we manage provision of the services,
- Monitoring – how the plan will be monitored to ensure objectives are met,
- Asset management improvement plan – how we increase asset management maturity.

Other references to the benefits, fundamentals principles and objectives of asset management are:

- International Infrastructure Management Manual 2015 <sup>1</sup>

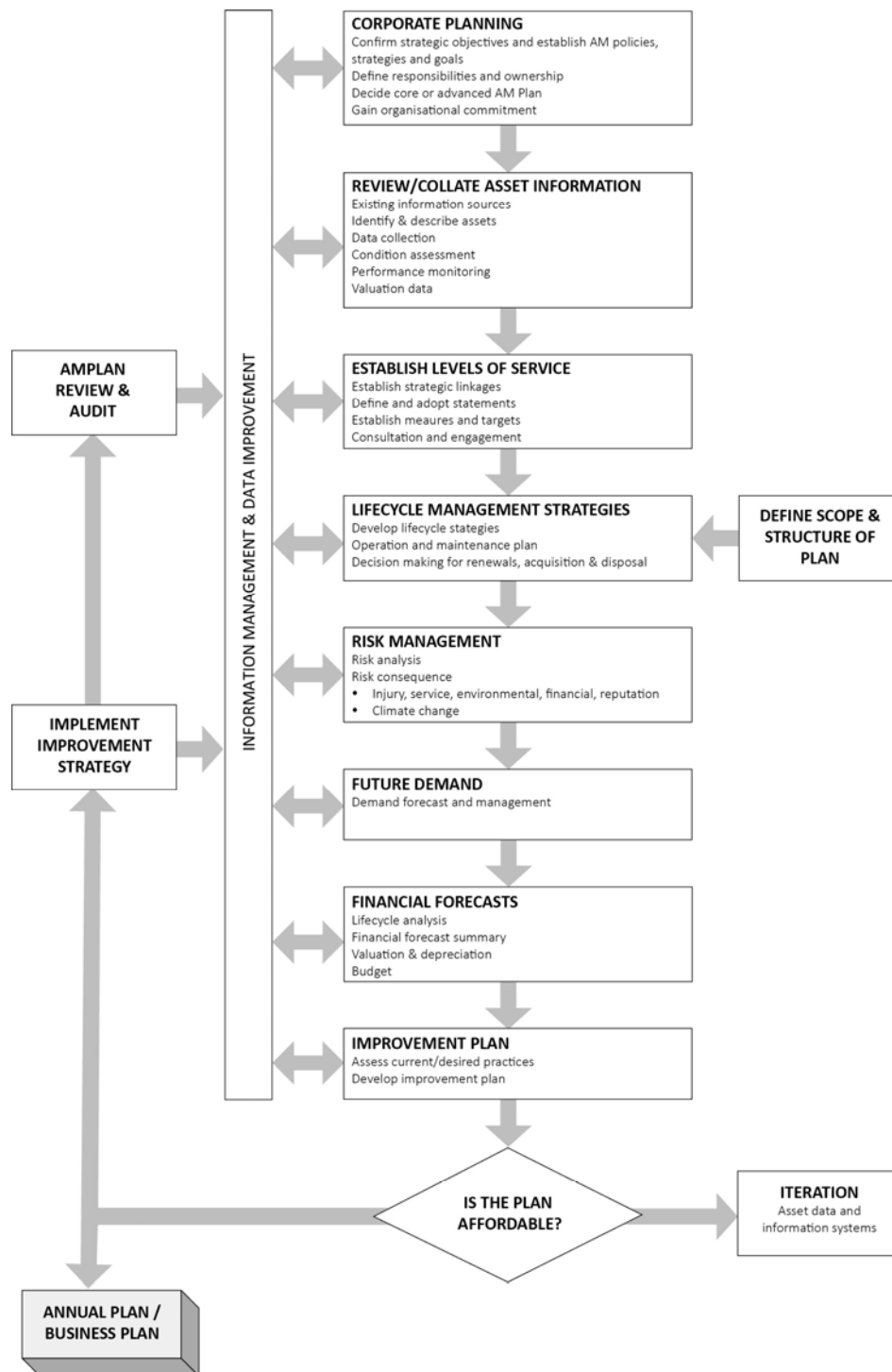
<sup>1</sup> Based on IPWEA 2015 IIMM, Sec 2.1.3, p 2 | 13

■ ISO 55000<sup>2</sup>

A road map for preparing an AM Plan is shown below.

**Road Map for preparing an Asset Management Plan**

Source: IPWEA, 2006, IIMM, Fig 1.5.1, p 1.11



<sup>2</sup> ISO 55000 Overview, principles and terminology

### 3.0 LEVELS OF SERVICE

#### 3.1 Customer Research and Expectations

This AM Plan is prepared to facilitate consultation prior to adoption of levels of service by the TSIRC Councilors. Future revisions of the AM Plan will incorporate customer consultation on service levels and costs of providing the service. This will assist the Torres Strait Island Regional Council and stakeholders in matching the level of service required, service risks and consequences with the customer's ability and willingness to pay for the service.

In 2021, Council commissioned a community satisfaction survey which was conducted internally. The survey was administered by multiple means including paper and electronic forms and was available to all within the Torres Strait Islands Regional Council Local Government Area. The survey covered a wide range of functions and services provided by Council. Overall, there were 107 responses which represents approximately 3% of the total population.

Figure 3.1 summarises the results from our Customer survey (neutral or above) in relation to Recreation Assets.

**Figure 3.1: Customer Satisfaction Survey Levels**



The above assessment has been selected based on limited feedback regarding this service being received \*\*\* Community survey will enable greater accuracy in results.

Community satisfaction information is used in developing the Strategic Plan and in the development of this asset management plan.

#### 3.2 Strategic and Corporate Goals

This AM Plan is prepared under the direction of the Torres Strait Island Regional Council vision, mission, goals and objectives.

##### Our vision is:

*For youmpla ples ene Council for meke something youmpla self sor long we can gad fruit them thing we makem e praper ene las long time.*

##### Our mission is:

To improve our Communities' livability in all we do.

Strategic goals have been set by the Torres Strait Island Regional Council. The relevant goals and objectives and how these are addressed in this AM Plan are summarised in Table 3.2.

*For youmpla for strete ples blo youmpla ene weis kaine youmpla stap lor pless youmpla.*

Strategic goals have been set by the Torres Strait Island Regional Council. The relevant goals and objectives and how these are addressed in this AM Plan are summarised in Table 3.2.

**Table 3.2: Goals and how these are addressed in this Plan**

Goal	Objective	How Goal and Objectives are addressed in the AM Plan
Managing the built environment to ensure sustainable management of community infrastructure.	Provision of assets to meet the service needs (including growth) of the community in a financially sustainable manner.	Development and implementation of strategic asset management plans for all recreational assets.
Infrastructure and social services that meet current and future community needs and aspirations.	Monitor social and built infrastructure development to ensure it is in accordance with Council corporate and strategic planning.	Properly functioning recreational assets to provide the platform for the Community to develop an economic and social base.
Asset should be in a condition which allows the prime functions to operate without impedance and in a safe manner.	Monitor service functions to enable Staff to provide priority community needs	Clarify works required to return capacity, if minor works R&M can restore asset. If capital works are required, plan and include in Capex budget for approval, then action works once approved.

### 3.3 Legislative Requirements

There are many legislative requirements relating to the management of assets. Legislative requirements that impact the delivery of the recreational service are outlined in Table 3.3.

**Table 3.3: Legislative Requirements**

Legislation	Requirement
Building Code of Australia	Building Construction & Maintenance
Standards Australia	Mechanical, Electrical, Fire and Plumbing.
Local Government Act 2009	Overarching Governance
National Construction Code 2019	Technical Provisions for Design & Construction
Building Fire Safety Regulation 2008	Fire Safety Compliance
Public Health Act 2005	Ensure Facilities are safe, and Councils are for filling their obligations.
Local Laws	Local governance provision for amenities
WH&S Act 2011	Safety Compliance in the workplace
Standards Australia AS 4685.0:2017	Provides Guidance on the development, installation, inspection, maintenance and operations of the playground.

### 3.4 Customer Values

Service levels are defined in three ways, customer values, customer levels of service and technical levels of service.

**Customer Values** indicate:

- what aspects of the service is important to the customer?
- whether they see value in what is currently provided and
- the likely trend over time based on the current budget provision

**Table 3.4: Customer Values**

Service Objective:			
Customer Values	Customer Satisfaction Measure	Current Feedback	Expected Trend Based on Planned Budget
Quality	Qualitative scale (1 – 5) excellent to poor.	Customer Survey	Service levels need to be set at a particular condition rating, i.e., 3.5 as a trigger for future funding prediction.
Safety	Qualitative scale (1 – 5) excellent to poor.	Customer Survey	Service levels need to be set at a particular condition rating, i.e., 3.5 as a trigger for future funding prediction.

### 3.5 Customer Levels of Service

The Customer Levels of Service are considered in terms of:

**Condition**            How good is the service ... what is the condition or quality of the service?

**Function**            Is it suitable for its intended purpose .... Is it the right service?

**Capacity/Use**        Is the service over or under used ... do we need more or less of these assets?

In Table 3.5 under each of the service measures types (Condition, Function, Capacity/Use) there is a summary of the performance measure being used, the current performance, and the expected performance based on the current budget allocation. These are measures of fact related to the service delivery outcome (e.g. number of occasions when service is not available or proportion of replacement value by condition %'s) to provide a balance in comparison to the customer perception that may be more subjective.



**Table 3.5: Customer Level of Service Measures**

Type of Measure	Level of Service	Performance Measure	Current Performance	Expected Trend Based on Planned Budget
<b>Condition</b>	Assets to be maintained at a minimum acceptable level.	Assets have a minimum physical condition score >3.5	3	While maintaining the current trend, Council's budget will continue to be undertaken on a reactive nature dependent on failures with a decision to strategically review assets and consolidate future funding requirements.
	<b>Confidence levels</b>		High – based on 2020 comprehensive valuation data.	Low – lack of mid to long term planning which will change from regular AMP reviews and maturity of planning.
<b>Function</b>	Assets meet current functional requirement of council	Assets have a minimum functional condition score. >3.5	Council does not have any data on assets.	While maintaining the current trend, Council's budget will continue to be undertaken on a reactive nature dependent on failures with a decision to strategically review assets and consolidate future funding requirements.
	<b>Confidence levels</b>		Low – Council has not collected data on function.	While maintaining the current trend, Council's budget will continue to be undertaken on a reactive nature dependent on failures with a decision to strategically review assets and consolidate future funding requirements.

### 3.6 Technical Levels of Service

**Technical Levels of Service** – To deliver the customer values, and impact the achieved Customer Levels of Service, are operational or technical measures of performance. These technical measures relate to the activities and allocation 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., new sports pavilions) or a new service that did not exist previously (e.g., a new sports oval).
- **Operation** – the regular activities to provide services (e.g., opening hours, cleansing, 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., minor roof repairs, painting),
- **Renewal** – the activities that return the service capability of an asset up to that which it had originally provided (e.g., roof replacement, replace stands),

Service and asset managers plan, implement and control technical service levels to influence the service outcomes.<sup>3</sup>

Table 3.6 shows the activities expected to be provided under the current 10 year Planned Budget allocation, and the Forecast activity requirements being recommended in this AM Plan.

**Table 3.6: Technical Levels of Service**

Lifecycle Activity	Purpose of Activity	Activity Measure	Current Performance*	Recommended Performance **
<b>TECHNICAL LEVELS OF SERVICE</b>				
<b>Acquisition</b>	Acquisitions in line with changing council requirement and fit-for purpose	Community consultation in regard to engagement and utilisation of acquisitions	No Data	As data comes available for new acquisitions data will be updated.
		<b>Budget</b>	\$0	\$142,500
<b>Operation</b>	Recurrent outlay costs driven by the Assets Team.	Scheduled Compliance related Maintenance	Compliant	All buildings to be recertified to prove post amalgamation determinations.
		<b>Budget</b>	\$60,000	\$62,294
<b>Maintenance</b>	Maintaining assets to minimum operational standards	Work request management from Divisional team for general R&M and Asset Team for compliant	No Data System under review to review the data in future years.	The maintenance activities we would like to do as per the Lifecycle Forecast, however this function is driven by the Divisional Management Team. A more strategic approach is being developed as this AMP matures
		<b>Budget</b>	\$50,000	\$51,895
<b>Renewal</b>	Assets in average condition	Building condition assessments	3	Targeted performance is condition $\geq 3.5$
	W&HS	Maintain assets at current legislative requirements.	100%	100%
		<b>Budget</b>	\$137,500	\$854,525
<b>Disposal</b>	Dispose of assets in line with	Compliance with environmental,	Disposals not allocated from this budget; operational	Performance measure to be established

<sup>3</sup> IPWEA, 2015, IIMM, p 2|28.

Lifecycle Activity	Purpose of Activity	Activity Measure	Current Performance*	Recommended Performance **
	changing council requirements.	community factors	budget review required.	
	changing council requirements.	community factors		No Planned Disposals at this point.
		<b>Budget</b>	\$24,000	\$22,000

Note: \* Current activities related to Planned Budget.

\*\* Expected performance related to forecast lifecycle costs.

It is important to monitor the service levels regularly as circumstances can and do change. Current performance is based on existing resource provision and work efficiencies. It is acknowledged changing circumstances such as technology and customer priorities will change over time.

## 4.0 FUTURE DEMAND

### 4.1 Demand Drivers

Drivers affecting demand include things such as population change, regulations, changes in demographics, seasonal factors, vehicle ownership rates, consumer preferences and expectations, technological changes, economic factors, agricultural practices, environmental awareness, etc.

### 4.2 Demand Forecasts

The present position and projections for demand drivers that may impact future service delivery and use of assets have been identified and documented.

### 4.3 Demand Impact and Demand Management Plan

The impact of demand drivers that may affect future service delivery and use of assets are shown in Table 4.3.

Demand for new services will be managed through a combination of managing existing assets, upgrading of 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 shown in Table 4.3. Further opportunities will be developed in future revisions of this AM Plan.

**Table 4.3: Demand Management Plan**

Demand driver	Current position	Projection	Impact on services	Demand Management Plan
Population	7,403 (2016 Census)	8,416 (2031)	Increased pressure on central services. Need for additional council staff resource	Review and plan for appropriate upgrades to facilities as the utilisation levels reach upper levels of utilisation.
Demographics	25.5% under the age of 10, 35% between the ages of 10 and 30, 31.3% between the ages of 30 and 60 and 8.2% over the age of 60	No projection data is available.	Changing community requirements for the building's assets including increased needs for access.	Review and plan for appropriate upgrades to align with accessibility needs of changing community demographic profile.
Transitional Action Plan (TAP) – Accommodation/Facilities	4 Staff accommodation Houses	4 Staff accommodation Houses	Any increase in staff forming part of the TAP will put pressure on housing/facilities in the region.	Acquire new housing/facilities assets through new capital funding.

## Indigenous regions, projected increase and rate of growth (series B), 2016 to 2031, at 30 June

Indigenous region	2016	2031	Projected growth 2016 to 2031	
	— persons —		no.	%
Brisbane	84,454	126,482	42,028	49.8
Cairns–Atherton	30,050	39,064	9,014	30.0
Cape York	10,579	13,469	2,890	27.3
Mount Isa	9,003	9,253	250	2.8
Rockhampton	26,941	35,528	8,587	31.9
Toowoomba–Roma	21,350	27,648	6,298	29.5
Torres Strait	7,403	8,156	753	10.2
Townsville–Mackay	31,496	44,795	13,299	42.2
<b>Queensland</b>	<b>221,276</b>	<b>304,395</b>	<b>83,119</b>	<b>37.6</b>
<b>Australia</b>	<b>798,365</b>	<b>1,071,871</b>	<b>273,506</b>	<b>34.3</b>

### 4.4 Asset Programs to meet Demand

The new assets required to meet demand may be acquired, donated or constructed. Additional assets are discussed in Section 5.4.

Acquiring new assets will commit the Torres Strait Island Regional Council to ongoing operations, maintenance and renewal costs for the period that the service provided from the assets is required. These future costs are identified and considered in developing forecasts of future operations, maintenance and renewal costs for inclusion in the long-term financial plan (Refer to Section 5).

### 4.5 Climate Change Adaptation

The impacts of climate change may have a significant impact on the assets we manage and the services they provide. In the context of the Asset Management Planning process climate change can be considered as both a future demand and a risk.

How climate change impacts on assets will vary depending on the location and the type of services provided, as will the way in which we respond and manage those impacts.<sup>4</sup>

As a minimum we consider how to manage our existing assets given potential climate change impacts for our region.

<sup>4</sup> IPWEA Practice Note 12.1 Climate Change Impacts on the Useful Life of Infrastructure

Risk and opportunities identified to date are shown in Table 4.5.1

**Table 4.5.1 Managing the Impact of Climate Change on Assets and Services**

Climate Change Description	Projected Change	Potential Impact on Assets and Services	Management
Rising sea levels and increased storm tide activity in the wet season	Increased flood zone.	Assets within new flood zone prone to significant water damage and impairment.	Relocation of critical assets and assets with high likelihood of manage. Plan and develop assets considering astronomical tide projection mapping
Rising air and sea temperatures	Increased storm activity and/or severity	Higher levels of damage and corrosion to buildings associated materials.	Introducing corrosion resistant building materials, i.e., marine grade aluminium roofing and stainless-steel fixing screws. Where possible utilising wood instead of steel for structural structures.

Additionally, the way in which we construct new assets should recognise that there is opportunity to build in resilience to climate change impacts. Building resilience can have the following benefits:

- Assets will withstand the impacts of climate change.
- Services can be sustained; and
- Assets that can endure may potentially lower the lifecycle cost and reduce their carbon footprint

Table 4.5.2 summarises some asset climate change resilience opportunities.

**Table 4.5.2 Building Asset Resilience to Climate Change**

New Asset Description	Climate Change impact These assets?	Build Resilience in New Works
Roof	Shortened end of life due to corrosion.	Corrosion resistant materials as per table 4.5.1
Sub Structure	Shortened end of life due to corrosion.	Corrosion resistant materials as per table 4.5.1

The impact of climate change on assets is a new and complex discussion and further opportunities will be developed in future revisions of this AM Plan.

## 5.0 LIFECYCLE MANAGEMENT PLAN

The lifecycle management plan details how the Torres Strait Island Regional Council plans to manage and operate the assets at the agreed levels of service (Refer to Section 3) while managing life cycle costs.

### 5.1 Background Data

#### 5.1.1 Physical parameters

The assets covered by this AM Plan are shown in Table 5.1.1.

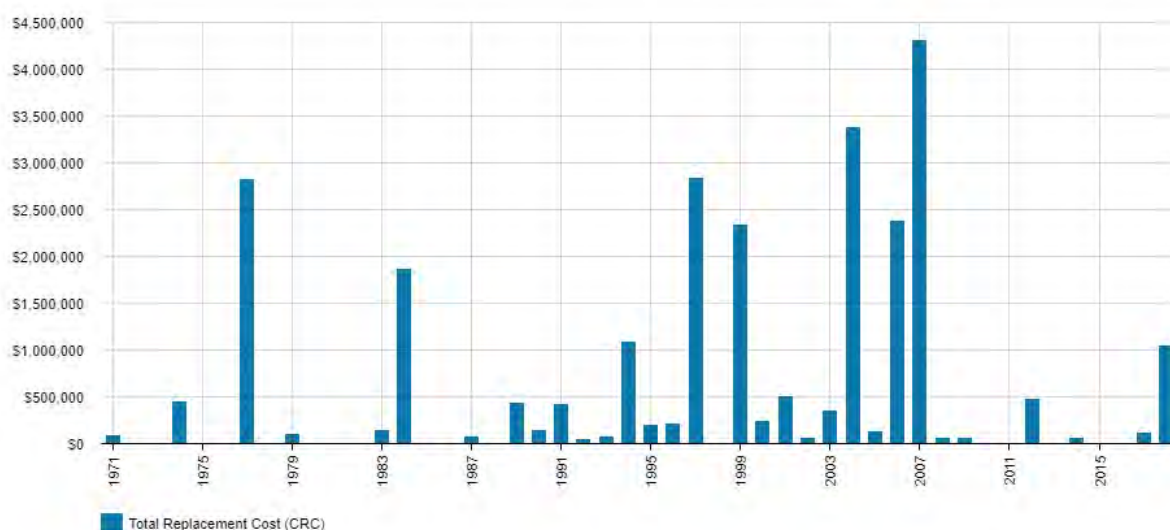
Change Rooms, Courts, Playground, Shelters, Stadiums and Stands.

The age profile of the assets included in this AM Plan are shown in Figure 5.1.1.

**Table 5.1.1: Assets covered by this Plan**

Asset Category	Number of Assets	Replacement Value \$
Change Room	2	1,607,422
Court (Basketball Courts)	10	1,726,872
Playground (Playground & Equipment)	4	164,927
Shelters & Gazebos (Rec Only)	23	2,121,155
Club Houses	3	1,727,010
Stadium	6	11,285,003
Grandstands	7	632,000
Wet Canteen	1	496,043
Commentary Box	1	21,010
Cricket Nets	1	81,938
Garden Sheds	2	79,522
Fencing	2	264,000
Kiosk	2	105,259
Outdoor Exercise Equipment	1	48,356
Sports Halls	4	2,717,625
Ticket Box	1	48,323
Timekeepers Box	1	0
Amenities (Rec Only)	5	1,854,344
Shade Sail	1	99,504

Sports Oval (Oval Lighting and Surface Improvement Only)	2	143,437
Sports Field Covered Area	1	1,114,200
<b>TOTAL</b>	<b>80</b>	<b>\$26,337,950</b>



All figure values are shown in current day dollars.

The age asset profile has been determined from historical information consolidated when the Communities were amalgamated into TSIRC. The date of commissioning and useful life determines the estimated replacement. The useful lives of the assets is regularly reviewed as part of the triannual valuation process.

### 5.1.2 Asset capacity and performance

Assets are generally provided to meet design standards where these are available. However, there is insufficient resources to address all known deficiencies. Locations where deficiencies in service performance are known are detailed in Table 5.1.2.

**Table 5.1.2: Known Service Performance Deficiencies**

Location	Service Deficiency
Dauan, Poruma, St Pauls & Warraber.	Playground Equipment. Physical condition does not meet council standards.
St Pauls, Warraber & Masig	Amenities- Physical condition does not meet council standards.
Iama, St Pauls, Kubin, Warraber, Badu & Saibai	Gazebos (Recreation Only) - Physical condition does not meet council standards.
Poruma, St Pauls, Warraber & Masig & Badu.	Amenities- Physical condition does not meet council standards.
Dauan, Hammond, Iama, Kubin, Mabuig, Poruma & Warraber	Basketball Court- Physical condition does not meet council standards.
Dauan, Erub, Hammond, Ugar & Masig.	Grandstand- Physical condition does not meet council standards.



Warraber	Kiosk- Requires Disposal
Poruma	Kiosk- Physical condition does not meet council standards.
Badu & Erub	Club Building- Physical condition does not meet council standards.
Badu	Ticket Box – Requires Disposal
Badu	Mower Shed Sports Ground- Physical condition does not meet council standards.
Badu	Canteen- Physical condition does not meet council standards.
Warraber	Commentary Box- Requires Disposal

The above service deficiencies were identified from the Asset Register.

### 5.1.3 Asset condition

Condition is currently monitored by the Asset Class Manager during scheduled Building Inspections which comprises of inspections of all Building Corporate Assets from 5 communities each financial year totaling 15 communities over a 3 year period between comprehensive valuations

Condition is currently monitored based on a scale of 0 to 5 with 0.5 increments, to facilitate the data being introduced to NAMS+ model, values of 0.5 increased to the next increment, this has not impacted on the description of the condition rating as the 1 to 5 representation indicated below was consistent.

Condition is measured using a 1 – 5 grading system<sup>5</sup> as detailed in Table 5.1.3. It is important that a consistent approach is used in reporting asset performance enabling effective decision support. A finer grading system may be used at a more specific level, however, for reporting in the AM plan results are translated to a 1 – 5 grading scale for ease of communication.

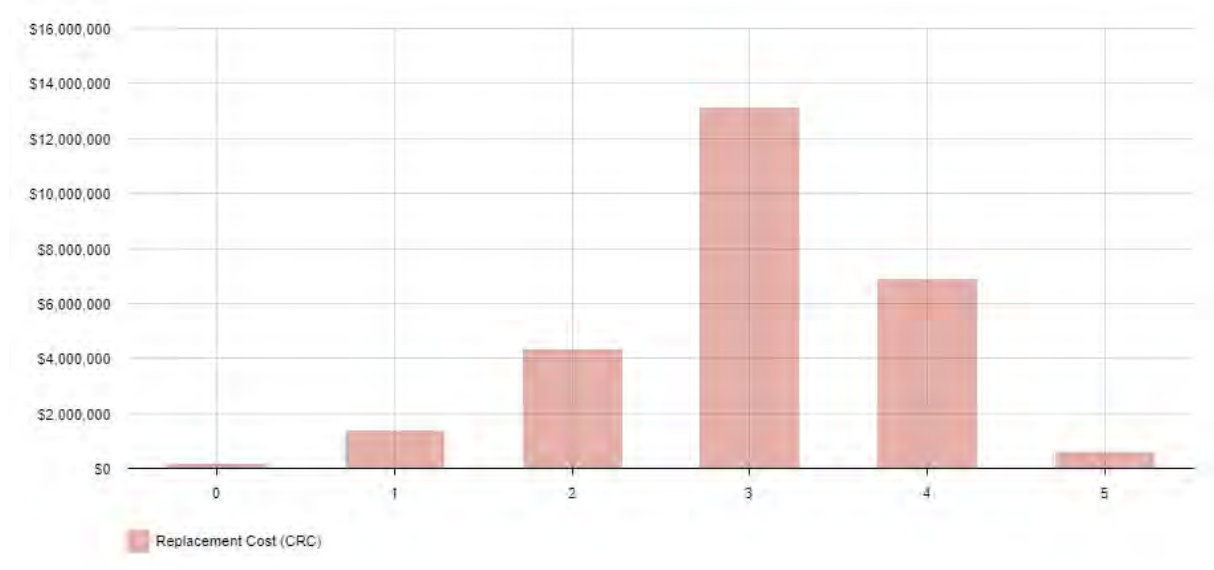
**Table 5.1.3: Condition Grading System**

Condition Grading	Description of Condition
1	<b>Very Good:</b> free of defects, only planned and/or routine maintenance required
2	<b>Good:</b> minor defects, increasing maintenance required plus planned maintenance
3	<b>Fair:</b> defects requiring regular and/or significant maintenance to reinstate service
4	<b>Poor:</b> significant defects, higher order cost intervention likely
5	<b>Very Poor:</b> physically unsound and/or beyond rehabilitation, immediate action required

The condition profile of our assets is shown in Figure 5.1.3.

<sup>5</sup> IPWEA, 2015, IIMM, Sec 2.5.4, p 2|80.

**Figure 5.1.3: Asset Condition Profile**



It is anticipated that the overall asset conditions will deteriorate over time given the magnitude of funding deficit for maintenance and replacement. This will have a detrimental impact on services.

All figure values are shown in current day dollars.

## 5.2 Operations and Maintenance Plan

Operations include regular activities to provide services. Examples of typical operational activities include cleaning, street sweeping, 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 pipe repairs, asphalt patching, and equipment repairs.

The trend in maintenance budgets are shown in Table 5.2.1.

**Table 5.2.1: Maintenance Budget Trends**

Year	Maintenance Budget \$
2019	50,000
2020	50,000
2021	50,000

Maintenance budget levels are considered to be adequate to meet projected service levels, which may be less than or equal to current service levels. Where maintenance budget allocations are such that they will result in a lesser level of service, the service consequences and service risks have been identified and are highlighted in this AM Plan and service risks considered in the Infrastructure Risk Management Plan.

Assessment and priority of reactive maintenance is undertaken by staff using experience and judgement.

## Asset hierarchy

An asset hierarchy provides a framework for structuring data in an information system to assist in collection of data, reporting information and making decisions. The hierarchy includes the asset class and component used for asset planning and financial reporting and service level hierarchy used for service planning and delivery.

The service hierarchy is shown in Table 5.2.2.

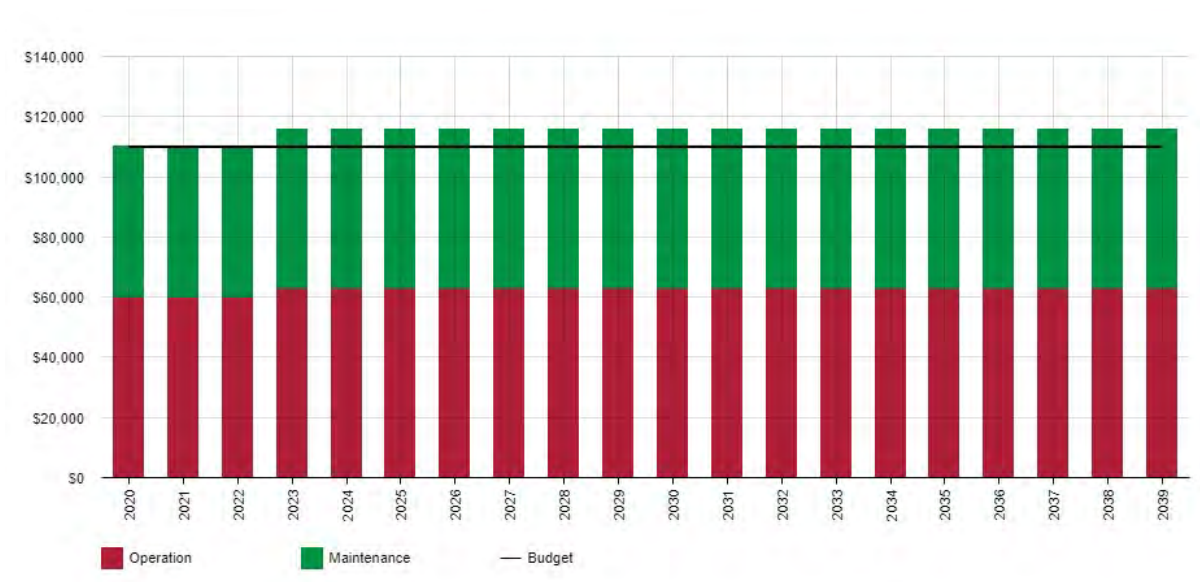
**Table 5.2.2: Asset Service Hierarchy**

Service Hierarchy	Service Level Objective
Change Room (Change rooms & Amenities)	Maintain to a good standard and adapt to changing community needs
Court (Basketball Courts)	Maintain to a good standard and adapt to changing community needs
Playground (Playground & Equipment)	Maintain to a good standard and adapt to changing community needs
Shelter (Gazebos & Amenities)	Maintain to a good standard and adapt to changing community needs
Stadium (Stadiums, Amenities & Club Houses)	Maintain to a good standard and adapt to changing community needs
Stand (Grandstands & Seating)	Maintain to a good standard and adapt to changing community needs

## Summary of forecast operations and maintenance costs

Forecast operations and maintenance costs are expected to vary in relation to the total value of the asset stock. If additional assets are acquired, the future operations and maintenance costs are forecast to increase. If assets are disposed of the forecast operation and maintenance costs are expected to decrease. Figure 5.2 shows the forecast operations and maintenance costs relative to the proposed operations and maintenance Planned Budget.

**Figure 5.2: Operations and Maintenance Summary**



All figure values are shown in current day dollars.

The maintenance and operations budget are reactive in nature with little scheduled maintenance apart from compliance and regulatory requirements

### 5.3 Renewal Plan

Renewal is major capital work which does 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 Asset Register 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).

The typical useful lives of assets used to develop projected asset renewal forecasts are shown in Table 5.3.

Asset useful lives were last reviewed on June 2020 as part of a full Valuation.<sup>6</sup>

**Table 5.3: Useful Lives of Assets**

Asset (Sub)Category	Useful Life in Years
Change Room (Change rooms & Amenities)	17-40
Court (Basketball Court)	30
Playground (Playground & Equipment)	10 - 20
Shelter (gazebos & amenities)	Gazebos 20 Amenities 17-40
Stadium (Stadiums, Amenities & Club houses)	Stadium 10-50 Amenities 17-40 Club House 10-50
Stands (Grandstands & Seating)	10 - 50

The estimates for renewals in this AM Plan were based on the Asset Register

#### 5.3.1 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 a spectator stand), or
- To ensure the infrastructure is of sufficient quality to meet the service requirements (e.g., condition of a playground).<sup>7</sup>

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

- Have a high consequence of failure,

<sup>6</sup> Enter Reference to Report documenting Review of Useful Life of Assets

<sup>7</sup> IPWEA, 2015, IIMM, Sec 3.4.4, p 3|91.

- Have high use and subsequent impact on users would be significant,
- Have higher than expected operational or maintenance costs, and
- Have potential to reduce life cycle costs by replacement with a modern equivalent asset that would provide the equivalent service.<sup>8</sup>

The ranking criteria used to determine priority of identified renewal proposals is detailed in Table 5.3.1.

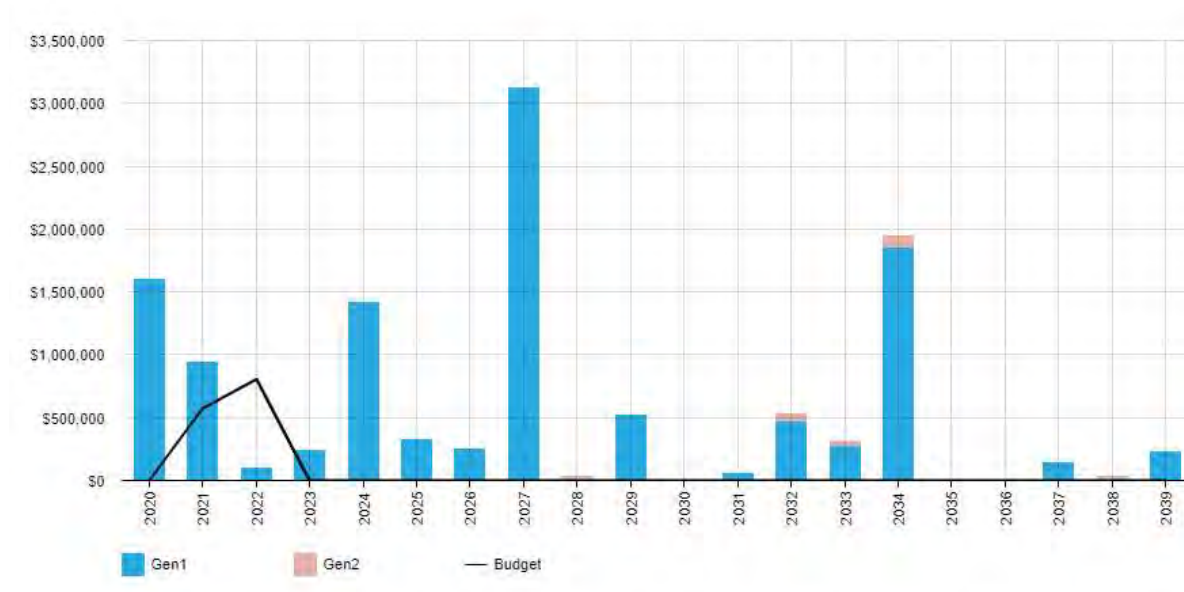
**Table 5.3.1: Renewal Priority Ranking Criteria**

Criteria	Weighting
Sustainability Matrix	TBD
<b>Total</b>	<b>100%</b>

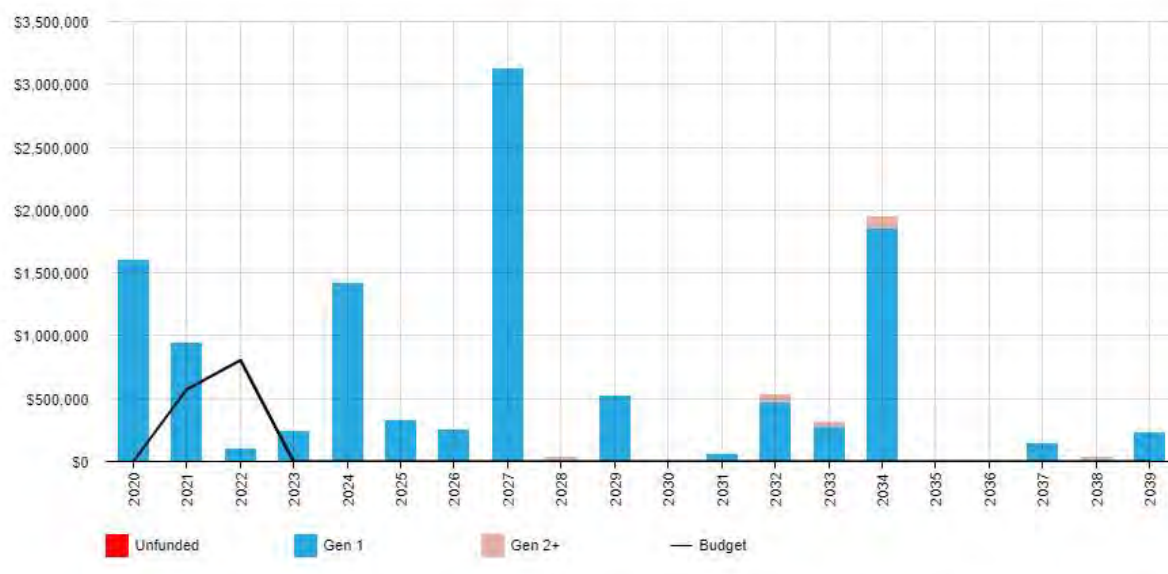
## 5.4 Summary of future renewal costs

Forecast renewal costs are projected to increase over time if the asset stock increases. The forecast costs associated with renewals are shown relative to the proposed renewal budget in Figure 5.4.1. A detailed summary of the forecast renewal costs is shown in Appendix D.

**Figure 5.4.1: Forecast Renewal Costs**



<sup>8</sup> Based on IPWEA, 2015, IIMM, Sec 3.4.5, p 3|97.



All figure values are shown in current day dollars.

Gen 1 – Relates to the “first” generation of asset renewals. The basis of this assessment is derived from data extracted from the 2020 comprehensive valuation and the revised estimated useful life. Due to legacy data from amalgamation a large component has been identified as being requiring renewal in 2021.

Gen 2+ - Relates to subsequent generations of asset renewals

There are currently no planned renewal projects aside from the renewals budget. This will be updated with planned projects in future iterations of the asset management plan.

## 5.5 Acquisition Plan

Acquisition reflects are new assets that did not previously exist 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 the Torres Strait Island Regional Council.

### 5.5.1 Selection criteria

Proposed acquisition of new assets, and upgrade of existing assets, are identified from various sources such as community requests, proposals identified by strategic plans or partnerships with others. Potential upgrade and new works should be reviewed to verify that they are essential to the Entities needs. Proposed upgrade and new work analysis should also include the development of a preliminary renewal estimate to ensure that the services are sustainable over the longer term. Verified proposals can then be ranked by priority and available funds and scheduled in future works programmes. The priority ranking criteria is detailed in Table 5.5.1.

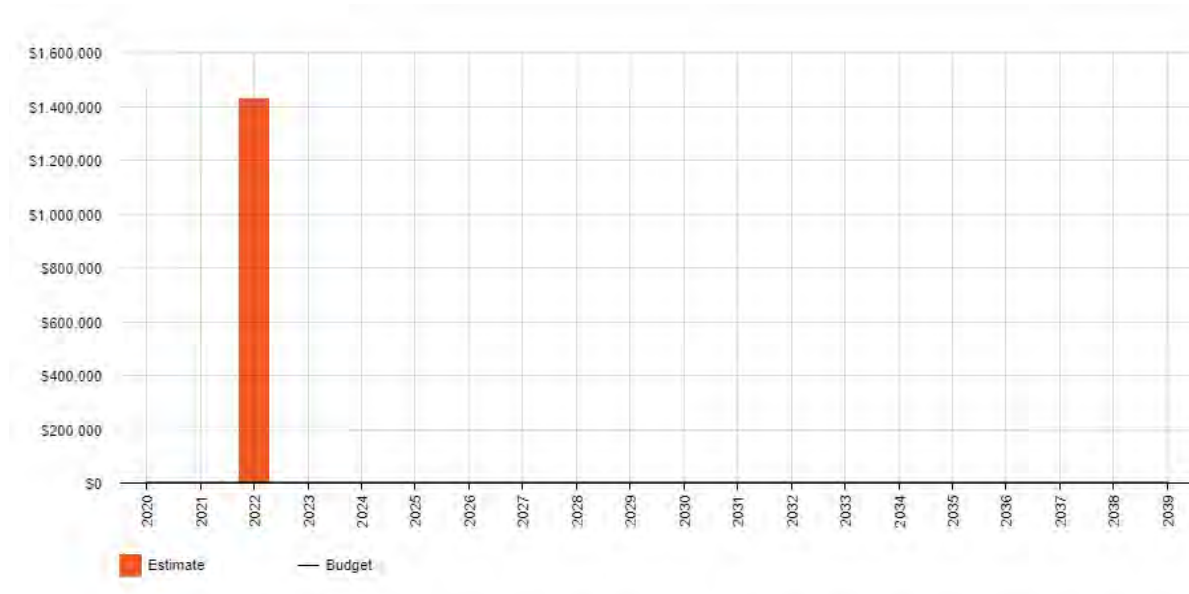
**Table 5.5.1: Acquired Assets Priority Ranking Criteria**

Criteria	Weighting
Not applicable to this class currently due to no long-term planning.	N/A
<b>Total</b>	<b>100%</b>

### Summary of future asset acquisition costs

Forecast acquisition asset costs are summarised / summarised in Figure 5.5.1 and shown relative to the proposed acquisition budget. The forecast acquisition capital works program is shown in Appendix A.

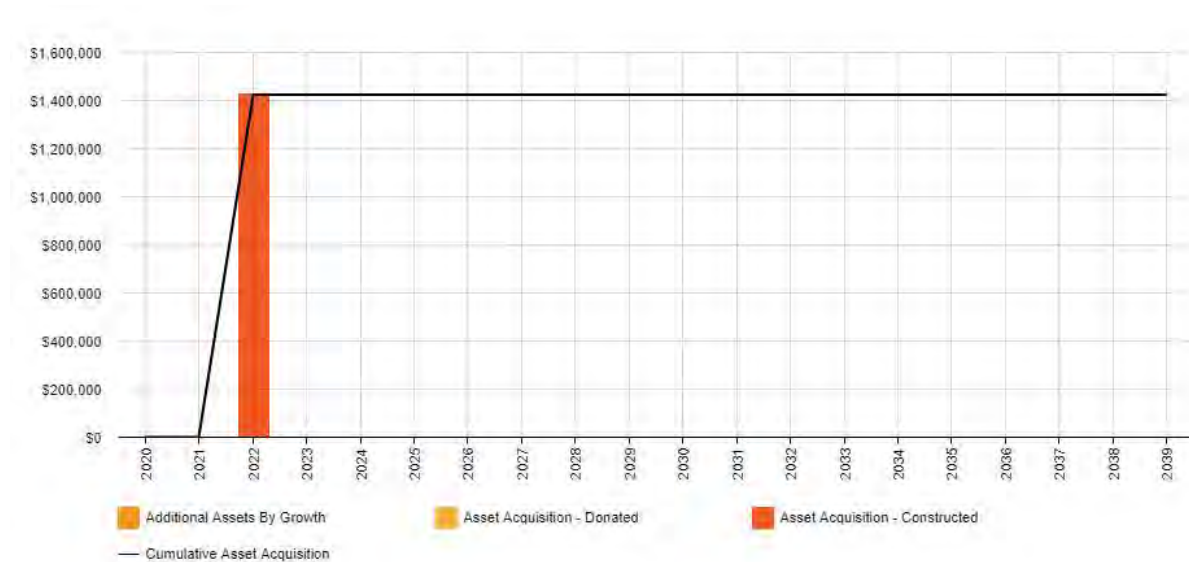
**Figure 5.5.1: Acquisition (Constructed) Summary**



All figure values are shown in current day dollars.

When an Entity commits to new assets, they must be prepared to fund future operations, maintenance and renewal costs. They must also account for future depreciation when reviewing long term sustainability. When reviewing the long-term impacts of asset acquisition, it is useful to consider the cumulative value of the acquired assets being taken on by the Entity. The cumulative value of all acquisition work, including assets that are constructed and contributed shown in Figure 5.5.2.

**Figure 5.5.2: Acquisition Summary**



All figure values are shown in current dollars.

Expenditure on new assets and services in the capital works program will be accommodated in the long-term financial plan, but only to the extent that there is available funding.



## 5.6 Disposal Plan

Disposal includes any activity associated with the disposal of a decommissioned asset including sale, demolition or relocation. Assets identified for possible decommissioning and disposal are shown in Table 5.6. A summary of the disposal costs and estimated reductions in annual operations and maintenance of disposing of the assets are also outlined in Table 5.6. Any costs or revenue gained from asset disposals is included in the long-term financial plan.

**Table 5.6: Assets Identified for Disposal**

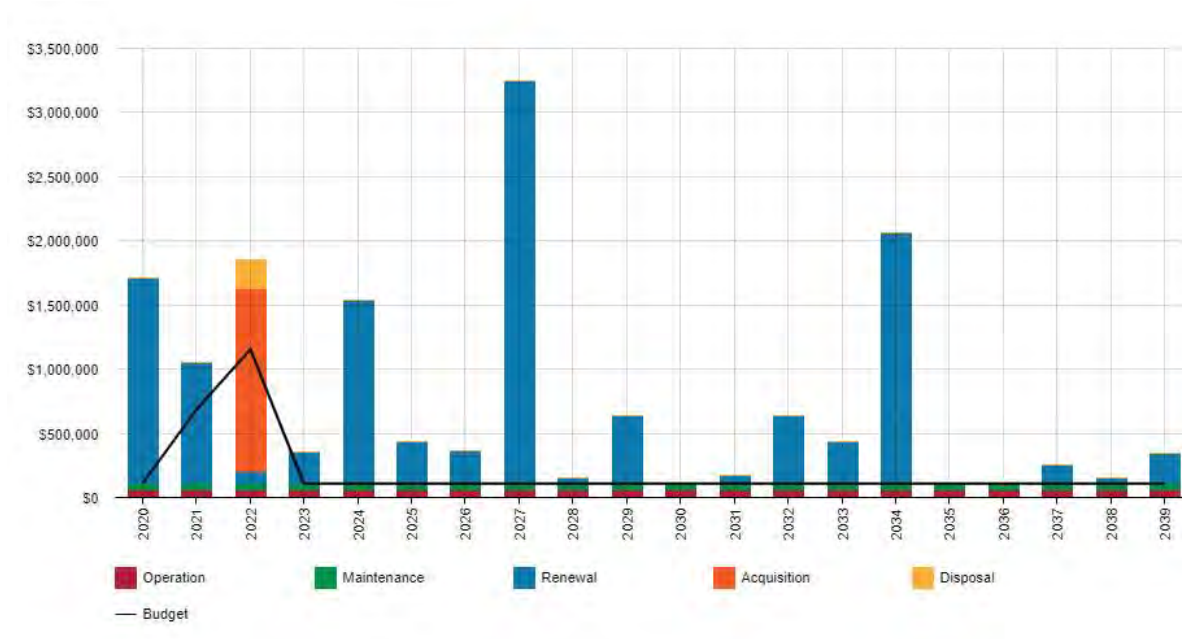
Asset	Reason for Disposal	Timing	Disposal Costs \$	Operations & Maintenance Annual Savings
Warraber Kiosk	Not Used & End of Life	2022	\$80k	N/A
Badu Ticket Box	Not Used & End of Life	2022	\$80k	N/A
Warraber Commentary Box	Not Used & End of Life	2022	\$80k	N/A

## 5.7 Summary of asset forecast costs

The financial projections from this asset plan are shown in Figure 5.7.1. These projections include forecast costs for acquisition, operation, maintenance, renewal, and disposal. These forecast costs are shown relative to the proposed budget.

The bars in the graphs represent the forecast costs needed to minimise the life cycle costs associated with the service provision. The proposed budget line indicates the estimate of available funding. The gap between the forecast work and the proposed budget is the basis of the discussion on achieving balance between costs, levels of service and risk to achieve the best value outcome.

**Figure 5.7.1: Lifecycle Summary**



All figure values are shown in current day dollars.



## 6.0 RISK MANAGEMENT PLANNING

The purpose of infrastructure risk management is to document the findings and recommendations resulting from the periodic identification, assessment and treatment of risks associated with providing services from infrastructure, using the fundamentals of International Standard ISO 31000:2018 Risk management – Principles and guidelines.

Risk Management is defined in ISO 31000:2018 as: ‘coordinated activities to direct and control with regard to risk’<sup>9</sup>.

An assessment of risks<sup>10</sup> associated with service delivery will identify risks that will result in loss or reduction in service, personal injury, environmental impacts, a ‘financial shock’, reputational impacts, or other consequences. The risk assessment process identifies credible risks, the likelihood of the risk event occurring, and the consequences should the event occur. The risk assessment should also include the development of a risk rating, evaluation of the risks and development of a risk treatment plan for those risks that are deemed to be non-acceptable.

### 6.1 Critical Assets

Critical assets are defined as those which have a high consequence of failure causing significant loss or reduction of service. Critical assets have been identified and along with their typical failure mode, and the impact on service delivery, are summarised in Table 6.1. Failure modes may include physical failure, collapse or essential service interruption.

**Table 6.1 Critical Assets**

Critical Asset(s)	Failure Mode	Impact
Recreation Assets	Not Deemed Critical	N/A

By identifying critical assets and failure modes an organisation can ensure that investigative activities, condition inspection programs, maintenance and capital expenditure plans are targeted at critical assets.

### 6.2 Risk Assessment

The risk management process used is shown in Figure 6.2 below.

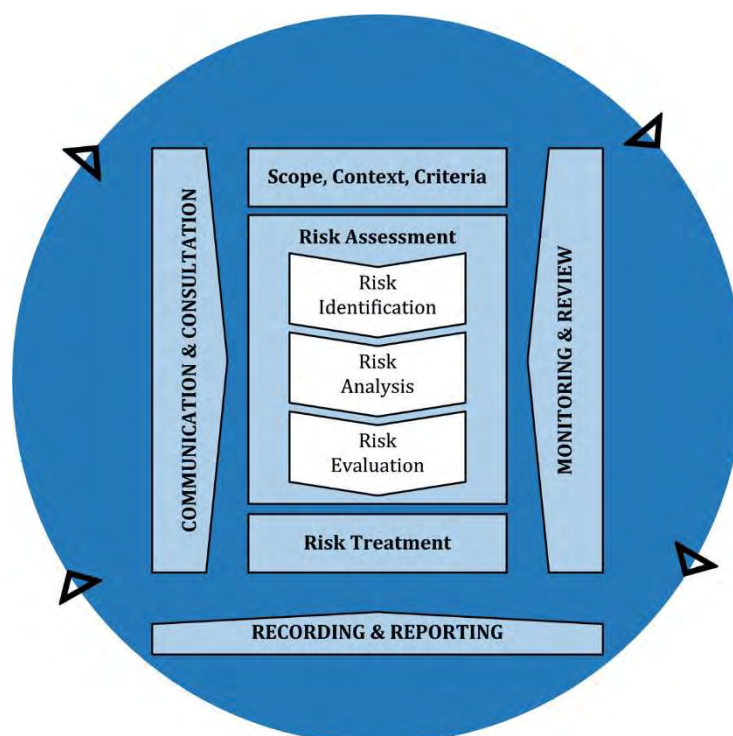
It is an analysis and problem-solving technique designed to provide a logical process for the selection of treatment plans and management actions to protect the community against unacceptable risks.

The process is based on the fundamentals of International Standard ISO 31000:2018.

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<sup>9</sup> ISO 31000:2009, p 2

<sup>10</sup> \Reference to the Corporate or Infrastructure Risk Management Plan to follow



**Fig 6.2 Risk Management Process – Abridged**  
Source: ISO 31000:2018, Figure 1, p9

The risk assessment process identifies credible risks, the likelihood of the risk event occurring, the consequences should the event occur, development of a risk rating, evaluation of the risk and development of a risk treatment plan for non-acceptable risks.

An assessment of risks<sup>11</sup> associated with service delivery will identify risks that will result in loss or reduction in service, personal injury, environmental impacts, a ‘financial shock’, reputational impacts, or other consequences.

Critical risks are those assessed with ‘Very High’ (requiring immediate corrective action) and ‘High’ (requiring corrective action) risk ratings identified in the Infrastructure Risk Management Plan. The residual risk and treatment costs of implementing the selected treatment plan is shown in Table 6.2. It is essential that these critical risks and costs are reported to management and the Torres Strait Island Regional Council.

**Table 6.2: Risks and Treatment Plans**

Service or Asset at Risk	What can Happen	Risk Rating (VH, H)	Risk Treatment Plan	Residual Risk *	Treatment Costs
All Recreational Assets	Inability to meet Capital Requirements.	VH	Adoption of new APM model for forward planning and recommendations for strategic groups i.e., AMG.	Medium	TBD

Note \* The residual risk is the risk remaining after the selected risk treatment plan is implemented.

### 6.3 Infrastructure Resilience Approach

The resilience of our critical infrastructure is vital to the ongoing provision of services to customers. To adapt to changing conditions we need to understand our capacity to ‘withstand a given level of stress or demand’, and to respond to possible disruptions to ensure continuity of service.

Resilience recovery planning, financial capacity, climate change risk assessment and crisis leadership.

Our current measure of resilience is shown in Table 6.3 which includes the type of threats and hazards and the current measures that the organisation takes to ensure service delivery resilience.

**Table 6.3: Resilience Assessment**

Threat / Hazard	Assessment Method	Current Resilience Approach
N/A	N/A	N/A

We do not currently measure our resilience in service delivery. This will be included in future iterations of the AM Plan.

### 6.4 Service and Risk Trade-Offs

The decisions made in adopting this AM Plan are based on the objective to achieve the optimum benefits from the available resources.

#### 6.4.1 What we cannot do

There are some operations and maintenance activities and capital projects that are unable to be undertaken within the next 10 years. We do not have enough funding to provide all services at the desired service levels or provide new services. Works and services that cannot be provided under present funding levels are:

- Implementation of suitable levels of maintenance to stop the rapid degradation of buildings, after years of maintenance funding restrictions.
- General maintenance to all priority buildings to bring them up to suitable operational status.
- Planned/preventative maintenance.
- Construct new buildings or structures.

#### 6.4.2 Service trade-off

If there is forecast work (operations, maintenance, renewal, acquisition or disposal) that cannot be undertaken due to available resources, then this will result in service consequences for users. These service consequences include:

- No forecast works scheduled at this point in. All work undertaken on a prioritised reactive basis.

#### 6.4.3 Risk trade-off

The operations and maintenance activities and capital projects that cannot be undertaken may sustain or create risk consequences. These risk consequences include:

- Increased maintenance services costs
- Increased ageing of assets and acceleration physical deterioration

These actions and expenditures are considered and included in the forecast costs, and where developed, the Risk Management Plan.

## 7.0 FINANCIAL SUMMARY

This section contains the financial requirements resulting from the information presented in the previous sections of this AM Plan. The financial projections will be improved as the discussion on desired levels of service and asset performance matures.

### 7.1 Financial Sustainability and Projections

#### 7.1.1 Sustainability of service delivery

There are two key indicators of sustainable service delivery that are considered in the AM Plan for this service area. The two indicators are the:

- asset renewal funding ratio (proposed renewal budget for the next 10 years / forecast renewal costs for next 10 years), and
- medium term forecast costs/proposed budget (over 10 years of the planning period).

#### Asset Renewal Funding Ratio

Asset Renewal Funding Ratio<sup>12</sup> 16.09%

The Asset Renewal Funding Ratio is an important indicator and illustrates that over the next 10 years we expect to have 16.09% of the funds required for the optimal renewal of assets.

The forecast renewal works along with the proposed renewal budget, and the cumulative shortfall, is illustrated in Appendix D.

#### Medium term – 10-year financial planning period

This AM Plan identifies the forecast operations, maintenance and renewal costs required to provide an agreed level of service to the community over a 10 year period. This provides input into 10 year financial and funding plans aimed at providing the required services in a sustainable manner.

This forecast work can be compared to the proposed budget over the first 10 years of the planning period to identify any funding shortfall.

The forecast operations, maintenance and renewal costs over the 10 year planning period is \$965064 average per year.

The proposed (budget) operations, maintenance and renewal funding is \$247,500 on average per year giving a 10 year funding shortfall of (\$721,214) per year. This indicates that 25.55% of the forecast costs needed to provide the services documented in this AM Plan are accommodated in the proposed budget. Note, these calculations exclude acquired assets.

Providing sustainable services from infrastructure requires the management of service levels, risks, forecast outlays and financing to achieve a financial indicator of approximately 1.0 for the first years of the AM Plan and ideally over the 10 year life of the Long-Term Financial Plan.

#### 7.1.2 Forecast Costs (outlays) for the long-term financial plan

Table 7.1.3 shows the forecast costs (outlays) required for consideration in the 10 year long-term financial plan.

Providing services in a financially sustainable manner requires a balance between the forecast outlays required to deliver the agreed service levels with the planned budget allocations in the long-term financial plan.

A gap between the forecast outlays and the amounts allocated in the financial plan indicates further work is required on reviewing service levels in the AM Plan (including possibly revising the long-term financial plan).

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<sup>12</sup> AIFMM, 2015, Version 1.0, Financial Sustainability Indicator 3, Sec 2.6, p 9.

We will manage the ‘gap’ by developing this AM Plan to provide guidance on future service levels and resources required to provide these services in consultation with the community.

Forecast costs are shown in 2021-dollar values.

**Table 7.1.2: Forecast Costs (Outlays) for the Long-Term Financial Plan**

Year	Acquisition \$	Operation \$	Maintenance \$	Renewal \$	Disposal \$
2020	0	60,000	50,000	1,600,000	0
2021	0	60,000	50,000	945,000	0
2022	1,425,000	60,000	50,000	92,200	220,000
2023	0	63,278	52,708	243,000	0
2024	0	63,278	52,708	1,419,700	0
2025	0	63,278	52,708	320,000	0
2026	0	63,278	52,708	245,850	0
2027	0	63,278	52,708	3,126,500	0
2028	0	63,278	52,708	36,000	0
2029	0	63,278	52,708	517,000	0
2030	0	63,278	52,708	0	0
2031	0	63,278	52,708	51,100	0
2032	0	63,278	52,708	522,000	0
2033	0	63,278	52,708	317,400	0
2034	0	63,278	52,708	1,946,400	0
2035	0	63,278	52,708	0	0
2036	0	63,278	52,708	0	0
2037	0	63,278	52,708	137,600	0
2038	0	63,278	52,708	36,000	0
2039	0	63,278	52,708	229,100	0

## 7.2 Funding Strategy

The proposed funding for assets is outlined in the Entity’s budget and Long-Term financial plan.

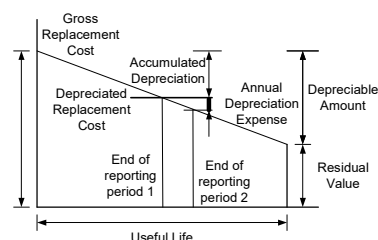
The financial strategy of the entity determines how funding will be provided, whereas the AM Plan communicates how and when this will be spent, along with the service and risk consequences of various service alternatives.

## 7.3 Valuation Forecasts

### 7.3.1 Asset valuations

The best available estimate of the value of assets included in this AM Plan are shown below.

Replacement Cost (Current/Gross)	\$26,337,950
Depreciable Amount	\$26,337,950
Depreciated Replacement Cost <sup>13</sup>	\$12,246,592
Depreciation	\$674,330



### 7.3.2 Valuation forecast

Asset values are forecast to increase in the Torres Strait

Additional assets will generally add to the operations and maintenance needs in the longer term. Additional assets will also require additional costs due to future renewals. Any additional assets will also add to future depreciation forecasts.

## 7.4 Key Assumptions Made in Financial Forecasts

In compiling this AM Plan, it was necessary to make some assumptions. This section details the key assumptions made in the development of this AM plan and should provide readers with an understanding of the level of confidence in the data behind the financial forecasts.

Key assumptions made in this AM Plan are:

- Assumptions made around the maintenance and operations budget.
- Renewals are based on the fixed asset register replacement and maybe unreliable for renewal forecasting.
- Capital costs for renewals are based on the replacement costs developed as a part of the valuations.
- Capital funding is fixed based on the current year funding over each year.
- No Asset acquisitions and disposals are planned.

## 7.5 Forecast Reliability and Confidence

The forecast costs, proposed budgets, and valuation projections in this AM Plan are based on the best available data. For effective asset and financial management, it is critical that the information is current and accurate. Data confidence is classified on an A - E level scale<sup>14</sup> in accordance with Table 7.5.1.

**Table 7.5.1: Data Confidence Grading System**

Confidence Grade	Description
A. Very High	Data based on sound records, procedures, investigations and analysis, documented properly and agreed as the best method of assessment. Dataset is complete and estimated to be accurate $\pm 2\%$
B. High	Data based on sound records, procedures, investigations and analysis, documented properly but has minor shortcomings, for example some of the data is old, some

<sup>13</sup> Also reported as Written Down Value, Carrying or Net Book Value.

<sup>14</sup> IPWEA, 2015, IIMM, Table 2.4.6, p 2|71.

Confidence Grade	Description
	documentation is missing and/or reliance is placed on unconfirmed reports or some extrapolation. Dataset is complete and estimated to be accurate $\pm 10\%$
C. Medium	Data based on sound records, procedures, investigations and analysis which is incomplete or unsupported, or extrapolated from a limited sample for which grade A or B data are available. Dataset is substantially complete but up to 50% is extrapolated data and accuracy estimated $\pm 25\%$
D. Low	Data is based on unconfirmed verbal reports and/or cursory inspections and analysis. Dataset may not be fully complete, and most data is estimated or extrapolated. Accuracy $\pm 40\%$
E. Very Low	None or very little data held.

The estimated confidence level for and reliability of data used in this AM Plan is shown in Table 7.5.2.

**Table 7.5.2: Data Confidence Assessment for Data used in AM Plan**

Data	Confidence Assessment	Comment
Demand drivers	Low	Business not currently in line with this function
Growth projections	Low	Business not currently in line with this function
Acquisition forecast	Low	Business not currently in line with this function
Operation forecast	Low	Business not currently in line with this function
Maintenance forecast	Low	Business not currently in line with this function
Renewal forecast		Business not currently in line with this function
- Asset values	Low	
- Asset useful lives	Low	Business not currently in line with this function
- Condition modelling	Low	Business not currently in line with this function
Disposal forecast	Low	Business not currently in line with this function

The estimated confidence level for and reliability of data used in this AM Plan is considered to be Low.

## 8.0 PLAN IMPROVEMENT AND MONITORING

### 8.1 Status of Asset Management Practices<sup>15</sup>

#### 8.1.1 Accounting and financial data sources

This AM Plan utilises accounting and financial data. The source of the data is TechOne Platform & Sustainability Matrix.

#### Asset management data sources

This AM Plan also utilises asset management data. The source of the data is TechOne Platform & Sustainability Matrix.

#### Improvement Plan

It is important that an entity recognise areas of their AM Plan and planning process that require future improvements to ensure effective asset management and informed decision making. The improvement plan generated from this AM Plan is shown in Table 8.2.

**Table 8.2: Improvement Plan**

Task	Task	Responsibility	Resources Required	Timeline
1	Functional assessments of Recreational Assets	Assets	Two (2) Staff	3 years (2021-2023)
2	Develop & implement a risk management framework.	Risk & Ethics/Assets	Two (Staff)	2021
3	Conduct risk assessment on assets at a network level	Assets	Two (Staff)	2021
4	Develop & implement the Sustainability Matrix	Assets & Heads of Departments	TBD	2021-2022
5	Reinstated the Asset Management Group (AMG) consisting of all Asset Managers.	Assets	TBD	2021-2022
6	TECH ONE Enhancement upgrade	Assets	6	2022
7	Data validation and Asset Register Integrity check	Assets	2	2022
8	Rationalisation of Asset base.	Assets, Executive Group & Council	TBD	2023

### 8.2 Monitoring and Review Procedures

This AM Plan will be reviewed during the annual budget planning process and revised to show any material changes in service levels, risks, forecast costs and proposed budgets as a result of budget decisions.

The AM Plan will be reviewed and updated annually to ensure it represents the current service level, asset values, forecast operations, maintenance, renewals, acquisition and asset disposal costs and planned budgets. These forecast costs and proposed budget are incorporated into the Long-Term Financial Plan or will be incorporated into the Long-Term Financial Plan once completed.

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<sup>15</sup> ISO 55000 Refers to this as the Asset Management System



The AM Plan has a maximum life of 4 years and is due for complete revision and updating within 12 months of each Council election.

#### Performance Measures

The effectiveness of this AM Plan can be measured in the following ways:

- The degree to which the required forecast costs identified in this AM Plan are incorporated into the long-term financial plan,
- The degree to which the 1–5-year detailed works programs, budgets, business plans and corporate structures consider the 'global' works program trends provided by the AM Plan,
- The degree to which the existing and projected service levels and service consequences, risks and residual risks are incorporated into the Strategic Planning documents and associated plans,
- The Asset Renewal Funding Ratio achieving the Organisational target (this target is often 90 – 100%).

## 9.0 REFERENCES

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- ISO, 2014, ISO 55000:2014, Overview, principles, and terminology
- ISO, 2018, ISO 31000:2018, Risk management – Guidelines
- 'Strategic Asset Management Plan 2021– 2023
- 2020 Annual Report
- Corporate Plan 2020-2025
- Operational Plan 2020/21
- Deputations 2020

## 10.0APPENDICES

### Appendix A Acquisition Forecast

#### A.1 – Acquisition Forecast Assumptions and Source

There are two projects under the Works for Queensland Grant Totalling \$1,425,000.00.

#### A.2 – Acquisition Project Summary

The project titles included in the lifecycle forecast are included here:

1. Iama Covered Sporting Facility \$805k
2. Dauan Basketball Court \$620k

#### A.3 – Acquisition Forecast Summary

Recommend using NAMS+ Outputs Summary for Acquisition

*Table A3 - Acquisition Forecast Summary*

Year	Constructed \$	Donated \$	Growth \$
2020	0	0	0
2021	0	0	0
2022	1,425,000	0	0
2023	0	0	0
2024	0	0	0
2025	0	0	0
2026	0	0	0
2027	0	0	0
2028	0	0	0
2029	0	0	0
2030	0	0	0
2031	0	0	0
2032	0	0	0
2033	0	0	0
2034	0	0	0
2035	0	0	0
2036	0	0	0
2037	0	0	0
2038	0	0	0
2039	0	0	0

## Appendix B      Operation Forecast

### B.1 – Operation Forecast Assumptions and Source

Primary assumption is that funds are limited, and future projections are based on current level spend.

### B.2 – Operation Forecast Summary

Recommend using NAMS+ Outputs Summary for Operation

*Table B2 - Operation Forecast Summary*

Year	Operation Forecast \$	Additional Operation Forecast \$	Total Operation Forecast \$
2020	60,000	0	60,000
2021	60,000	0	60,000
2022	60,000	3,278	60,000
2023	60,000	0	63,278
2024	60,000	0	63,278
2025	60,000	0	63,278
2026	60,000	0	63,278
2027	60,000	0	63,278
2028	60,000	0	63,278
2029	60,000	0	63,278
2030	60,000	0	63,278
2031	60,000	0	63,278
2032	60,000	0	63,278
2033	60,000	0	63,278
2034	60,000	0	63,278
2035	60,000	0	63,278
2036	60,000	0	63,278
2037	60,000	0	63,278
2038	60,000	0	63,278
2039	60,000	0	63,278

## Appendix C      Maintenance Forecast

### C.1 – Maintenance Forecast Assumptions and Source

Primary assumption is that funds are limited, and future projections are based on current level spend..

### C.2 – Maintenance Forecast Summary

Recommend using NAMS+ Outputs Summary for Maintenance

**Table C2 - Maintenance Forecast Summary**

Year	Maintenance Forecast \$	Additional Maintenance Forecast \$	Total Maintenance Forecast \$
2020	50,000	0	50000
2021	50,000	0	50000
2022	50,000	2,708	50000
2023	50,000	0	52,708
2024	50,000	0	52,708
2025	50,000	0	52,708
2026	50,000	0	52,708
2027	50,000	0	52,708
2028	50,000	0	52,708
2029	50,000	0	52,708
2030	50,000	0	52,708
2031	50,000	0	52,708
2032	50,000	0	52,708
2033	50,000	0	52,708
2034	50,000	0	52,708
2035	50,000	0	52,708
2036	50,000	0	52,708
2037	50,000	0	52,708
2038	50,000	0	52,708
2039	50,000	0	52,708

## Appendix D    Renewal Forecast Summary

### D.1 – Renewal Forecast Assumptions and Source

Primary assumption is that funds are limited, and future projections are based on current level spend.

### D.2 – Renewal Project Summary

The project titles included in the lifecycle forecast are listed in Appendix A.

### D.3 – Renewal Forecast Summary

Recommend using NAMS+ Outputs Summary for Renewal

**Table D3 - Renewal Forecast Summary**

Year	Renewal Forecast \$	Renewal Budget \$
2020	1,600,000	0
2021	945,000	570,000
2022	92,200	805,000
2023	243,000	0
2024	1,419,700	0
2025	320,000	0
2026	245,850	0
2027	3,126,500	0
2028	36,000	0
2029	517,000	0
2030	0	0
2031	51,100	0
2032	522,000	0
2033	317,400	0
2034	1,946,400	0
2035	0	0
2036	0	0
2037	137,600	0
2038	36,000	0
2039	229,100	0

### D.4 –Renewal Plan

Detail output from NAMS+ Report for the Register Method

#### Appendix 10 Year Report

10 year total cost [10 yr Ops, Maint, Renewal & Acquisition Forecast]	11,112,145
10 year average forecast	1,111,215
10 year planned budget [Ops, Maint & Acquisition] (from LTFP)	2,475,000
10 year average planned budget	247,500
10 year AM financial indicator	22.27%
10 year average shortfall	-863,715

## Appendix E Disposal Summary

### E.1 – Disposal Forecast Assumptions and Source

Primary assumption is that funds are limited, and future projections are based on current level spend.

### E.2 – Disposal Project Summary

The project titles included in the lifecycle forecast are included here.

Asset	Reason for Disposal	Timing	Disposal Costs \$	Operations & Maintenance Annual Savings
Warraber Kiosk	Not Used & End of Life	2022	\$80k	N/A
Badu Ticket Box	Not Used & End of Life	2022	\$80k	N/A
Warraber Ticket Box	Not Used & End of Life	2022	\$80k	N/A

### E.3 – Disposal Forecast Summary

Recommend using NAMS+ Outputs Summary for Disposal

**Table E3 – Disposal Activity Summary**

Year	Disposal Forecast \$	Disposal Budget \$
2020	0	0
2021	0	0
2022	220,000	240,000
2023	0	0
2024	0	0
2025	0	0
2026	0	0
2027	0	0
2028	0	0
2029	0	0
2030	0	0
2031	0	0
2032	0	0
2033	0	0
2034	0	0
2035	0	0
2036	0	0
2037	0	0
2038	0	0
2039	0	0

## Appendix F      Budget Summary by Lifecycle Activity

Primary assumption is that funds are limited, and future projections are based on current level spend.

**Table F1 – Budget Summary by Lifecycle Activity**

Year	Acquisition \$	Operation \$	Maintenance \$	Renewal \$	Disposal \$	Total \$
2020	0	60,000	50,000	0	0	110,000
2021	0	60,000	50,000	570,000	0	680,000
2022	0	60,000	50,000	805,000	240,000	1,155,000
2023	0	60,000	50,000	0	0	110,000
2024	0	60,000	50,000	0	0	110,000
2025	0	60,000	50,000	0	0	110,000
2026	0	60,000	50,000	0	0	110,000
2027	0	60,000	50,000	0	0	110,000
2028	0	60,000	50,000	0	0	110,000
2029	0	60,000	50,000	0	0	110,000
2030	0	60,000	50,000	0	0	110,000
2031	0	60,000	50,000	0	0	110,000
2032	0	60,000	50,000	0	0	110,000
2033	0	60,000	50,000	0	0	110,000
2034	0	60,000	50,000	0	0	110,000
2035	0	60,000	50,000	0	0	110,000
2036	0	60,000	50,000	0	0	110,000
2037	0	60,000	50,000	0	0	110,000
2038	0	60,000	50,000	0	0	110,000
2039	0	60,000	50,000	0	0	110,000





# **ASSET MANAGEMENT PLAN**

Torres Strait Island Regional Council  
Roads and Transport Network

Document Control		Asset Management Plan			
Document ID : ECM (Record #)					
Rev No	Date	Revision Details	Author	Reviewer	Approver
V1.0	August 2021	Revision to new template Adopted by Council August 2021 Workshop with Asset Class Managers Undertaken July 2021	Mathew Brodbeck Norman Griffett Tony Wynen	JLL	Mathew Brodbeck Asset Class Manager

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## **1.0 EXECUTIVE SUMMARY**

### **1.1 The Purpose of the Plan**

This Asset Management Plan (AM Plan) details information about infrastructure assets with actions required to provide an agreed level of service in the most cost-effective manner while outlining associated risks. The plan defines the services to be provided, how the services are provided and what funds are required to provide over the 20 year planning period. The AM Plan will link to a Long-Term Financial Plan which typically considers a 10-year planning period.

### **1.2 Asset Description**

This plan covers the infrastructure assets that provide Road and Transport Network Services.

The Roads and Transport network comprises:

- Airport Fencing
- Airport Structures
- Airport Surfacing
- Barge Ramps
- Drainage
- Dredged Channels
- Footpaths
- Other Infrastructure
- Road Formation
- Road Pavement
- Road Surfacing
- Seaport Structures
- Seawalls
- Solar lights
- Subdivision bunding

The above infrastructure assets have Depreciable replacement value estimated at 30 June 2020 of **\$375,841,750** with the inclusion of the 2021 desktop valuation the estimated replacement value indexation at 30 June 2021 of 3.75% which equates to approximately **\$389,935,816**.

### **1.3 Levels of Service**

The allocation in the planned budget is insufficient to continue providing existing services at current levels for the planning period.

The main service consequences of the Planned Budget are:

- Loss of Council Services to the Community
- Shutdown of Council Defined Assets as listed in section 2.1 "Background".

### **1.4 Future Demand**

The factors influencing future demand and the impacts they have on service delivery are created by:

- Population, Demographics & Grant Funding as listed in table 4.3.

Transport service users (Community) expectations. Climate Change Adverse Effects on Transport Infrastructure. Ongoing legislative Compliance These demands will be approached using a combination of managing existing

assets, upgrading existing assets and providing new assets to meet demand. Demand management practices may also include a combination of non-asset solutions, insuring against risks and managing failures.

- Asset Management Group (AMG) formed reporting to executive level to provide organisational understanding of the assets Whole Of Life (WOL), and how this can be influenced and managed responsibly..
- Further educate Asset Class managers and staff on planning principles and understanding of their responsibilities to manage and maintain asset service levels. This will be in the form of training and will be conducted early in the 2021 by and external provider and the Asset Management team.
- Reduce funding being directed to projects not providing core service level outcomes to communities.
- Sustainability Matrix: A prioritisation tool developed to assist in the assessment of capital project submissions and their priority for funding against the pillars of the corporate plan.
- Maintaining existing assets to achieve the maximum useful life possible.
- Upgrading or renewal providing new assets as per demand.

## **1.5 Lifecycle Management Plan**

### **1.5.1 What does it Cost?**

The forecast lifecycle costs necessary to provide the services covered by this AM Plan includes operation, maintenance, renewal, acquisition, and disposal of assets. Although the AM Plan may be prepared for a range of time periods, it typically informs a Long-Term Financial Planning period of 10 years. Therefore, a summary output from the AM Plan is the forecast of 10-year total outlays, which for the Roads and Transport network assets is estimated as \$214,535,536 or \$21,453,554 on average per year.

## **1.6 Financial Summary**

### **1.6.1 What we will do**

Estimated available funding for the 10 year period is \$91,246,112 or \$9,124,611 on average per year as per the Long-Term Financial plan or Planned Budget. This is 42.53% of the cost to sustain the current level of service at the lowest lifecycle cost.

The infrastructure reality is that only what is funded in the long-term financial plan can be provided. The Informed decision making depends on the AM Plan emphasising the consequences of Planned Budgets on the service levels provided and risks.

The anticipated Planned Budget for Roads and Transport network assets leaves a shortfall of (\$12,328,943) on average per year of the forecast lifecycle costs required to provide services in the AM Plan compared with the Planned Budget currently included in the Long-Term Financial Plan. This is shown in the figure below.

### Forecast Lifecycle Costs and Planned Budgets

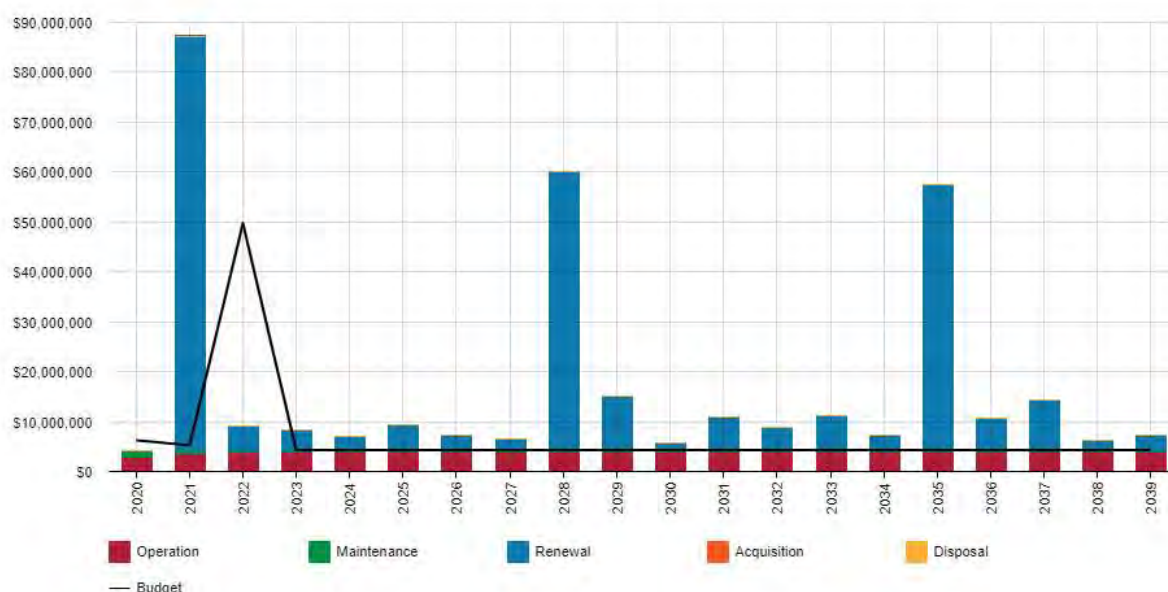


Figure Values are in current dollars.

The following describes the breakdown of values above:

- **Acquisition** – the activities to provide a higher level of service (e.g., widening a road, sealing an unsealed road, replacing a pipeline with a larger size) or a new service that did not exist previously (e.g., a new library).
- **Operation** – the regular activities to provide services (e.g., opening hours, cleansing, 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., road patching, unsealed road grading, building and structure repairs),
- **Renewal** – the activities that return the service capability of an asset up to that which it had originally provided (e.g., road resurfacing and pavement reconstruction, pipeline replacement and building component replacement),
- **Disposal** – Disposal includes any activity associated with the disposal of a decommissioned asset including sale, demolition, or relocation.

We plan to provide Roads and Transport network services for the following:

- Operation, maintenance, renewal, and acquisition of Roads and Transport network assets to meet service levels set by Torres Strait Island Regional Council in annual budgets.
- Summary of major renewals/acquisitions within the 10-year planning period.

Project Details - Transport			
Task	Task Description	Location	Budget \$
0001362	Dauan Helipad Upgrade	Dauan	414,714
0001421	W4Q.R3 Poruma Airport Waiting Shed	Poruma	465,000
0001422	W4Q.R3 Saibai Airport Waiting Shed & Toilet Construction	Saibai	465,000
0001429	Warraber Airstrip Security Fence Replacement	Warraber	250,000

0001445	Erub Staircase Refurbishment	Erub	200,000
0001446	Erub Airport Road Rehabilitation	Erub	1,377,151
0001485	Kubin Aerodrome Fencing Upgrade	Kubin	150,000
0001492	Badu Airport Fencing	Badu	849,965
0001493	Saibai Aerodrome Apron & Heli pad	Saibai	332,000
0001498	Replacement of Transport Assets	Various	20,000
0001499	Upgrade Unsealed Road to Helipad	Dauan	714,000
0001502	Mabuiag Aerodrome security perimeter	Mabuiag	194,541
0001525	Badu Wells Access Road	Badu	194,355
<b>13</b>	<b>Total Tasks Costs for WIP</b>		<b>5,626,726</b>

Project Details - Wharves			
Task	Task Description	Location	Budget \$
0001481	Badu Finger Jetty - Assess and Repair	Badu	775,225
0001524	Ugar Barge Ramp	Ugar	465,000
0001536	Dauan Pontoon Replacement (Damaged)	Dauan	1,500,000
0001543	Repair to Masig Jetty	Masig	70,000
<b>4</b>	<b>Total Tasks Costs for WIP</b>		<b>2,810,225</b>

Project Details - Seawalls			
Task	Task Description	Location	Budget \$
0001352	Seawalls Additional Funds TSRA	Various	500,000
0001372	Coastal Hazard Plan & Design	Poruma & Masig	244,100
0001489	Boigu Island Seawalls Phase 2.	Boigu	15,000,000
0001490	Poruma Seawall Construction Stage 2	Poruma	5,000,000
0001526	Warraber Coastal Defence Structures	Warraber	7,000,000
0001527	Construct Coastal Defence Structures	Masig	6,000,000
0001528	Iama Coastal Defence Structure	Iama	7,000,000
<b>7</b>	<b>Total Tasks Costs for WIP</b>		<b>\$40,744,100</b>

### 1.6.2 What we cannot do

We currently do **not** allocate enough budget to sustain these services at the proposed standard or to provide all new services being sought. Works and services that cannot be provided under present funding levels are:

- It is likely that we will have to reduce service levels in some areas unless new sources of revenue are found. The service level reduction may include reduced access to serviceable aerodromes, reduced access to safe jetties and/or barge ramps, reduction in maintenance of road networks.

### 1.6.3 Managing the Risks

Our present budget levels are insufficient to continue to manage risks in the medium term.



The main risk consequences are:

- Reduced Serviceability of Aerodromes
- Roads becoming unsafe and unserviceable.
- Jetties and Barge Ramps becoming unserviceable, reducing the access for goods and services to each of the communities.
- Seawalls not reducing the risk of inundation Drainage Inadequate. We will endeavour to manage these risks within available funding by:
- Maintaining Transport Infrastructure to the best possible standard with the available funds.
- Investigate further possible funding streams.
- Investigate and implement low-cost replacement assets and low maintenance assets.
- Increase inspection and monitoring of assets.
- Maintain Legislative Update.

## **1.7 Continued land and sea management assessments. Asset Management Planning Practices**

Key assumptions made in this AM Plan are:

- Funding limited to Operation and Maintenance and no additional forecast to rectify deficiencies.
- No allowances for growth in capital and operating budgets.
- Sourced data is the fixed asset register and condition ratings via 2020 valuations to establish renewal requirements.
- The timing of capital renewals based on the asset register is applied by adding the useful life to the year of acquisition or year of last renewal,

Alternatively, an estimate of renewal lifecycle costs is projected from external condition modelling systems and may be supplemented with, or based on, expert knowledge. Assets requiring renewal are identified from either the asset register based on continuous condition assessment reviews.

- The timing of capital renewals based on the asset register is applied by adding the useful life to the year of acquisition or year of last renewal,
- Alternatively, an estimate of renewal lifecycle costs is projected from external condition modelling systems and may be supplemented with, or based on, expert knowledge.

The Current Asset Register was used to forecast the renewal lifecycle costs for this AM Plan.

This AM Plan is based on a low level of confidence information.

## **1.8 Monitoring and Improvement Program**

The next steps resulting from this AM Plan to improve asset management practices are:

- Asset Management Group (AMG) formed reporting to executive level to provide organisational understanding of the assets Whole of Life (WOL), and how this can be influenced and managed responsibly.
- Further educate Asset Class managers and staff on planning principles and understanding of their responsibilities to manage and maintain asset service levels. This will be in the form of training and will be conducted early in the 2021/22 by an external provider and the Asset Management team.
- Seek council assistance and endorsement of acceptable service levels for communities and using this to determine minimum service levels to trigger priority action.

- Implementation of NAMS+ (IPWEA) to assist and improve data integrity and analysis using the analysis tools retained within the software product
- TechOne enhancement Project to further improve on identification and defect management.

## 2.0 Introduction

### 2.1 Background

This AM Plan communicates the requirements for the sustainable delivery of services through management of assets, compliance with regulatory requirements, and required funding to provide the appropriate levels of service over the planning period.

The AM Plan is to be read with the Torres Strait Island Regional Council planning documents. This should include the Asset Management Policy and Asset Management Strategy, where developed, along with other key planning documents:

- Corporate Plan 2020-2025
- Operational Plan 2020/2021
- Annual Report 2020
- Capital Sustainability Matrix (Tool used to identify Capital criteria)
- Annual Budget
- Deputations 2020

Comment on the current status of Asset Management in the Organisation.

The infrastructure assets covered by this AM Plan include infrastructure assets that serve the Torres Strait Islands Regional Council's Transport Network needs. These assets include Aerodromes, Barge Ramps, roadways, footpaths, Jetties and seawalls that improve community wellbeing by provide safer community access and movements around the islands. For a detailed summary of the assets covered in this AM Plan refer to Table in Section 5.1.1.

These assets are used to provide the provision of assets to meet the service needs (including growth) of the community in a financially sustainable manner.

The infrastructure assets included in this plan have a total Gross replacement value of \$375,841,750 with the inclusion of the 2021 desktop valuation the estimated replacement value indexation at 30 June 2021 of 3.75% which equates to \$389,935,816

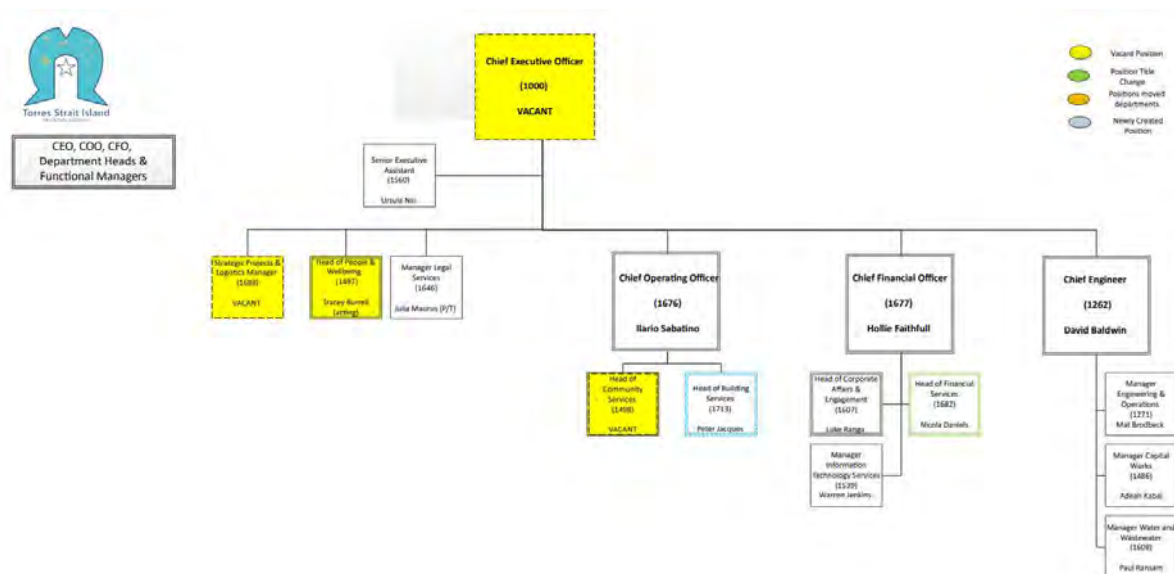
Key Stakeholder	Role in Asset Management Plan
Airport Fencing	4,672,400
Airport Structures	2,903,300
Airport Surfacing	57,315,600
Barge Ramps	11,745,800
Drainage	13,784,500
Dredged Channels	12,714,400
Footpaths	306,200
Other Infrastructure	254,600
Road Formation	61,357,200
Road Pavement	52,041,800
Road Surfacing	97,686,700
Seaport Structures	22,371,500
Seawalls	34,545,260
Solar Lights	1,312,800
Subdivision	2,829,690
<b>TOTAL</b>	<b>\$ 375,841,750</b>

Key stakeholders in the preparation and implementation of this AM Plan are shown in Table 2.1.

**Table 2.1: Key Stakeholders in the AM Plan**

Key Stakeholder	Role in Asset Management Plan
Department of Local Government and Planning	Primary funding body of the Torres Strait Island Regional Council
Department of Main Roads and Transport	Primary funding body of the Torres Strait Island Regional Council
Elected Council	Providers of the Resources to deliver on the Asset Management Plan requirements
Operators of the Asset	To utilise the Assets for the role that was intended
Queensland Reconstruction Authority	Ensuring Infrastructure Renewal & Recovery within disaster effected communities.
Department of Infrastructure and communities	Remote Aerodrome, Roads and Community Infrastructure Funding Body
TSRA	Federal Conduct for Funding

Our organisational structure for service delivery from infrastructure assets is detailed below,



## 2.2 Goals and Objectives of Asset Ownership

Our goal for managing infrastructure assets is to meet the defined level of service (as amended from time to time) in the most cost effective manner for present and future consumers. The key elements of infrastructure asset management are:

- Providing a defined level of service and monitoring performance,
- Managing the impact of growth through demand management and infrastructure investment,
- Taking a lifecycle approach to developing cost-effective management strategies for the long-term that meet the defined level of service,
- Identifying, assessing, and appropriately controlling risks, and
- Linking to a Long-Term Financial Plan which identifies required, affordable forecast costs and how it will be allocated.

Key elements of the planning framework are

- Levels of service – specifies the services and levels of service to be provided,
- Risk Management,
- Future demand – how this will impact on future service delivery and how this is to be met,
- Lifecycle management – how to manage its existing and future assets to provide defined levels of service,
- Financial summary – what funds are required to provide the defined services,
- Asset management practices – how we manage provision of the services,
- Monitoring – how the plan will be monitored to ensure objectives are met,
- Asset management improvement plan – how we increase asset management maturity.

Other references to the benefits, fundamentals principles and objectives of asset management are:

- International Infrastructure Management Manual 2015 <sup>1</sup>
- ISO 55000<sup>2</sup>

A road map for preparing an AM Plan is shown below.

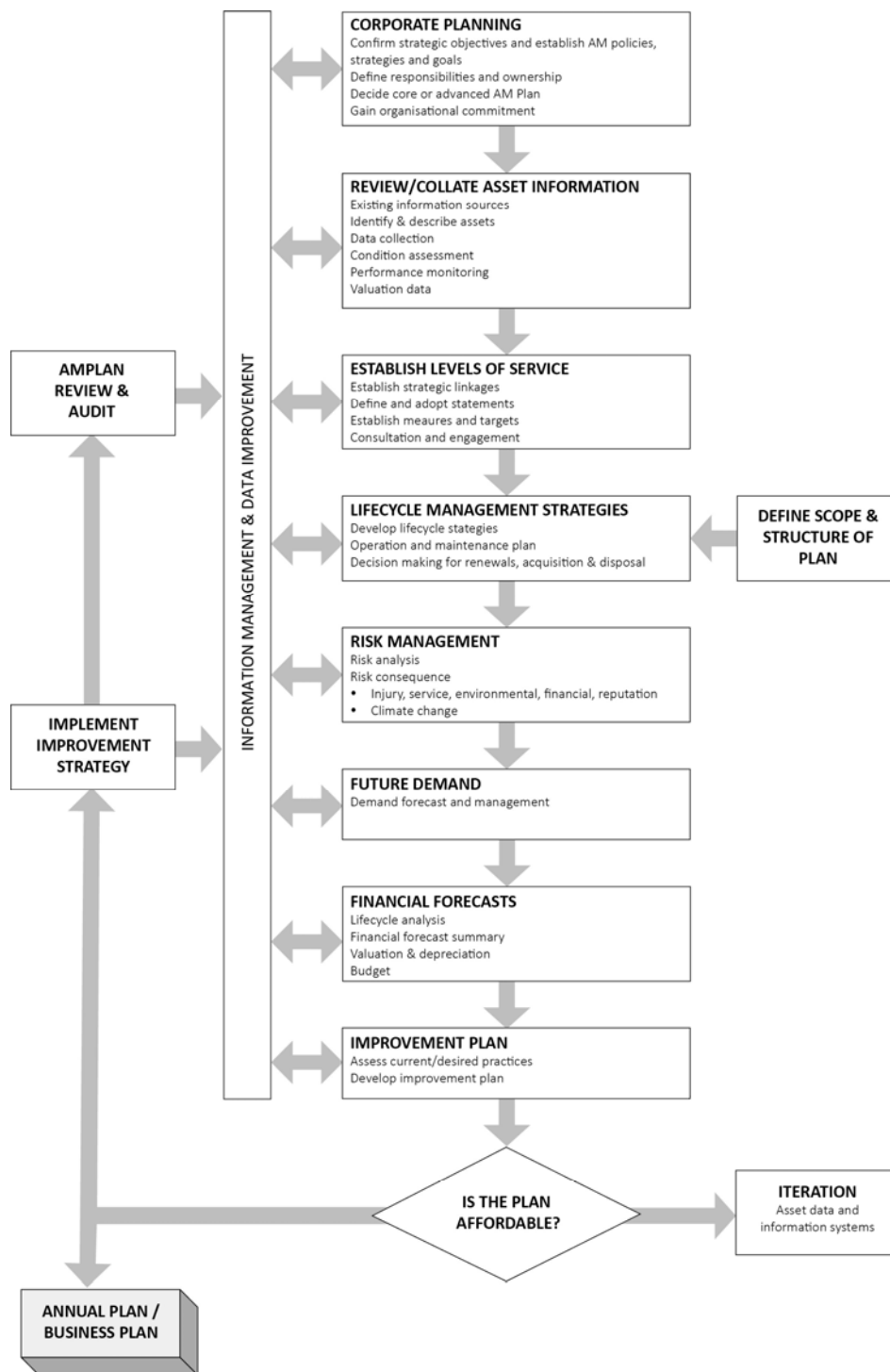
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<sup>1</sup> Based on IPWEA 2015 IIMM, Sec 2.1.3, p 2 | 13

<sup>2</sup> ISO 55000 Overview, principles and terminology

## Road Map for preparing an Asset Management Plan

Source: IPWEA, 2006, IIMM, Fig 1.5.1, p 1.11



### 3.0 LEVELS OF SERVICE

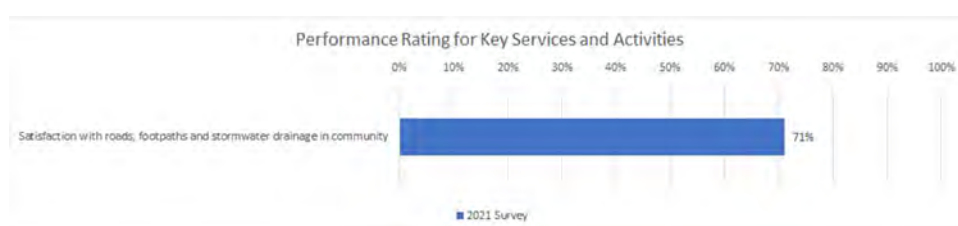
#### 3.1 Customer Research and Expectations

This AM Plan is prepared to facilitate consultation prior to adoption of levels of service by the TSIRC Councilors. Current consultation on service levels is being undertaken by council staff. This will assist the Torres Strait Island Regional Council and stakeholders in matching the level of service required, service risks and consequences with the customer's ability and willingness to pay for the service.

In 2021, Council commissioned a community satisfaction survey which was conducted internally. The survey was administered by multiple means including paper and electronic forms and was available to all within the Torres Strait Islands Regional Council Local Government Area. The survey covered a wide range of functions and services provided by Council. Overall, there were 107 responses which represents approximately 3% of the total population.

Figure 3.1 summarises the results from our Customer survey (neutral or above) in relation to Transport Assets.

**Figure 3.1: Customer Satisfaction Survey Levels**



Community satisfaction information is used in developing the Strategic Plan and in the development of this asset management plan

#### 3.2 Strategic and Corporate Goals

This AM Plan is prepared under the direction of the Torres Strait Island Regional Council vision, mission, goals and objectives.

##### **Our vision is:**

For our Communities and Council to be Autonomous, Prosperous and Sustainable.

*For youmpla ples ene Council for meke something youmpla self sor long we can gad fruit them thing we makem e praper ene las long time.*

##### **Our mission is:**

To improve our Communities' livability in all we do.

Strategic goals have been set by the Torres Strait Island Regional Council. The relevant goals and objectives and how these are addressed in this AM Plan are summarised in Table 3.2.

*For youmpla for strete ples blo youmpla ene weis kaine youmpla stap lor pless youmpla.*

Strategic goals have been set by the Torres Strait Island Regional Council. The relevant goals and objectives and how these are addressed in this AM Plan are summarised in Table 3.2.

**Table 3.2: Goals and how these are addressed in this Plan**

Goal	Objective	How Goal and Objectives are addressed in the AM Plan
Managing the built environment to ensure sustainable management of community infrastructure	Further develop and implement asset monitoring technologies to enable remote management of key infrastructure – i.e. SCADA, increase of modern technology use by staff.	Development and implementation of strategic asset management plans for all infrastructure classes.
Infrastructure and social services that meet current and future community needs and aspirations	Monitor social and built infrastructure development to ensure it is in accordance with Council corporate and strategic planning	Properly functioning transport infrastructure to provide the platform for the Community to develop an economic and social base.
Asset should be kept in a condition which allows the prime functions to operate without impedance and in a safe manner.	Monitor service functions to enable Staff to provide priority community needs.	Clarify works required to return capacity, if minor works R&M can restore asset. If capital works are required, plan and include in Capex budget for approval, then action works once approved.

### 3.3 Legislative Requirements

There are many legislative requirements relating to the management of assets. Legislative requirements that impact the delivery of the Roads and Transport network service are outlined in Table 3.3.

**Table 3.3: Legislative Requirements**

Legislation	Requirement
Local Government Act 2009	Governing legislation
Local Government Regulation 2012	Governing Criteria
Transport Infrastructure Act 1994	Effective integrated planning and efficient management of a system of transport infrastructure.
Workplace Health & Safety 2011	balanced and consistent framework to secure the health and safety of workers and workplaces
Transport Operations (Marine Safety) Act 1994	To have a strategic overview of marine safety and related marine operational issues
Maritime Safety Queensland Act 2002	To provide professional, specialist advice to, and undertake particular functions of in relation to marine safety, ship-sourced pollution and related matters.
Transport Operations (Road Use Management) Act 1995	Provide for the effective and efficient management of road use
Transport Planning and Coordination Act 1994	Achieving overall transport effectiveness and efficiency through strategic planning and management of transport resources.



Air Navigation Act 1937	An Act to provide for the application of the air navigation regulation and civil aviation regulations of the commonwealth to and in relation to air navigation within the state and provide in relation to liability for certain injury, loss, damage, or destruction by aircraft.
State Transport Act 193	An Act to provide for the better coordination and utilisation of transport facilities within the state, and for other purposes.
Transport Security (Counter-Terrorism) Act 2008	An Act to make particular provision for reducing risks arising out of terrorist acts against surface transport operations.

### 3.4 Customer Values

Service levels are defined in three ways, customer values, customer levels of service and technical levels of service.

**Customer Values** indicate:

- what aspects of the service is important to the customer?
- whether they see value in what is currently provided and
- the likely trend over time based on the current budget provision

**Table 3.4: Customer Values**

Service Objective:			
Customer Values	Customer Satisfaction Measure	Current Feedback	Expected Trend Based on Planned Budget
Quality	Qualitative scale (1 – 5) excellent to poor.	Customer Survey	Service levels need to be set at a particular condition rating, i.e., 3.5 as a trigger for future funding prediction.
Safety	Qualitative scale (1 – 5) excellent to poor.	Customer Survey	Service levels need to be set at a particular condition rating, i.e., 3.5 as a trigger for future funding prediction.
Function	Qualitative scale (1 – 5) excellent to poor.	Customer Survey	Service levels need to be set at a particular condition rating, i.e., 3.5 as a trigger for future funding prediction.

### 3.5 Customer Levels of Service

The Customer Levels of Service are considered in terms of:

**Condition**      How good is the service ... what is the condition or quality of the service?

**Function**      Is it suitable for its intended purpose .... Is it the right service?

**Capacity/Use**      Is the service over or under used ... do we need more or less of these assets?

In Table 3.5 under each of the service measures types (Condition, Function, Capacity/Use) there is a summary of the performance measure being used, the current performance, and the expected performance based on the current budget allocation.

These are measures of fact related to the service delivery outcome (e.g. number of occasions when service is not available or proportion of replacement value by condition %'s) to provide a balance in comparison to the customer perception that may be more subjective.

Table 3.5: Customer Level of Service Measures

Type of Measure	Level of Service	Performance Measure	Current Performance	Expected Trend Based on Planned Budget
<b>Condition</b>	Roads: Provide a smooth ride for vehicles	Customer service requests	0 per month	0 per month
	<b>Confidence levels</b>		Medium  Medium (Professional judgement based on 2020 comprehensive valuation data)	While maintaining the current trend, Council's budget will continue to be undertaken on a reactive nature dependent on failures with a decision to strategically review assets and consolidate future funding requirements. Low Low Lack of mid to long term planning which will change from regular AMP reviews and maturity of planning
	Provide an adequate aircraft landing surface	Number of instances raised by carriers or noticed by staff	0 per year	0 per year
	<b>Confidence levels</b>		Medium  Medium (Professional judgement based on 2020 comprehensive valuation data)	While maintaining the current trend, Council's budget will continue to be undertaken on a reactive nature dependent on failures with a decision to strategically review assets and consolidate future funding requirements. Low Low Lack of mid to long term planning which will change from regular AMP reviews and maturity of planning.
<b>Function</b>	Ensure that the road meets user requirements for travel time and availability	Customer service requests relating to travel time and availability	0 per year	0 per year
	<b>Confidence levels</b>		Medium  Medium (Professional judgement based on 2020 comprehensive valuation data)	While maintaining the current trend, Council's budget will continue to be undertaken on a reactive nature dependent on failures with a decision to strategically review assets and consolidate future funding requirements. Low Low Lack of mid to long term planning which will change from regular AMP reviews and maturity of planning
	Ensure that the runway meets user requirements for availability	Customer service requests relating to availability	0 per month	0 per month

	<b>Confidence levels</b>		Medium  Medium (Professional judgement based on 2020 comprehensive valuation data)	While maintaining the current trend, Council's budget will continue to be undertaken on a reactive nature dependent on failures with a decision to strategically review assets and consolidate future funding requirements. Low Low Lack of mid to long term planning which will change from regular AMP reviews and maturity of planning
<b>Capacity</b>	Provide all weather access to Airports and seaports	Access Maintained all year round.	0 per month	0 per month
	<b>Confidence levels</b>		Medium  Medium (Professional judgement based on 2020 comprehensive valuation data)	While maintaining the current trend, Council's budget will continue to be undertaken on a reactive nature dependent on failures with a decision to strategically review assets and consolidate future funding requirements. Low Low Lack of mid to long term planning which will change from regular AMP reviews and maturity of planning.

### 3.6 Technical Levels of Service

**Technical Levels of Service** – To deliver the customer values, and impact the achieved Customer Levels of Service, are operational or technical measures of performance. These technical measures relate to the activities and allocation 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., widening a road, sealing an unsealed road, replacing a pipeline with a larger size) or a new service that did not exist previously (e.g., a new library).
- **Operation** – the regular activities to provide services (e.g., opening hours, cleansing, 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., road patching, unsealed road grading, building and structure repairs),
- **Renewal** – the activities that return the service capability of an asset up to that which it had originally provided (e.g., road resurfacing and pavement reconstruction, pipeline replacement and building component replacement),

Service and asset managers plan, implement and control technical service levels to influence the service outcomes.<sup>3</sup>

<sup>3</sup> IPWEA, 2015, IIMM, p 2|28.

Table 3.6 shows the activities expected to be provided under the current 10 year Planned Budget allocation, and the Forecast activity requirements being recommended in this AM Plan.

**Table 3.6: Technical Levels of Service**

Lifecycle Activity	Purpose of Activity	Activity Measure	Current Performance*	Recommended Performance **
<b>TECHNICAL LEVELS OF SERVICE</b>				
<b>Acquisition</b>	Acquisitions in line with changing council requirement and fit-for purpose.	Community consultation in regard to engagement and utilisation of acquisitions	No Data	As data comes available for new acquisitions data will be updated.
		<b>Budget</b>	\$4,000,000	\$0
<b>Operation</b>	Recurrent outlay costs driven by the Engineering Team.	Scheduled Compliance related Maintenance	Compliant	All network to be meet stakeholder requirements until such time as final review completed no additional funds will allocated.
		<b>Budget</b>	\$3,755,811	\$3,755,811
<b>Maintenance</b>	Carry out routine maintenance as per TSIRC Road Maintenance Services agreed level of service	Frequency (times per year)	0.5 – Sealed Roads 0.5 – Gravel Roads 0.0 - Formation Roads	Sealed Roads 2/yr. Gravel Roads 1/yr. Formation Roads 1/
	Provide all weather access to Airports, Barge Ramps, STP & WTP, Property & Dwelling access roads	Customer responses of roads being impassable	Accuracy of information surrounding these measures still too low.	Constant access on all roads for residents. For five-year events a wait time of less than 30 minutes is acceptable
	Provide clear safety signage	Annual defect & condition survey	5% with defects	Less than 5% of signs with defects
	Carry out vegetation maintenance once per week at airports in wet season and once every two weeks during dry season.	Random annual inspections to airports and also information provided by carriers regarding vegetation	2 failures per annum	Zero failures in terms of vegetation maintenance
	Maintain sealed runways	Utilise multi tired roller on runway	Once per year	Once per year
	Provide all weather access to Airports	Duration and frequency of Airport being impassable	3 events of 3 hours or more with airport impassable at three locations	No more than 4 hours when runway is impassable per year at no more than 3 locations
	Provide clear safety signage	Annual defect & condition survey	Inspection data still unreliable though improvement will	Less than 5% of signs with defects

Lifecycle Activity	Purpose of Activity	Activity Measure	Current Performance*	Recommended Performance **
			Come with regular inspection programs being developed	
	Maintain complete seawalls	Annual defect & condition survey	Inspection data still unreliable though improvement will come with regular inspection programs being developed	0 Water inundation with extreme weather events
		<b>Budget</b>	\$504,383	\$504,383
<b>Renewal</b>	Assets in average condition	Asset condition assessments	3	Targeted performance is condition <3.5
	W&HS	Maintain assets at current legislative requirements.	100%	100%
		<b>Budget</b>	\$864,417	\$17,193,360
<b>Disposal</b>	What is the purpose of the Activity	Describe the Measure being used for performance monitoring	The Disposal activities that can be done within the current Planned Budget restraints	The Disposal activities we would like to do as per the Lifecycle Forecast
	What is the purpose of the Activity	Describe the Measure being used for performance monitoring	The Disposal activities that can be done within the current Planned Budget restraints	The Disposal activities we would like to do as per the Lifecycle Forecast
		<b>Budget</b>	\$812,701	\$0

Note: \* Current activities related to Planned Budget.

\*\* Expected performance related to forecast lifecycle costs.

It is important to monitor the service levels regularly as circumstances can and do change. Current performance is based on existing resource provision and work efficiencies. It is acknowledged changing circumstances such as technology and customer priorities will change over time.

## 4.0 FUTURE DEMAND

### 4.1 Demand Drivers

Drivers affecting demand include things such as population change, regulations, changes in demographics, seasonal factors, vehicle ownership rates, consumer preferences and expectations, technological changes, economic factors, agricultural practices, environmental awareness, etc.

### 4.2 Demand Forecasts

The present position and projections for demand drivers that may impact future service delivery and use of assets have been identified and documented. (refer the table below).

### 4.3 Demand Impact and Demand Management Plan

The impact of demand drivers that may affect future service delivery and use of assets are shown in Table 4.3.

Demand for new services will be managed through a combination of managing existing assets, upgrading of 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 shown in Table 4.3. Further opportunities will be developed in future revisions of this AM Plan.

**Table 4.3: Demand Management Plan**

Demand driver	Current position	Projection	Impact on services	Demand Management Plan
Population	7,403 (2016 Census)	8,416 (2031)	Increased pressure on central services. Need for additional council staff resources.	Review and plan for appropriate upgrades to facilities as the utilisation levels reach upper levels of utilisation.
Demographics	25.5% under the age of 10, 35% between the ages of 10 and 30, 31.3% between the ages of 30 and 60 and 8.2% over the age of 60	No projection data is available.	Changing community requirements for the building's assets including increased needs for access.	Review and plan for appropriate upgrades to align with accessibility needs of changing community demographic profile.
Transitional Action Plan (TAP) – Accommodation/Facilities	4 Staff accommodation Houses	4 Staff accommodation Houses	Any increase in staff forming part of the TAP will put pressure on housing/facilities in the region.	Acquire new housing/facilities assets through new capital funding.

## Indigenous regions, projected increase and rate of growth (series B), 2016 to 2031, at 30 June

Indigenous region	2016	2031	Projected growth 2016 to 2031	
	— persons —		no.	%
Brisbane	84,454	126,482	42,028	49.8
Cairns–Atherton	30,050	39,064	9,014	30.0
Cape York	10,579	13,469	2,890	27.3
Mount Isa	9,003	9,253	250	2.8
Rockhampton	26,941	35,528	8,587	31.9
Toowoomba–Roma	21,350	27,648	6,298	29.5
Torres Strait	7,403	8,156	753	10.2
Townsville–Mackay	31,496	44,795	13,299	42.2
<b>Queensland</b>	<b>221,276</b>	<b>304,395</b>	<b>83,119</b>	<b>37.6</b>
<b>Australia</b>	<b>798,365</b>	<b>1,071,871</b>	<b>273,506</b>	<b>34.3</b>

### 4.4 Asset Programs to meet Demand

The new assets required to meet demand may be acquired, donated or constructed. Additional assets are discussed in Section 5.4.

Acquiring new assets will commit the Torres Strait Island Regional Council to ongoing operations, maintenance and renewal costs for the period that the service provided from the assets is required. These future costs are identified and considered in developing forecasts of future operations, maintenance and renewal costs for inclusion in the long-term financial plan (Refer to Section 5).

### 4.5 Climate Change Adaptation

The impacts of climate change may have a significant impact on the assets we manage and the services they provide. In the context of the Asset Management Planning process climate change can be considered as both a future demand and a risk.



How climate change impacts on assets will vary depending on the location and the type of services provided, as will the way in which we respond and manage those impacts.<sup>4</sup>

As a minimum we consider how to manage our existing assets given potential climate change impacts for our region.

Risk and opportunities identified to date are shown in Table 4.5.1

**Table 4.5.1 Managing the Impact of Climate Change on Assets and Services**

Climate Change Description	Projected Change	Potential Impact on Assets and Services	Management
Rising sea levels and increased storm tide activity in the wet season	Increased flood zone.	Assets within new flood zone prone to significant water damage and impairment.	Relocation of critical assets and assets with high likelihood of environmental exposure. Plan and develop assets considering astronomical tide projection mapping.
Rising air and sea temperatures	Increased storm activity and/or severity	Higher levels of damage and corrosion to buildings associated materials.	Introducing seawalls to restrict the possibility of inundation in high risk assessed areas.

Additionally, the way in which we construct new assets should recognise that there is opportunity to build in resilience to climate change impacts. Building resilience can have the following benefits:

- Assets will withstand the impacts of climate change.
- Services can be sustained; and
- Assets that can endure may potentially lower the lifecycle cost and reduce their carbon footprint

Table 4.5.2 summarises some asset climate change resilience opportunities.

**Table 4.5.2 Building Asset Resilience to Climate Change**

New Asset Description	Climate Change impact These assets?	Build Resilience in New Works
Roads	Shorten end of life due to structural integrity being impaired	Seawalls to restrict inundation. Improved drainage to channel water away from infrastructure
Wharves	Shorten end of life due to structural integrity being impaired also restrict accessibility	Improve design and construction to reduce impact in severe weather events
Sea Walls	Tide Inundation Resilience	Reduce environmental impact to communities.

The impact of climate change on assets is a new and complex discussion and further opportunities will be developed in future revisions of this AM Plan.

<sup>4</sup> IPWEA Practice Note 12.1 Climate Change Impacts on the Useful Life of Infrastructure

## 5.0 LIFECYCLE MANAGEMENT PLAN

The lifecycle management plan details how the Torres Strait Island Regional Council plans to manage and operate the assets at the agreed levels of service (Refer to Section 3) while managing life cycle costs.

### 5.1 Background Data

#### 5.1.1 Physical parameters

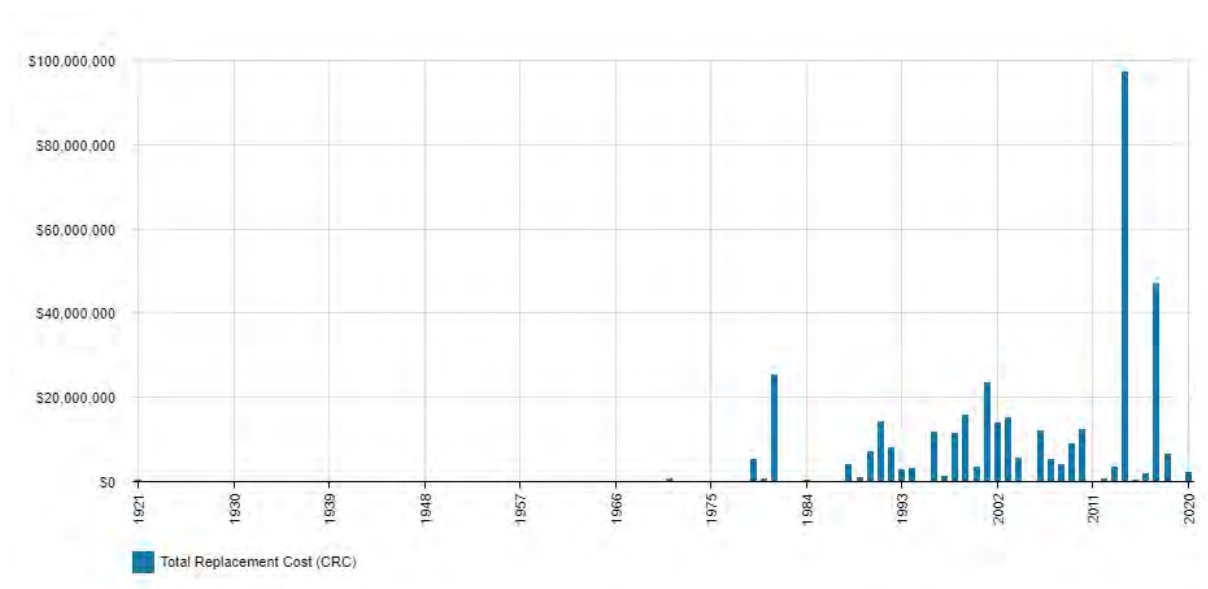
The assets covered by this AM Plan are shown in Table 5.1.1.

This asset management plan covers the infrastructure assets that serve the Torres Strait Island Regional Council's Transport Network needs. These assets include Aerodromes, Barge Ramps, roadways, footpaths, Jetties and seawalls that improve community wellbeing by provide safer community access and movements around the islands.

Asset Category	Number of Assets	Replacement Value
Airport Fencing	11	4,672,400
Airport Structures	26	2,903,300
Airport Surfacing	121	57,315,600
Barge Ramps	46	11,745,800
Drainage	11	13,784,500
Dredged Channels	26	12,714,400
Footpaths	8	306,200
Other Infrastructure	16	254,600
Road Formation	579	61,357,200
Road Pavement	470	52,041,800
Road Surfacing	261	97,686,700
Seaport Structures	24	22,371,500
Seawalls	19	34,545,260
Solar Lights	12	1,312,800
Subdivision	2	2,829,690
<b>TOTAL</b>	<b>1,632</b>	<b>375,841,750</b>

The age profile of the assets included in this AM Plan are shown in Figure 5.1.1.

**Table 5.1.1: Assets covered by this Plan**



All figure values are shown in current day dollars.

### 5.1.2 Asset capacity and performance

Assets are generally provided to meet design standards where these are available. However, there is insufficient resources to address all known deficiencies. Locations where deficiencies in service performance are known are detailed in Table 5.1.2.

**Table 5.1.2: Known Service Performance Deficiencies**

Location	Service Deficiency
Saibai, Boigu, Iama	Insufficient funding has resulted in seawalls not being constructed and renewed at the required rate to maintain adopted levels of service in terms of transport availability
Iama and Masig Aerodrome	Fencing at Aerodromes is deficient currently and has some minor security issues
Erub – Airport Road	Road formation failing causing failures in the pavement. Increased safety risk to road users
Hammond Barge Ramp	Failure of Bottom link slab. Safety issue to users utilising facility
Masig, Poruma Seaport Basin	Silting of basin occurring, affecting the landing of barges with critical supplies for the community
Badu, Poruma Aerodromes	Gables and Cone markers in poor condition, delineation of airstrip not compliant with CASA regulations.
Kubin, Mer, Erub, Badu, Mabuiag Aerodromes	Wind Direction Indicators in poor condition, safety issue to aircraft operators and passengers.
Various – Unsealed Roads	Road pavements scoured and at end of service life. Safety issue to people utilising roads. Failure to repair and maintain may lead to roads becoming unserviceable.

The above service deficiencies were identified from work requests and inspections

### 5.1.3 Asset condition

Condition is currently monitored by the Asset Class Manager during scheduled Building Inspections which comprises of inspections of all Building Corporate Assets from 5 communities each financial year totaling 15 communities over a 3 year period between comprehensive valuations

Condition is currently monitored based on a scale of 0 to 5 with 0.5 increments, to facilitate the data being introduced to NAMS+ model, values of 0.5 increased to the next increment, this has not impacted on the description of the condition rating as the 1 to 5 representation indicated below was consistent.

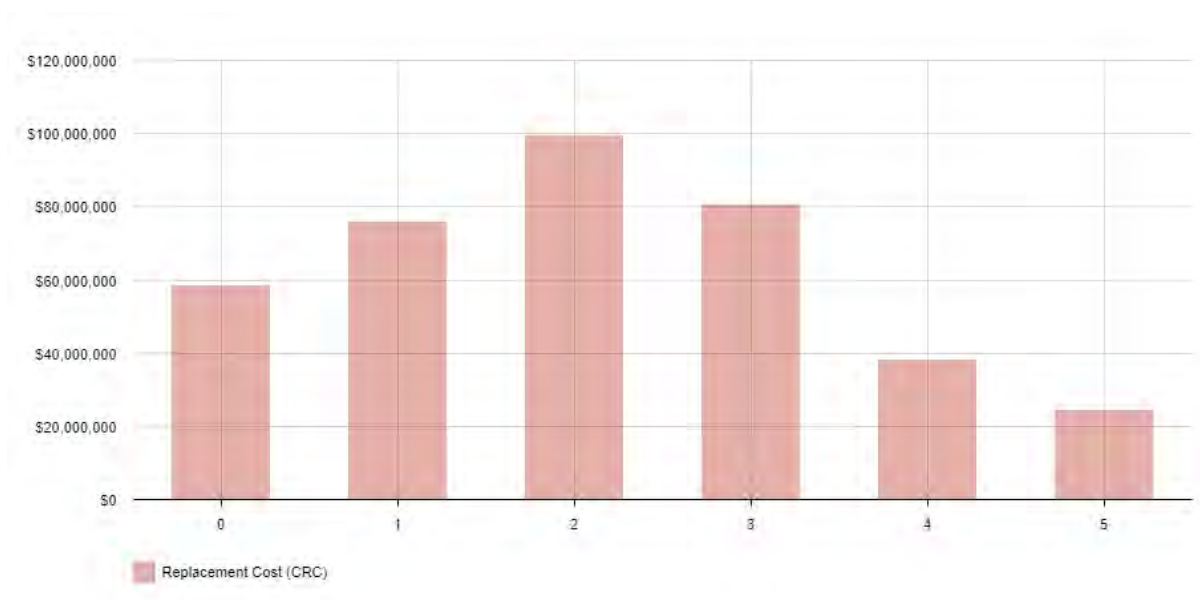
Condition is measured using a 1 – 5 grading system<sup>5</sup> as detailed in Table 5.1.3. It is important that a consistent approach is used in reporting asset performance enabling effective decision support. A finer grading system may be used at a more specific level, however, for reporting in the AM plan results are translated to a 1 – 5 grading scale for ease of communication.

**Table 5.1.3: Condition Grading System**

Condition Grading	Description of Condition
1	<b>Very Good:</b> free of defects, only planned and/or routine maintenance required
2	<b>Good:</b> minor defects, increasing maintenance required plus planned maintenance
3	<b>Fair:</b> defects requiring regular and/or significant maintenance to reinstate service
4	<b>Poor:</b> significant defects, higher order cost intervention likely
5	<b>Very Poor:</b> physically unsound and/or beyond rehabilitation, immediate action required

The condition profile of our assets is shown in Figure 5.1.3.

**Figure 5.1.3: Asset Condition Profile**



It is anticipated that the overall asset conditions will deteriorate over time given the magnitude of funding deficit for maintenance and replacement. This will have a detrimental impact on services.

<sup>5</sup> IPWEA, 2015, IIMM, Sec 2.5.4, p 2|80.

All figure values are shown in current day dollars.

## 5.2 Operations and Maintenance Plan

Operations include regular activities to provide services. Examples of typical operational activities include cleaning, street sweeping, 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 pipe repairs, asphalt patching, and equipment repairs.

The trend in maintenance budgets are shown in Table 5.2.1.

**Table 5.2.1: Maintenance Budget Trends**

Year	Maintenance Budget \$
2020	1,350,613
2021	454,577
2022	404,830

Maintenance budget levels are considered to be adequate to meet projected service levels, which may be less than or equal to current service levels. Where maintenance budget allocations are such that they will result in a lesser level of service, the service consequences and service risks have been identified and are highlighted in this AM Plan and service risks considered in the Infrastructure Risk Management Plan.

Assessment and priority of reactive maintenance is undertaken by staff using experience and judgement.

### Asset hierarchy

An asset hierarchy provides a framework for structuring data in an information system to assist in collection of data, reporting information and making decisions. The hierarchy includes the asset class and component used for asset planning and financial reporting and service level hierarchy used for service planning and delivery.

The service hierarchy is shown in Table 5.2.2.

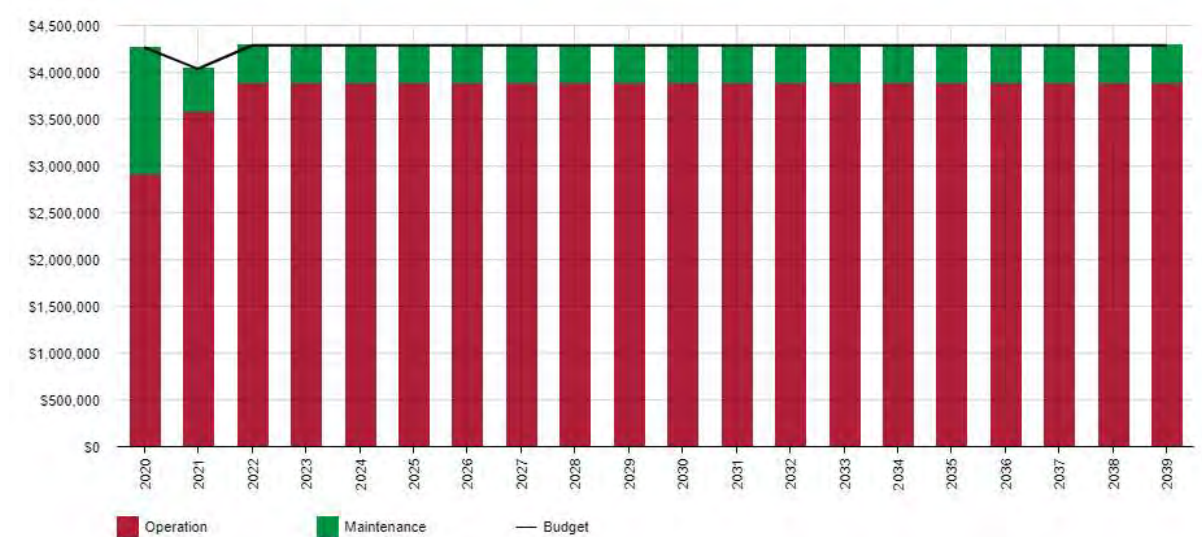
**Table 5.2.2: Asset Service Hierarchy**

Service Hierarchy	Service Level Objective
Category 1- High (Unsealed Roads, Seaport Structures, Barge Ramps, Airports)	Maintain to a good standard and adapt to changing community needs.
Category 2- Standard (Dredged Channels, Roads, Seawalls).	Maintain to a good standard and adapt to changing community needs.
Category 3- Low (Airport Fencing, Bridges, Drainage, Footpaths, Solar lights).	Maintain to a good standard and adapt to changing community needs.

### Summary of forecast operations and maintenance costs

Forecast operations and maintenance costs are expected to vary in relation to the total value of the asset stock. If additional assets are acquired, the future operations and maintenance costs are forecast to increase. If assets are disposed of the forecast operation and maintenance costs are expected to decrease. Figure 5.2 shows the forecast operations and maintenance costs relative to the proposed operations and maintenance Planned Budget.

**Figure 5.2: Operations and Maintenance Summary**



All figure values are shown in current day dollars.

The maintenance and operations budget are reactive in nature with little scheduled maintenance apart from compliance and regulatory requirements.

### 5.3 Renewal Plan

Renewal is major capital work which does 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 currently identified from one of two approaches in the Lifecycle Model using asset register data to project the renewal cost (Current replacement cost) and renewal timing (acquisition year plus updated useful life to determine the renewal year).

The typical useful lives of assets used to develop projected asset renewal forecasts are shown in Table 5.3. Asset useful lives were last reviewed on June 2020 as part of a full Valuation,

**Table 5.3: Useful Lives of Assets**

Asset (Sub)Category	Useful life in Years
Airport Fencing	15
Airport Structures	10 - 100
Airport Surfacing	0 - 100
Barge Ramps	0-50
Drainage	20 -50
Dredged Channels	0-30
Footpaths	0-100

Other Infrastructure	1 - 20
Road Formation	0-100
Road Pavement	3-100
Road Surfacing	0-100
Seaport Structures	25-50
Seawalls	10-50
Solar Lights	10-15
Subdivision (Sea Walls)	50

The estimates for renewals in this AM Plan were based on the asset register Including all components associated with the primary asset.

### 5.3.1 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 a wharf that does not comply with existing construction standards), or
- To ensure the infrastructure is of sufficient quality to meet the service requirements (e.g. condition of a road to meet legislative guidelines).<sup>6</sup>

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

- Have a high consequence of failure,
- Have high use and subsequent impact on users would be significant,
- Have higher than expected operational or maintenance costs, and
- Have potential to reduce life cycle costs by replacement with a modern equivalent asset that would provide the equivalent service.<sup>7</sup>

The ranking criteria used to determine priority of identified renewal proposals is detailed in Table 5.3.1.

**Table 5.3.1: Renewal Priority Ranking Criteria**

Criteria	Weighting
Sustainability Matrix	TBD
<b>Total</b>	<b>100%</b>

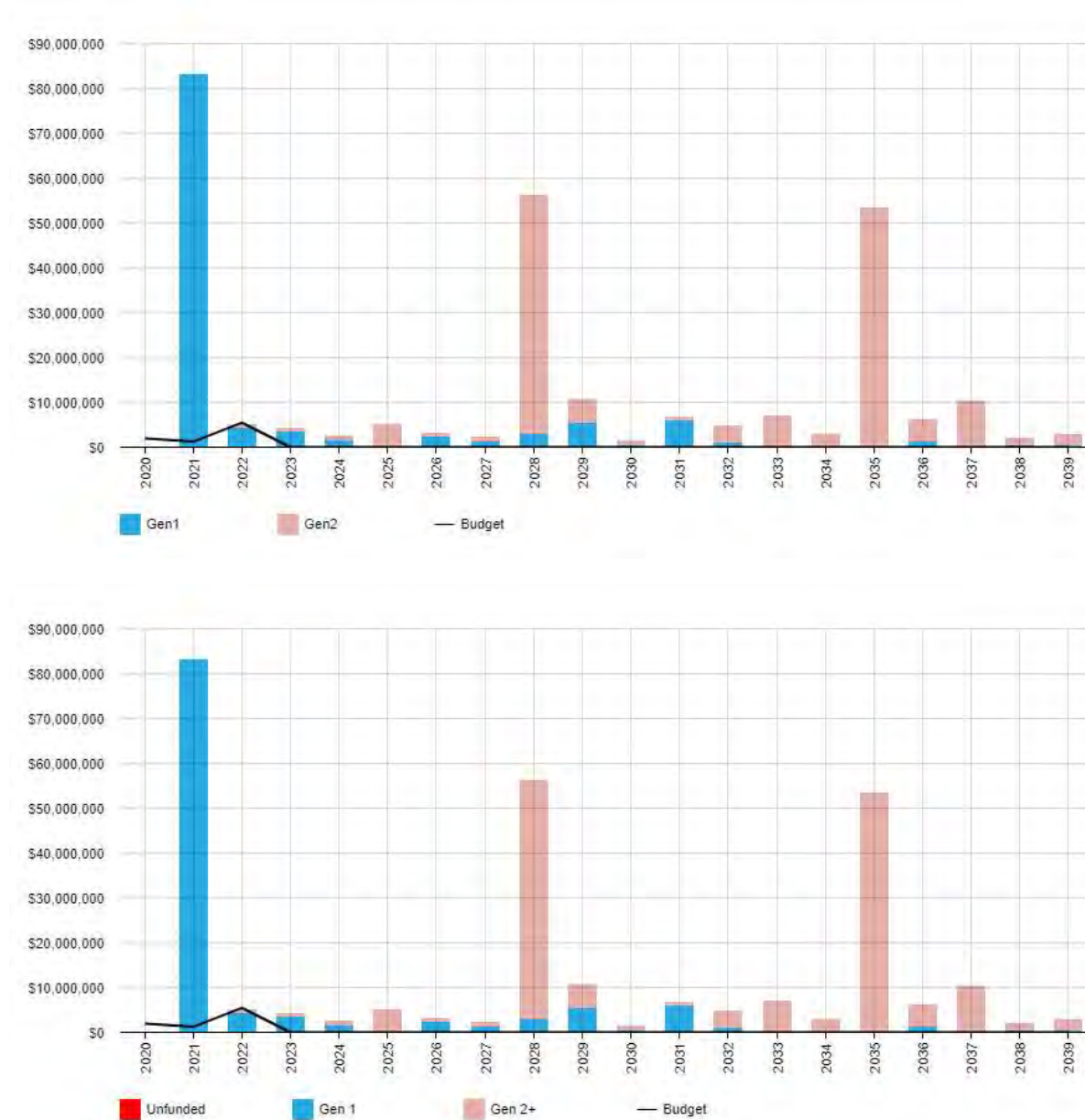
<sup>6</sup> IPWEA, 2015, IIMM, Sec 3.4.4, p 3|91.

<sup>7</sup> Based on IPWEA, 2015, IIMM, Sec 3.4.5, p 3|97.

## 5.4 Summary of future renewal costs

Forecast renewal costs are projected to increase over time if the asset stock increases. The forecast costs associated with renewals are shown relative to the proposed renewal budget in Figure 5.4.1. A detailed summary of the forecast renewal costs is shown in Appendix D.

**Figure 5.4.1: Forecast Renewal Costs**



Unfunded – Relates to asset renewals that are not funded in the current year's budget.

Gen 1 – Relates to the “first” generation of asset renewals. The basis of this assessment is derived from data extracted from the 2020 comprehensive valuation and the revised estimated useful life. Due to legacy data from amalgamation a large component has been identified as being requiring renewal in 2021.

Gen 2+ - Relates to subsequent generations of asset renewals.

All figure values are shown in current day dollars.



## 5.5 Acquisition Plan

Acquisition reflects are new assets that did not previously exist 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 the Torres Strait Island Regional Council.

### 5.5.1 Selection criteria

Proposed acquisition of new assets, and upgrade of existing assets, are identified from various sources such as community requests, proposals identified by strategic plans or partnerships with others. Potential upgrade and new works should be reviewed to verify that they are essential to the Entities needs. Proposed upgrade and new work analysis should also include the development of a preliminary renewal estimate to ensure that the services are sustainable over the longer term. Verified proposals can then be ranked by priority and available funds and scheduled in future works programmes. The priority ranking criteria is detailed in Table 5.5.1.

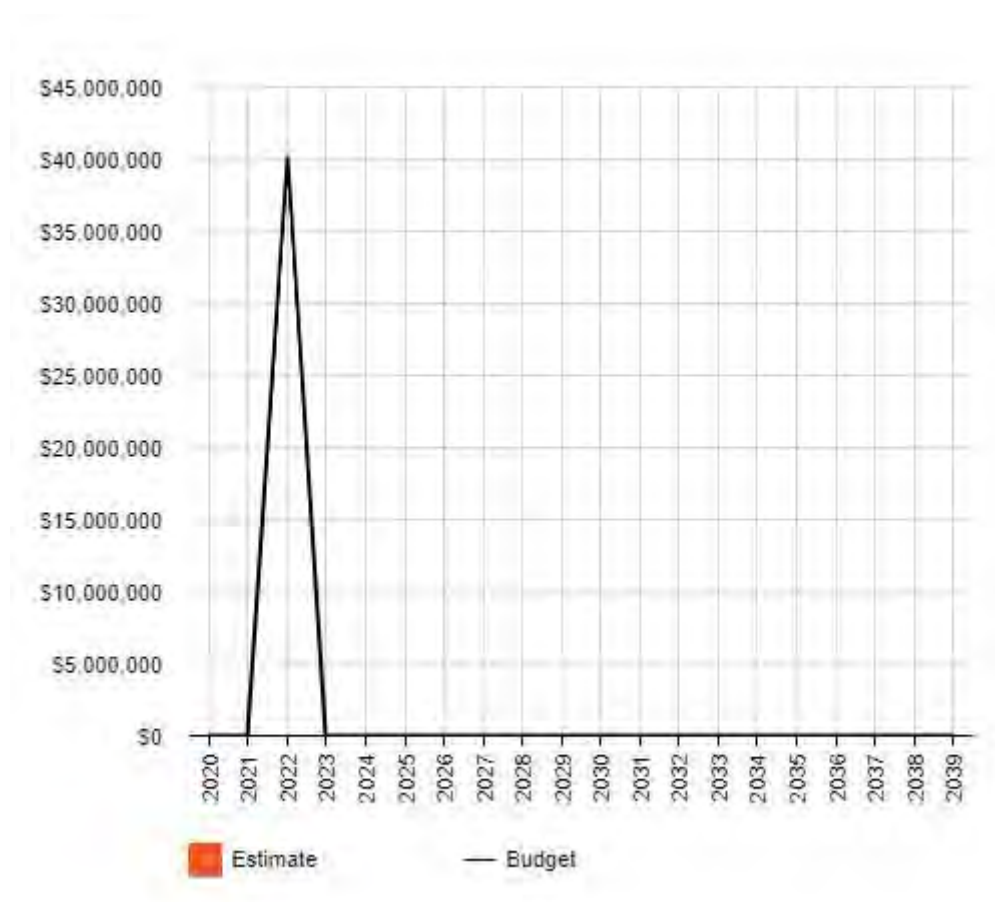
**Table 5.5.1: Acquired Assets Priority Ranking Criteria**

Criteria	Weighting
Not applicable to this class currently due to no long-term planning.	N/A
<b>Total</b>	<b>100%</b>

### Summary of future asset acquisition costs

Forecast acquisition asset costs are summarised / summarized in Figure 5.5.1 and shown relative to the proposed acquisition budget. The forecast acquisition capital works program is shown in Appendix A.

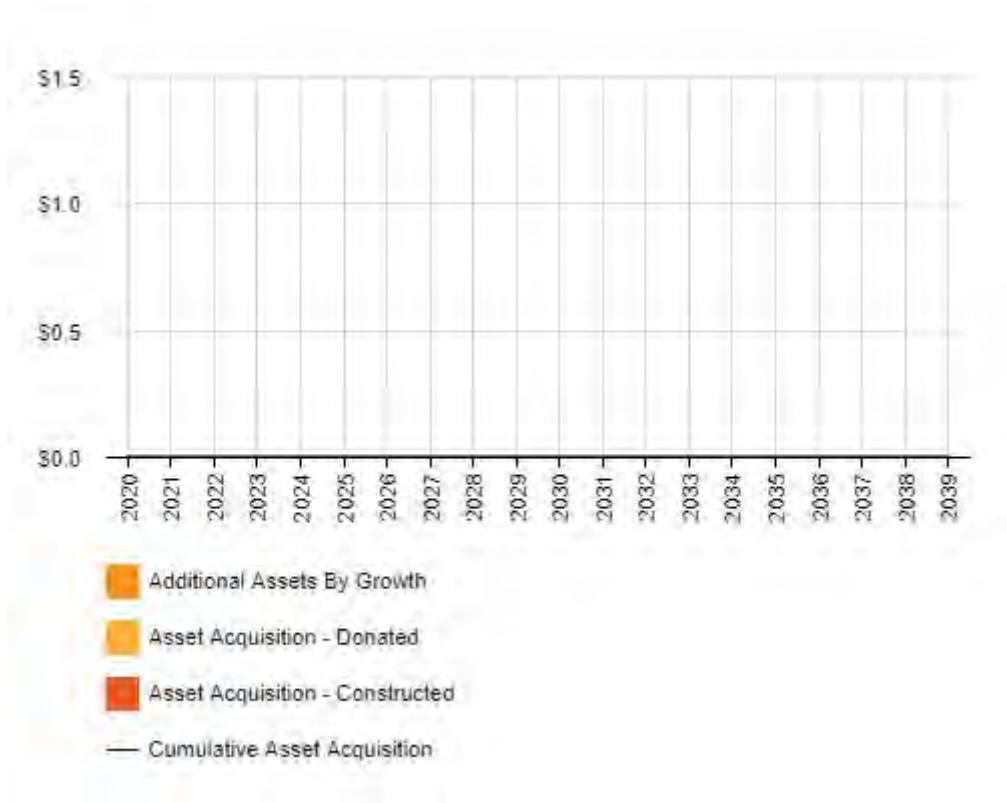
**Figure 5.5.1: Acquisition (Constructed) Summary**



All figure values are shown in current day dollars.

When an Entity commits to new assets, they must be prepared to fund future operations, maintenance and renewal costs. They must also account for future depreciation when reviewing long term sustainability. When reviewing the long-term impacts of asset acquisition, it is useful to consider the cumulative value of the acquired assets being taken on by the Entity. The cumulative value of all acquisition work, including assets that are constructed and contributed shown in Figure 5.5.2.

Figure 5.5.2: Acquisition Summary



All figure values are shown in current dollars.

Expenditure on new assets and services in the capital works program will be accommodated in the long-term financial plan, but only to the extent that there is available funding.

Add discussion about the forecast acquisition costs compared to the proposed new budget. Comment on any apparent trends and highlight significant projects. Highlight about the impact of new assets e.g. acquiring these new assets will commit the funding of ongoing operations, maintenance and renewal costs for the period that the service provided from the assets is required.

5.6 Disposal Plan

Disposal includes any activity associated with the disposal of a decommissioned asset including sale, demolition or relocation. Assets identified for possible decommissioning and disposal are shown in Table 5.6. A summary of the disposal costs and estimated reductions in annual operations and maintenance of disposing of the assets are also outlined in Table 5.6. Any costs or revenue gained from asset disposals is included in the long-term financial plan.

**Table 5.6: Assets Identified for Disposal**

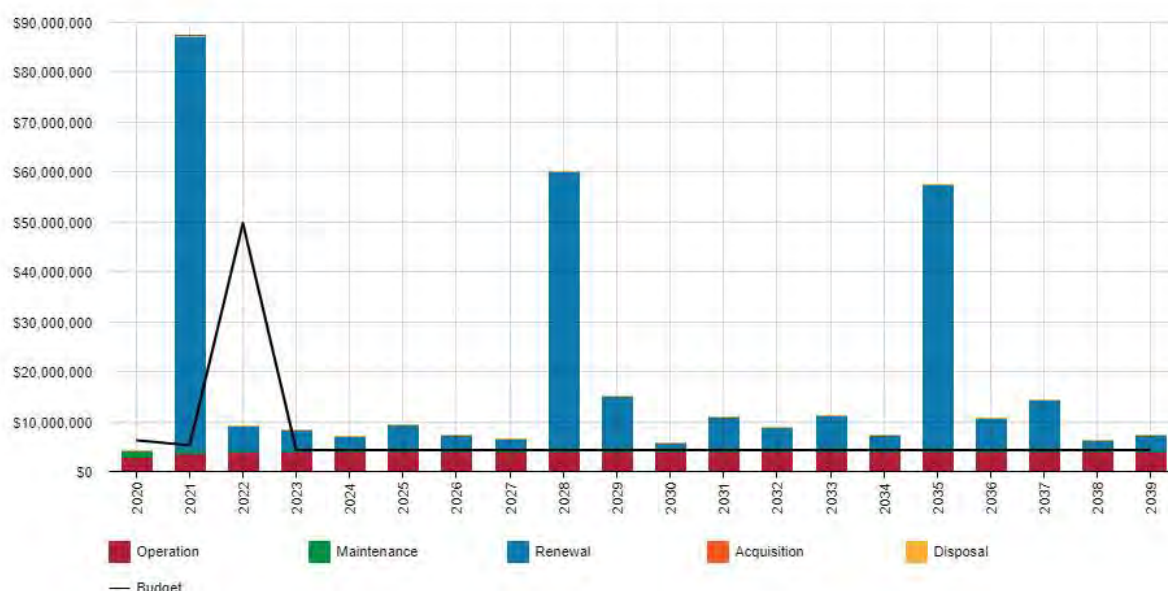
Asset	Reason for Disposal	Timing	Disposal Costs \$	Operations & Maintenance Annual Savings \$
No Assets Identified for Disposal	N/A	N/A	N/A	N/A

## 5.7 Summary of asset forecast costs

The financial projections from this asset plan are shown in Figure 5.7.1. These projections include forecast costs for acquisition, operation, maintenance, renewal, and disposal. These forecast costs are shown relative to the proposed budget.

The bars in the graphs represent the forecast costs needed to minimise the life cycle costs associated with the service provision. The proposed budget line indicates the estimate of available funding. The gap between the forecast work and the proposed budget is the basis of the discussion on achieving balance between costs, levels of service and risk to achieve the best value outcome.

**Figure 5.7.1: Lifecycle Summary**



All figure values are shown in current day dollars.

Figure Values are in current dollars.

We plan to provide Roads and Transport network services for the following:

- Operation, maintenance, renewal and acquisition of Roads and Transport network assets to meet service levels set by Torres Strait Island Regional Council in annual budgets.

## 6.0 RISK MANAGEMENT PLANNING

The purpose of infrastructure risk management is to document the findings and recommendations resulting from the periodic identification, assessment and treatment of risks associated with providing services from infrastructure, using the fundamentals of International Standard ISO 31000:2018 Risk management – Principles and guidelines.

Risk Management is defined in ISO 31000:2018 as: ‘coordinated activities to direct and control with regard to risk’<sup>8</sup>.

An assessment of risks<sup>9</sup> associated with service delivery will identify risks that will result in loss or reduction in service, personal injury, environmental impacts, a ‘financial shock’, reputational impacts, or other consequences. The risk assessment process identifies credible risks, the likelihood of the risk event occurring, and the consequences should the event occur. The risk assessment should also include the development of a risk rating, evaluation of the risks and development of a risk treatment plan for those risks that are deemed to be non-acceptable.

### 6.1 Critical Assets

Critical assets are defined as those which have a high consequence of failure causing significant loss or reduction of service. Critical assets have been identified and along with their typical failure mode, and the impact on service delivery, are summarised in Table 6.1. Failure modes may include physical failure, collapse or essential service interruption.

**Table 6.1 Critical Assets**

Critical Asset(s)	Failure Mode	Impact
Unsealed Roads	Loss of gravel re-sheeting, rutting, corrugations	Inability to access services or damage to property
Jetties	Damage to critical structural sections	Inability to access island to provide supply
Barge Ramps	Damage to landing area making area unsafe for loading	Inability to access island to provide supply
Airports	Damage to airport pavement making airstrip unserviceable	Inability to access island by air restricting movement or for emergency services

By identifying critical assets and failure modes an organisation can ensure that investigative activities, condition inspection programs, maintenance and capital expenditure plans are targeted at critical assets.

### 6.2 Risk Assessment

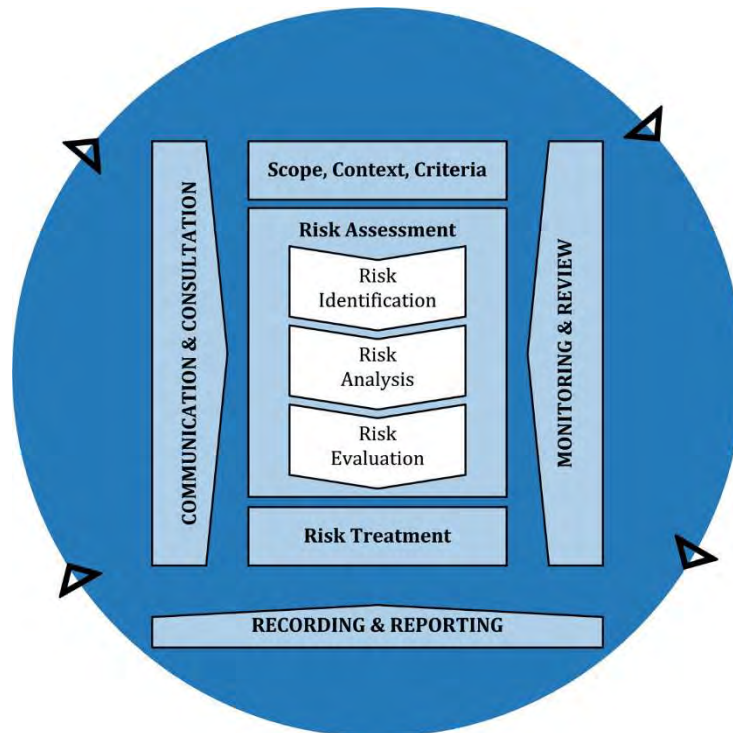
The risk management process used is shown in Figure 6.2 below.

It is an analysis and problem-solving technique designed to provide a logical process for the selection of treatment plans and management actions to protect the community against unacceptable risks.

The process is based on the fundamentals of International Standard ISO 31000:2018.

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<sup>8</sup> ISO 31000:2009, p 2



**Fig 6.2 Risk Management Process – Abridged**  
Source: ISO 31000:2018, Figure 1, p9

The risk assessment process identifies credible risks, the likelihood of the risk event occurring, the consequences should the event occur, development of a risk rating, evaluation of the risk and development of a risk treatment plan for non-acceptable risks.

An assessment of risks<sup>10</sup> associated with service delivery will identify risks that will result in loss or reduction in service, personal injury, environmental impacts, a ‘financial shock’, reputational impacts, or other consequences.

Critical risks are those assessed with ‘Very High’ (requiring immediate corrective action) and ‘High’ (requiring corrective action) risk ratings identified in the Infrastructure Risk Management Plan. The residual risk and treatment costs of implementing the selected treatment plan is shown in Table 6.2. It is essential that these critical risks and costs are reported to management and the Torres Strait Island Regional Council.

**Table 6.2: Risks and Treatment Plans**

<sup>10</sup> REPLACE with Reference to the Corporate or Infrastructure Risk Management Plan as the footnote

Service or Asset at Risk	What can Happen	Risk Rating (VH, H)	Risk Treatment Plan	Residual Risk *	Treatment Costs \$
Inability to attract skilled employees for key positions in a timely manner	Unable to meet corporate governance, asset management etc. requirements	VH	a) Selective in recruitment process b) Use of recruitment firms c) Training within to meet selection criteria (for TSIs) d) Advertising (internal and external) e) Increase in number of specialist positions located in Cairns (albeit still limited) f) Increased flexibility in salary / benefits packaging 'specialist positions' g) Training & development enhancements including training needs analysis h) Formal succession planning for key roles	H	TBD
Impact of climate change on islands	a) Operational impact  b) Health and wellbeing of community  c) Reputational damage	VH	a) Land use planning allows for changes to high water marks. b) Building design for new houses (including materials). c) Raising houses. d) Temporary sea walls. e) Funding for permanent (engineered) sea walls - in progress. f) Active LDMG (local Disaster Management Group) and active plan (review and update every 6 months); stored on website. g) Disaster Management Officer in council. h) King Tide subgroup (management plan - protective and reactive mitigation).	H	TBD
Disruption of supplies / transport to islands as a result of logistics failure or supplier withdrawal from TSI	a) Operational impact  b) Health and wellbeing of community  c) Reputational damage	VH	a) Increased stores of goods on individual islands leading into bad weather and ability to share b) Improved understanding of usage and restock levels required c) Communication with local communities to limit use of essential supplies prior to known event that will affect supply chain d) Fuel stores supplied on more frequent basis (minimum weekly). e) Airport reporting systems	H	TBD

Reduction or withdrawal of State and/or federal government funding required to carry on business	a) Unable to deliver LG services to community b) Unable to meet corporate governance requirements c) Reduction or withdrawal of future funding d) Reputation damage	VH	a) Complying with govt dept requirements b) Specific compliance around Local Govt Act (asset management, financial management) c) Forward planning regarding acquittals d) Lobbying of ministers and senior department heads e) First time in budget surplus (cash) f) Transfer of non-core functions to appropriate government body	H	TBD
Inadequacy of process to respond to and act upon natural disasters	a) Damage to island infrastructure b) Health and welfare of community	VH	a) Contingency plans, including post event reviews b) Dedicated position c) Liaison with SES and operators / volunteers on each island (paid)	H	TBD
Environmental event resulting in financial and reputational damage	a) Severe environmental harm b) Injury to members of community c) Fines from DERM d) Individual held responsible	VH	a) Environmental management plans in place b) Appropriate staff employed with necessary skillset c) Training of staff	H	TBD
Failure in project management resulting in increased costs (delivery and operations)	a) Budget blowouts  b) Missed deadline for completion  c) Financial impact (maintenance etc)	VH	a) Participation in external committees with loud voice. b) Increase in number of contracts being correctly reviewed and drafted (legal and finance). c) Regular chase ups / follow ups / introduction of reporting mechanism that enables councillors to follow up. d) Appointed project manager / director for major projects, (increased dedicated project management resources - internal and external). e) Independent financial scrutiny on projects. f) Procurement policy. g) Increased requirements of project managers imposed by council. h) Increased requirements resulting from Local Government Act 2009 / Local Government Regulation 2012.	H	TBD

Inability to implement proper land use planning resulting in lack of proper infrastructure	a) Out of sequence developments b) Lack of proper infrastructure c) Health and welfare of community	VH	a) Land use plans in place b) Contract town planner c) Planning system in place (council considers DAs)	M	TBD
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Note \* The residual risk is the risk remaining after the selected risk treatment plan is implemented.

### 6.3 Infrastructure Resilience Approach

The resilience of our critical infrastructure is vital to the ongoing provision of services to customers. To adapt to changing conditions we need to understand our capacity to 'withstand a given level of stress or demand', and to respond to possible disruptions to ensure continuity of service.

Resilience recovery planning, financial capacity, climate change risk assessment and crisis leadership.

Our current measure of resilience is shown in Table 6.3 which includes the type of threats and hazards and the current measures that the organisation takes to ensure service delivery resilience.



**Table 6.3: Resilience Assessment**

Threat / Hazard	Assessment Method	Current Resilience Approach
N/A	N/A	N/A

We do not currently measure our resilience in service delivery. This will be included in future iterations of the AM Plan.

## **6.4 Service and Risk Trade-Offs**

The decisions made in adopting this AM Plan are based on the objective to achieve the optimum benefits from the available resources.

### **6.4.1 What we cannot do**

There are some operations and maintenance activities and capital projects that are unable to be undertaken within the next 10 years. These include:

- Implementation of suitable levels of maintenance to stop the rapid degradation of Transport Assets, after years of maintenance funding restrictions.
- General maintenance to all priority Transport Assets to bring them up to suitable operational status.
- Planned/preventative maintenance.
- Construct new Transport assets including wharves. Unsafe road conditions for users
- Unserviceable and unsafe Aerodromes, not meeting CASA compliance to maintain operations
- Unsafe Jetties for users
- Betterment due to grant funding restrictions

### **6.4.2 Service trade-off**

If there is forecast work (operations, maintenance, renewal, acquisition or disposal) that cannot be undertaken due to available resources, then this will result in service consequences for users. These service consequences include:

- No forecast works scheduled at this point in. All work undertaken on a prioritised reactive basis.

### **6.4.3 Risk trade-off**

The operations and maintenance activities and capital projects that cannot be undertaken may sustain or create risk consequences. These risk consequences include:

- Increased maintenance services costs
- Increased ageing of Assets and acceleration physical deterioration reduced community expectations.

These actions and expenditures are considered and included in the forecast costs, and where developed, the Risk Management Plan.

## 7.0 FINANCIAL SUMMARY

This section contains the financial requirements resulting from the information presented in the previous sections of this AM Plan. The financial projections will be improved as the discussion on desired levels of service and asset performance matures.

### 7.1 Financial Sustainability and Projections

#### 7.1.1 Sustainability of service delivery

There are two key indicators of sustainable service delivery that are considered in the AM Plan for this service area. The two indicators are the:

- asset renewal funding ratio (proposed renewal budget for the next 10 years / forecast renewal costs for next 10 years), and
- medium term forecast costs/proposed budget (over 10 years of the planning period).

##### Asset Renewal Funding Ratio

Asset Renewal Funding Ratio<sup>11</sup> 5.03%

The Asset Renewal Funding Ratio is an important indicator and illustrates that over the next 10 years we expect to have 5.03% of the funds required for the optimal renewal of assets.

The forecast renewal works along with the proposed renewal budget, and the cumulative shortfall, is illustrated in Appendix D.

##### Medium term – 10-year financial planning period

This AM Plan identifies the forecast operations, maintenance and renewal costs required to provide an agreed level of service to the community over a 10 year period. This provides input into 10 year financial and funding plans aimed at providing the required services in a sustainable manner.

This forecast work can be compared to the proposed budget over the first 10 years of the planning period to identify any funding shortfall.

The forecast operations, maintenance and renewal costs over the 10 year planning period is \$21,453,554 average per year.

The proposed (budget) operations, maintenance and renewal funding is \$5,124,611 on average per year giving a 10 year funding shortfall of (\$16,328,943) per year. This indicates that 23.89% of the forecast costs needed to provide the services documented in this AM Plan are accommodated in the proposed budget. Note, these calculations exclude acquired assets.

Providing sustainable services from infrastructure requires the management of service levels, risks, forecast outlays and financing to achieve a financial indicator of approximately 1.0 for the first years of the AM Plan and ideally over the 10 year life of the Long-Term Financial Plan.

#### 7.1.2 Forecast Costs (outlays) for the long-term financial plan

Table 7.1.3 shows the forecast costs (outlays) required for consideration in the 10 year long-term financial plan.

Providing services in a financially sustainable manner requires a balance between the forecast outlays required to deliver the agreed service levels with the planned budget allocations in the long-term financial plan.

A gap between the forecast outlays and the amounts allocated in the financial plan indicates further work is required on reviewing service levels in the AM Plan (including possibly revising the long-term financial plan).

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<sup>11</sup> AIFMM, 2015, Version 1.0, Financial Sustainability Indicator 3, Sec 2.6, p 9.

We will manage the 'gap' by developing this AM Plan to provide guidance on future service levels and resources required to provide these services in consultation with the community.

Forecast costs are shown in 2020-dollar values.

**Table 7.1.2: Forecast Costs (Outlays) for the Long-Term Financial Plan**

Year	Acquisition \$	Operation \$	Maintenance \$	Renewal \$	Disposal \$
2020	0	2,913,772	1,350,613	0	0
2021	0	3,581,366	454,577	83,151,104	0
2022	0	3,882,871	404,830	4,858,500	0
2023	0	3,882,871	404,830	4,105,700	0
2024	0	3,882,871	404,830	2,725,800	0
2025	0	3,882,871	404,830	5,108,000	0
2026	0	3,882,871	404,830	3,084,900	0
2027	0	3,882,871	404,830	2,331,300	0
2028	0	3,882,871	404,830	55,890,500	0
2029	0	3,882,871	404,830	10,677,800	0
2030	0	3,882,871	404,830	1,488,600	0
2031	0	3,882,871	404,830	6,738,850	0
2032	0	3,882,871	404,830	4,524,900	0
2033	0	3,882,871	404,830	6,982,800	0
2034	0	3,882,871	404,830	2,955,800	0
2035	0	3,882,871	404,830	53,224,300	0
2036	0	3,882,871	404,830	6,293,400	0
2037	0	3,882,871	404,830	10,100,500	0
2038	0	3,882,871	404,830	1,859,600	0
2039	0	3,882,871	404,830	2,900,700	0

## 7.2 Funding Strategy

The proposed funding for assets is outlined in the Entity's budget and long-Term financial plan.

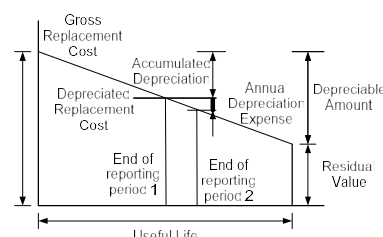
The financial strategy of the entity determines how funding will be provided, whereas the AM Plan communicates how and when this will be spent, along with the service and risk consequences of various service alternatives.

## 7.3 Valuation Forecasts

### 7.3.1 Asset valuations

The best available estimate of the value of assets included in this AM Plan are shown below:

Replacement Cost (Current/Gross)	\$375,841,750
Depreciable Amount	\$375,841,750
Depreciated Replacement Cost <sup>12</sup>	\$209,276,784
Depreciation	\$16,674,021



### 7.3.2 Valuation forecast

Asset values are forecast to increase as additional assets are added to the service.

Additional assets will generally add to the operations and maintenance needs in the longer term. Additional assets will also require additional costs due to future renewals. Any additional assets will also add to future depreciation forecasts.

## 7.4 Key Assumptions Made in Financial Forecasts

In compiling this AM Plan, it was necessary to make some assumptions. This section details the key assumptions made in the development of this AM plan and should provide readers with an understanding of the level of confidence in the data behind the financial forecasts.

Key assumptions made in this AM Plan are:

- Assumptions made around the maintenance and operations budget.
- Renewals are based on the fixed asset register replacement and maybe unreliable for renewal forecasting.
- Capital costs for renewals are based on the replacement costs developed as a part of the valuations.
- Capital funding is fixed based on the current year funding over each year.
- No Asset acquisitions and disposals are planned with the exception of the current seawall program.

## 7.5 Forecast Reliability and Confidence

The forecast costs, proposed budgets, and valuation projections in this AM Plan are based on the best available data. For effective asset and financial management, it is critical that the information is current and accurate. Data confidence is classified on a A - E level scale<sup>13</sup> in accordance with Table 7.5.1.

**Table 7.5.1: Data Confidence Grading System**

Confidence Grade	Description
A. Very High	Data based on sound records, procedures, investigations and analysis, documented properly and agreed as the best method of assessment. Dataset is complete and estimated to be accurate $\pm$ 2%
B. High	Data based on sound records, procedures, investigations and analysis, documented properly but has minor shortcomings, for example some of the data is old, some

<sup>12</sup> Also reported as Written Down Value, Carrying or Net Book Value.

<sup>13</sup> IPWEA, 2015, IIMM, Table 2.4.6, p 2|71.

Confidence Grade	Description
	documentation is missing and/or reliance is placed on unconfirmed reports or some extrapolation. Dataset is complete and estimated to be accurate $\pm 10\%$
C. Medium	Data based on sound records, procedures, investigations and analysis which is incomplete or unsupported, or extrapolated from a limited sample for which grade A or B data are available. Dataset is substantially complete but up to 50% is extrapolated data and accuracy estimated $\pm 25\%$
D. Low	Data is based on unconfirmed verbal reports and/or cursory inspections and analysis. Dataset may not be fully complete, and most data is estimated or extrapolated. Accuracy $\pm 40\%$
E. Very Low	None or very little data held.

The estimated confidence level for and reliability of data used in this AM Plan is shown in Table 7.5.2.

**Table 7.5.2: Data Confidence Assessment for Data used in AM Plan**

Data	Confidence Assessment	Comment
Demand drivers	Low	Business not currently in line with this function
Growth projections	Low	Business not currently in line with this function
Acquisition forecast	Low	Business not currently in line with this function
Operation forecast	Low	Business not currently in line with this function
Maintenance forecast	Low	Business not currently in line with this function
Renewal forecast	Low	Business not currently in line with this function
- Asset values		
- Asset useful lives	Low	Business not currently in line with this function
- Condition modelling	Low	Business not currently in line with this function
Disposal forecast	Low	Business not currently in line with this function

The estimated confidence level for and reliability of data used in this AM Plan is considered to be a Low Confidence Level.

## 8.0 PLAN IMPROVEMENT AND MONITORING

### 8.1 Status of Asset Management Practices<sup>14</sup>

#### 8.1.1 Accounting and financial data sources

This AM Plan utilises accounting and financial data. The source of the data is Technology One ERP system

#### 8.1.2 Asset management data sources

This AM Plan also utilises asset management data. The source of the data Technology One ERP system.

### 8.2 Improvement Plan

It is important that an entity recognise areas of their AM Plan and planning process that require future improvements to ensure effective asset management and informed decision making. The improvement plan generated from this AM Plan is shown in Table 8.2.

**Table 8.2: Improvement Plan**

Task	Task	Responsibility	Resources Required	Timeline
1	Develop a detailed 10-year Capital Works Program	Principal Engineer – Divisional Operations	Staff	2022
2	Review of remaining life of assets and update where necessary	Principal Engineer – Divisional Operations	Staff	2022
3	Develop a budget for the detailed 10-year capital works program	Principal Engineer – Divisional Operations	Staff	2022
4	Develop systems to capture levels of service performance indicators	Principal Engineer – Divisional Operations	Staff	2021
5	Review the risk register	Principal Engineer – Divisional Operations	Staff	2021
6	Assets broken down into components for renewal purposes	Principal Engineer – Divisional Operations	Staff	2022
7	Capture all attributes relating to assets and their environment. Update remaining life accordingly	Principal Engineer – Divisional Operations	Staff	2022

### 8.3 Monitoring and Review Procedures

This AM Plan will be reviewed during the annual budget planning process and revised to show any material changes in service levels, risks, forecast costs and proposed budgets as a result of budget decisions.

The AM Plan will be reviewed and updated annually to ensure it represents the current service level, asset values, forecast operations, maintenance, renewals, acquisition and asset disposal costs and planned budgets. These forecast costs and proposed budget are incorporated into the Long-Term Financial Plan or will be incorporated into the Long-Term Financial Plan once completed.

---

<sup>14</sup> ISO 55000 Refers to this as the Asset Management System

The AM Plan has a maximum life of 4 years and is due for complete revision and updating within 12 months of each Council election..

#### **8.4 Performance Measures**

The effectiveness of this AM Plan can be measured in the following ways:

- The degree to which the required forecast costs identified in this AM Plan are incorporated into the long-term financial plan,
- The degree to which the 1–5-year detailed works programs, budgets, business plans and corporate structures consider the ‘global’ works program trends provided by the AM Plan,
- The degree to which the existing and projected service levels and service consequences, risks and residual risks are incorporated into the Strategic Planning documents and associated plans,
- The Asset Renewal Funding Ratio achieving the Organisational target (this target is often 90 – 100%).

## 9.0 REFERENCES

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- ISO, 2014, ISO 55000:2014, Overview, principles and terminology
- ISO, 2018, ISO 31000:2018, Risk management – Guidelines
- Strategic Asset Management Plan 2021-2023
- 2020 Annual Report
- Corporate Plan 2020-2025
- Operational Plan 2020/21
- Deputations 2020



## 10.0 APPENDICES

### Appendix A Acquisition Forecast

#### A.1 – Acquisition Forecast Assumptions and Source

The only acquisition forecast relates to the introduction of new Seawalls that have been recently included in this asset class.

#### A.2 – Acquisition Project Summary

Project Details			
Task	Task Description	Location	Budget \$
0001489	Boigu Island Seawalls Phase 2.	Boigu	15,000,000
0001490	Poruma Seawall Construction Stage 2	Poruma	5,000,000
0001526	Warraber Coastal Defence Structures	Warraber	7,000,000
0001527	Construct Coastal Defence Structures	Masig	6,000,000
0001528	Iama Coastal Defence Structure	Iama	7,000,000
5	Total Tasks Costs for WIP		\$40,000,000

#### A.3 – Acquisition Forecast Summary

Recommend using NAMS+ Outputs Summary for Acquisition

*Table A3 - Acquisition Forecast Summary*

Year	Constructed \$	Donated \$	Growth \$
2020	0	0	0
2021	0	0	0
2022	0	0	0
2023	0	0	0
2024	0	0	0
2025	0	0	0
2026	0	0	0
2027	0	0	0
2028	0	0	0
2029	0	0	0
2030	0	0	0
2031	0	0	0
2032	0	0	0
2033	0	0	0
2034	0	0	0
2035	0	0	0
2036	0	0	0
2037	0	0	0
2038	0	0	0
2039	0	0	0

## Appendix B      Operation Forecast

### B.1 – Operation Forecast Assumptions and Source

- Review of 2020 and 2021 FYE costs and projected Budget 2022 FYE undertaken, and remainder of projections based on 2022 budget due to lack of more detailed projections

### B.2 – Operation Forecast Summary

Recommend using NAMS+ Outputs Summary for Operation

**Table B2 - Operation Forecast Summary**

Year	Operation Forecast \$	Additional Operation Forecast \$	Total Operation Forecast \$
2020	2,913,772	0	2,913,772
2021	3,581,366	0	3,581,366
2022	3,882,871	0	3,882,871
2023	3,882,871	0	3,882,871
2024	3,882,871	0	3,882,871
2025	3,882,871	0	3,882,871
2026	3,882,871	0	3,882,871
2027	3,882,871	0	3,882,871
2028	3,882,871	0	3,882,871
2029	3,882,871	0	3,882,871
2030	3,882,871	0	3,882,871
2031	3,882,871	0	3,882,871
2032	3,882,871	0	3,882,871
2033	3,882,871	0	3,882,871
2034	3,882,871	0	3,882,871
2035	3,882,871	0	3,882,871
2036	3,882,871	0	3,882,871
2037	3,882,871	0	3,882,871
2038	3,882,871	0	3,882,871
2039	3,882,871	0	3,882,871

## Appendix C Maintenance Forecast

### C.1 – Maintenance Forecast Assumptions and Source

- Review of 2020 and 2021 FYE costs and projected Budget 2022 FYE undertaken, and remainder of projections based on 2022 budget due to lack of more detailed projections

### C.2 – Maintenance Forecast Summary

Recommend using NAMS+ Outputs Summary for Maintenance

**Table C2 - Maintenance Forecast Summary**

Year	Maintenance Forecast \$	Additional Maintenance Forecast \$	Total Maintenance Forecast \$
2020	1,350,613	0	1,350,613
2021	454,577	0	454,577
2022	404,830	0	404,830
2023	404,830	0	404,830
2024	404,830	0	404,830
2025	404,830	0	404,830
2026	404,830	0	404,830
2027	404,830	0	404,830
2028	404,830	0	404,830
2029	404,830	0	404,830
2030	404,830	0	404,830
2031	404,830	0	404,830
2032	404,830	0	404,830
2033	404,830	0	404,830
2034	404,830	0	404,830
2035	404,830	0	404,830
2036	404,830	0	404,830
2037	404,830	0	404,830
2038	404,830	0	404,830
2039	404,830	0	404,830

## Appendix D      Renewal Forecast Summary

### D.1 – Renewal Forecast Assumptions and Source

Renewals forecasts are based on TechOne asset registers.

### D.2 – Renewal Project Summary

The project titles included in the lifecycle forecast are based on the asset register useful life  
Insert Renewal table with year project \$Estimate titles.

### D.3 – Renewal Forecast Summary

Statistics are based on using NAMS+ Outputs Summary for Renewal

**Table D3 - Renewal Forecast Summary**

Year	Renewal Forecast \$	Renewal Budget \$
2020	0	1,961,334
2021	83,151,104	1,220,296
2022	4,858,500	5,462,543
2023	4,105,700	0
2024	2,725,800	0
2025	5,108,000	0
2026	3,084,900	0
2027	2,331,300	0
2028	55,890,500	0
2029	10,677,800	0
2030	1,488,600	0
2031	6,738,850	0
2032	4,524,900	0
2033	6,982,800	0
2034	2,955,800	0
2035	53,224,300	0
2036	6,293,400	0
2037	10,100,500	0
2038	1,859,600	0
2039	2,900,700	0

### D.4 –Renewal Plan

Detail output from NAMS+ Report is based on using the Asset Register Method of replacement cost

## Appendix E Disposal Summary

### E.1 – Disposal Forecast Assumptions and Source

Disposals are the result of renewals needing to be removed from the asset register when replacements are undertaken.

### E.2 – Disposal Project Summary

Refer renewal listing for work being undertaken.

### E.3 – Disposal Forecast Summary

Recommend using NAMS+ Outputs Summary for Disposal

**Table E3 – Disposal Activity Summary**

Year	Disposal Forecast \$	Disposal Budget \$
2020	0	0
2021	0	0
2022	0	0
2023	0	0
2024	0	0
2025	0	0
2026	0	0
2027	0	0
2028	0	0
2029	0	0
2030	0	0
2031	0	0
2032	0	0
2033	0	0
2034	0	0
2035	0	0
2036	0	0
2037	0	0
2038	0	0
2039	0	0

## Appendix F      Budget Summary by Lifecycle Activity

Refer previous Appendices for assumptions.

**Table F1 – Budget Summary by Lifecycle Activity**

Year	Acquisition	Operation	Maintenance	Renewal	Disposal	Total
2020	0	2,913,772	1,350,613	1,961,334	0	6225719
2021	0	3,581,366	454,577	1,220,296	0	5256239
2022	40,000,000	3,882,871	404,830	5,462,543	0	49750244
2023	0	3,882,871	404,830	0	0	4,287,701
2024	0	3,882,871	404,830	0	0	4,287,701
2025	0	3,882,871	404,830	0	0	4,287,701
2026	0	3,882,871	404,830	0	0	4,287,701
2027	0	3,882,871	404,830	0	0	4,287,701
2028	0	3,882,871	404,830	0	0	4,287,701
2029	0	3,882,871	404,830	0	0	4,287,701
2030	0	3,882,871	404,830	0	0	4,287,701
2031	0	3,882,871	404,830	0	0	4,287,701
2032	0	3,882,871	404,830	0	0	4,287,701
2033	0	3,882,871	404,830	0	0	4,287,701
2034	0	3,882,871	404,830	0	0	4,287,701
2035	0	3,882,871	404,830	0	0	4,287,701
2036	0	3,882,871	404,830	0	0	4,287,701
2037	0	3,882,871	404,830	0	0	4,287,701
2038	0	3,882,871	404,830	0	0	4,287,701
2039	0	3,882,871	404,830	0	0	4,287,701





# **ASSET MANAGEMENT PLAN**

Torres Strait Islands Regional Council  
Waste Management and Landfill

Document Control		Asset Management Plan			
Document ID : ECM (Record #)					
Rev No	Date	Revision Details	Author	Reviewer	Approver
V1.0	August 2021	Revision to new template Adopted by Council August 2021 Workshops with Asset Class Managers undertaken July 2021	Jarrah Doran-Smith Tony Wynen Norman Griffett	JLL	Jarrah Doran-Smith



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## **1.0 EXECUTIVE SUMMARY**

### **1.1 The Purpose of the Plan**

This Asset Management Plan (AM Plan) details information about infrastructure assets with actions required to provide an agreed level of service in the most cost-effective manner while outlining associated risks. The plan defines the services to be provided, how the services are provided and what funds are required to provide over the 20 year planning period. The AM Plan will link to a Long-Term Financial Plan which typically considers a 10-year planning period.

### **1.2 Asset Description**

This plan covers the infrastructure assets that provide Waste Management and Land Fill.

The Waste Management and Landfill network comprises:

- Waste Landfills.
- Waste Collection.

The above infrastructure assets have replacement value estimated at \$2,680.300 as at the 30<sup>th</sup> June 2020 Valuation and with the 2021 desktop valuation increase of 4.0% would have a value of \$2,787,512.

### **1.3 Levels of Service**

The allocation in the planned budget is insufficient to continue providing existing services at current levels for the planning period.

The main service consequences of the Planned Budget are:

- Loss of Council Services to the Community
  - Environment degradation associated with overstocked landfills.
  - Regulatory non-compliance notices due to overstocked landfills.
  - Management of landfills is further hampered by staff not being on-site full time, allowing community members to leave waste at landfills when unattended.

### **1.4 Future Demand**

The factors influencing future demand and the impacts they have on service delivery are created by:

- Population, Demographics & Grant Funding as listed in Table 4.3.
- Population Forecast See Table 6.
- Climate Change (Sea level Rise) Environmental Degradation.

These demands will be approached using a combination of managing existing assets, upgrading existing assets and providing new assets to meet demand. Demand management practices may also include a combination of non-asset solutions, insuring against risks and managing failures.

- Asset Management Group (AMG) formed reporting to executive level to provide organisational understanding of the assets Whole Of Life, and how this can be influenced and managed responsibly..
- Further educate Asset Class managers and staff on planning principles and understanding of their responsibilities to manage and maintain asset service levels. This will be in the form of training and will be conducted early in the 2021 by an external provider and the Asset Management team.
- Reduce funding being directed to projects not providing core service level outcomes to communities.
- Sustainability Matrix: A prioritisation tool developed to assist in the assessment of capital project submissions and their priority for funding against the pillars of the corporate plan.

- Maintaining existing assets to achieve the maximum useful life possible.
- Upgrading or renewal providing new assets as per demand.

## 1.5 Lifecycle Management Plan

### 1.5.1 What does it Cost?

The forecast lifecycle costs necessary to provide the services covered by this AM Plan includes operation, maintenance, renewal, acquisition, and disposal of assets. Although the AM Plan may be prepared for a range of time periods, it typically informs a Long-Term Financial Planning period of 10 years. Therefore, a summary output from the AM Plan is the forecast of 10-year total outlays, which for the Waste Management & Landfill is estimated as \$12,524,683 or \$1,252,468 on average per year.

## 1.6 Financial Summary

### 1.6.1 What we will do

Estimated available funding for the 10 year period is \$11,188,883 or \$1,118,888 on average per year as per the Long-Term Financial plan or Planned Budget. This is 89.33% of the cost to sustain the current level of service at the lowest lifecycle cost.

The infrastructure reality is that only what is funded in the long-term financial plan can be provided. The Informed decision making depends on the AM Plan emphasising the consequences of Planned Budgets on the service levels provided and risks.

The anticipated Planned Budget for Waste Management & Landfill leaves a shortfall of (\$133,580) on average per year of the forecast lifecycle costs required to provide services in the AM Plan compared with the Planned Budget currently included in the Long-Term Financial Plan. This is shown in the figure below.

**Forecast Lifecycle Costs and Planned Budgets**

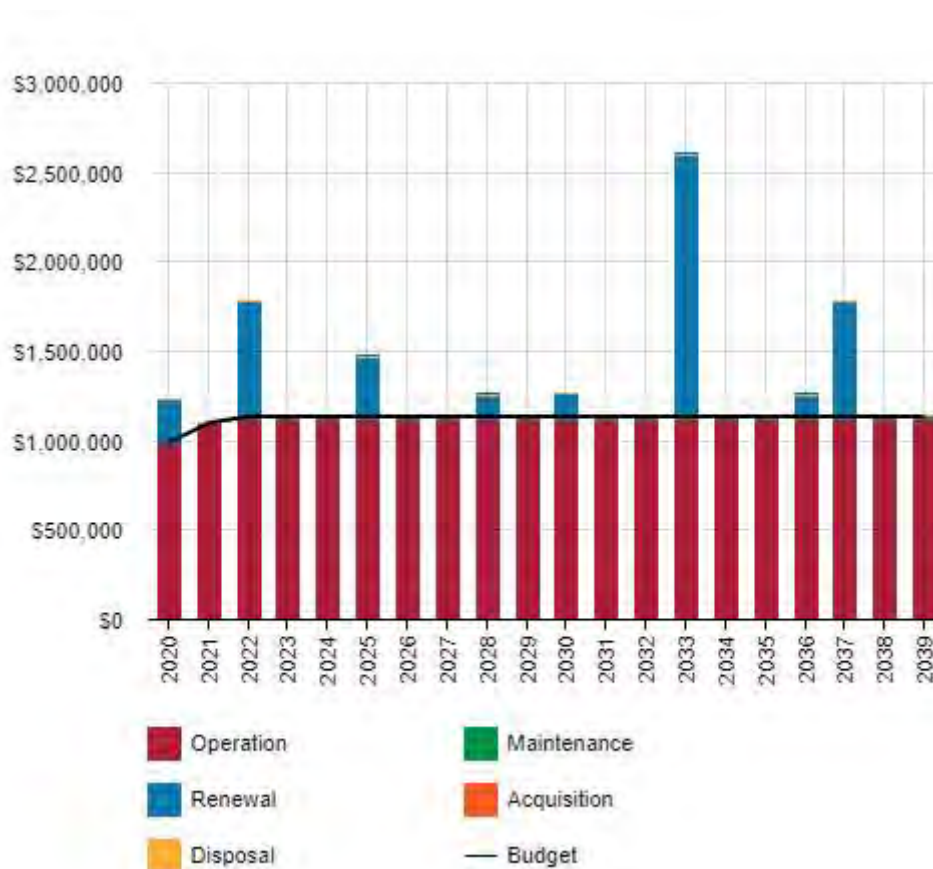


Figure Values are in current dollars.

The following describes the breakdown of values above:

- **Acquisition** – the activities to provide a higher level of service (e.g., widening a road, sealing an unsealed road, replacing a pipeline with a larger size) or a new service that did not exist previously (e.g., a new library).
- **Operation** – the regular activities to provide services (e.g., opening hours, cleansing, 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., road patching, unsealed road grading, building and structure repairs),
- **Renewal** – the activities that return the service capability of an asset up to that which it had originally provided (e.g., road resurfacing and pavement reconstruction, pipeline replacement and building component replacement),
- **Disposal** – Disposal includes any activity associated with the disposal of a decommissioned asset including sale, demolition or relocation.

We plan to provide Waste management & Landfill services for the following:

- Operation, maintenance, renewal, and acquisition of Waste Landfills & Waste Collection to meet service levels set by TSIRC in annual budgets.

#### 1.6.2 What we cannot do

We currently do **not** allocate enough budget to sustain these services at the proposed standard or to provide all new services being sought. Works and services that cannot be provided under present funding levels are:

- Recycle due to current infrastructure.
- Remove Waste.
- Store waste due to compliance issues.

#### 1.6.3 Managing the Risks

Our present budget levels are insufficient to continue to manage risks in the medium term.

The main risk consequences are:

- Environmental Impacts (potential ground water contamination, flooding, tidal inundation).
- Environmental Compliance Issues.
- Health Associated Impacts, ingress of water causing water born disease.
- Financial Risks.

We will endeavour to manage these risks within available funding by:

- Using funding to carry out repairs on a priority needs/breakdown basis.
- Issues of safety will be highest priority.
- Shutting down sections of facilities which cannot be rectified underfunding restraints and do not provide core services.

### 1.7 Asset Management Planning Practices

Key assumptions made in this AM Plan are:

- Funding limited for Operation and Maintenance and no additional forecast to rectify deficiencies.

- No allowances for growth in capital and operating budgets.

Sourced data is the fixed asset register and condition ratings via 2020 valuations to establish renewal requirements. Assets requiring renewal are identified from the asset register.

- The timing of capital renewals based on the asset register is applied by adding the useful life to the year of acquisition or year of last renewal,
- Alternatively, an estimate of renewal lifecycle costs is projected from external condition modelling systems and may be supplemented with, or based on, expert knowledge.

The Asset Register was used to forecast the renewal lifecycle costs for this AM Plan.

This AM Plan is based on a reliable level of confidence information.

## **1.8 Monitoring and Improvement Program**

The next steps resulting from this AM Plan to improve asset management practices are:

- Asset Management Group (AMG) formed reporting to executive level to provide organisational understanding of the assets Whole of Life (WOL), and how this can be influenced and managed responsibly.
- Further educate Asset Class managers and staff on planning principles and understanding of their responsibilities to manage and maintain asset service levels. This will be in the form of training and will be conducted early in the 2021/22 by an external provider and the Asset Management team.
- Seek council assistance and endorsement of acceptable service levels for communities and using this to determine minimum service levels to trigger priority action.
- Seek council assistance and endorsement of acceptable service levels for communities and using this to determine minimum service levels to trigger priority action.
- Implementation of NAMS+ (IPEWA) to assist and improve data integrity and analysis using the analysis tools retained within the software product
- TechOne enhancement Project to further improve on identification and defect management.

## **2.0 Introduction**

### **2.1 Background**

This AM Plan communicates the requirements for the sustainable delivery of services through management of assets, compliance with regulatory requirements, and required funding to provide the appropriate levels of service over the planning period.

The AM Plan is to be read with the Torres Strait Islands Regional Council planning documents. This should include the Asset Management Policy and Asset Management Strategy, where developed, along with other key planning documents:

- Corporate Plan 2020-2025
- Operational Plan 2020/2021
- Annual Report 2020
- Capital Sustainability Matrix
- Annual Budget
- Deputations 2020

Comment on the current status of Asset Management in the Organisation.

The infrastructure assets covered by this AM Plan include Community based landfills and other waste management equipment. For a detailed summary of the assets covered in this AM Plan refer to Table in Section 5.

These assets are used to provide community Waste Management services.

The infrastructure assets included in this plan have a total replacement value of \$2,680,300

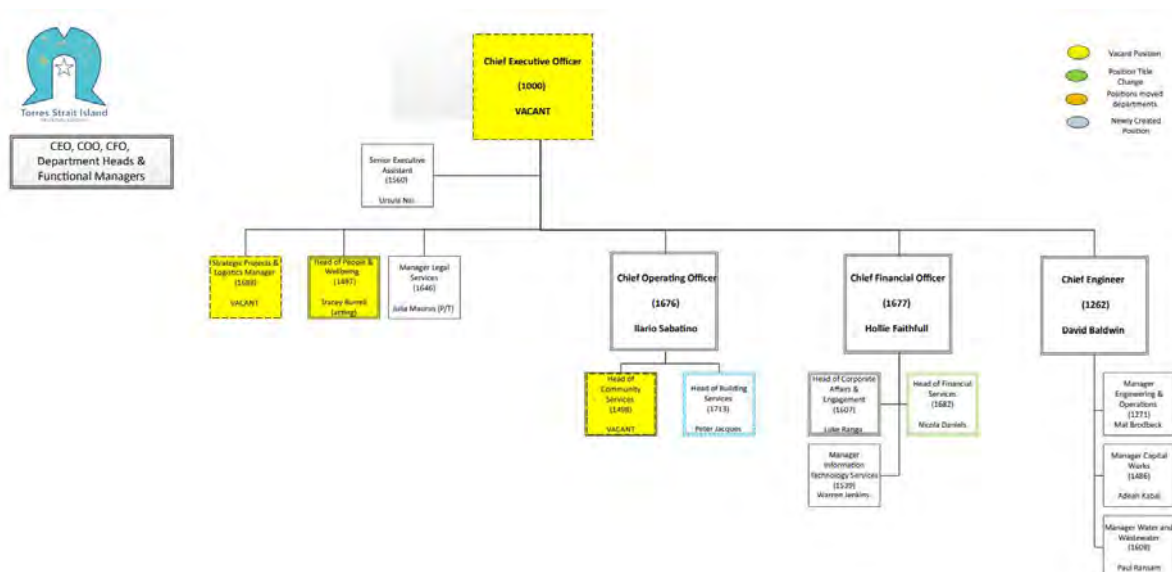
Key stakeholders in the preparation and implementation of this AM Plan are shown in Table 2.1.

**Table 2.1: Key Stakeholders in the AM Plan**

Key Stakeholder	Role in Asset Management Plan
Elected Council	<ul style="list-style-type: none"> <li>■ Represent needs of community/shareholders,</li> <li>■ Allocate resources to meet planning objectives in providing services while managing risks,</li> <li>■ Ensure service sustainable.</li> <li>■ Endorsement of Final Asset Management Plans</li> </ul>
CEO/COO/CFO (executive Group)	Maintaining Sustainable Base Line and executive endorsement of final document.
Department of Local Government and Planning	Primary funding body of the Torres Strait Island Regional Council
Divisional Management Team	To utilise the Assets for the role that was intended and provide operational business input.
Asset Management Group (AMG)	Asset Planning Committee
Asset Class Manager	Waste Management and Landfill
Climate Change Adaptation and Environment Standing Committee Meeting	Standing Committee on the Environment and Energy
Department of Environment and Science	Department responsible for Aboriginal Land Act, Biodiversity Act, Coastal Protection Act, Environmental Offsets Act, Nature Conservation Act, Water Act, Waste reduction and Recycling Act
Department of Agriculture, Water, and the Environment	Partnering and regulating to enhance Australia's agriculture, unique environment and heritage, and water resources
Department of Agriculture and Fisheries (State)	Department provides agriculture, fisheries and forestry, and biosecurity sectors support
Sea Swift	Delivery and extraction of products from the communities



Our organisational structure for service delivery from infrastructure assets is detailed below,



## 2.2 Goals and Objectives of Asset Ownership

Our goal for managing infrastructure assets is to meet the defined level of service (as amended from time to time) in the most cost effective manner for present and future consumers. The key elements of infrastructure asset management are:

- Providing a defined level of service and monitoring performance,
- Managing the impact of growth through demand management and infrastructure investment,
- Taking a lifecycle approach to developing cost-effective management strategies for the long-term that meet the defined level of service,
- Identifying, assessing, and appropriately controlling risks, and
- Linking to a Long-Term Financial Plan which identifies required, affordable forecast costs and how it will be allocated.

Key elements of the planning framework are

- Levels of service – specifies the services and levels of service to be provided,
- Risk Management,
- Future demand – how this will impact on future service delivery and how this is to be met,
- Lifecycle management – how to manage its existing and future assets to provide defined levels of service,
- Financial summary – what funds are required to provide the defined services,
- Asset management practices – how we manage provision of the services,
- Monitoring – how the plan will be monitored to ensure objectives are met,
- Asset management improvement plan – how we increase asset management maturity.

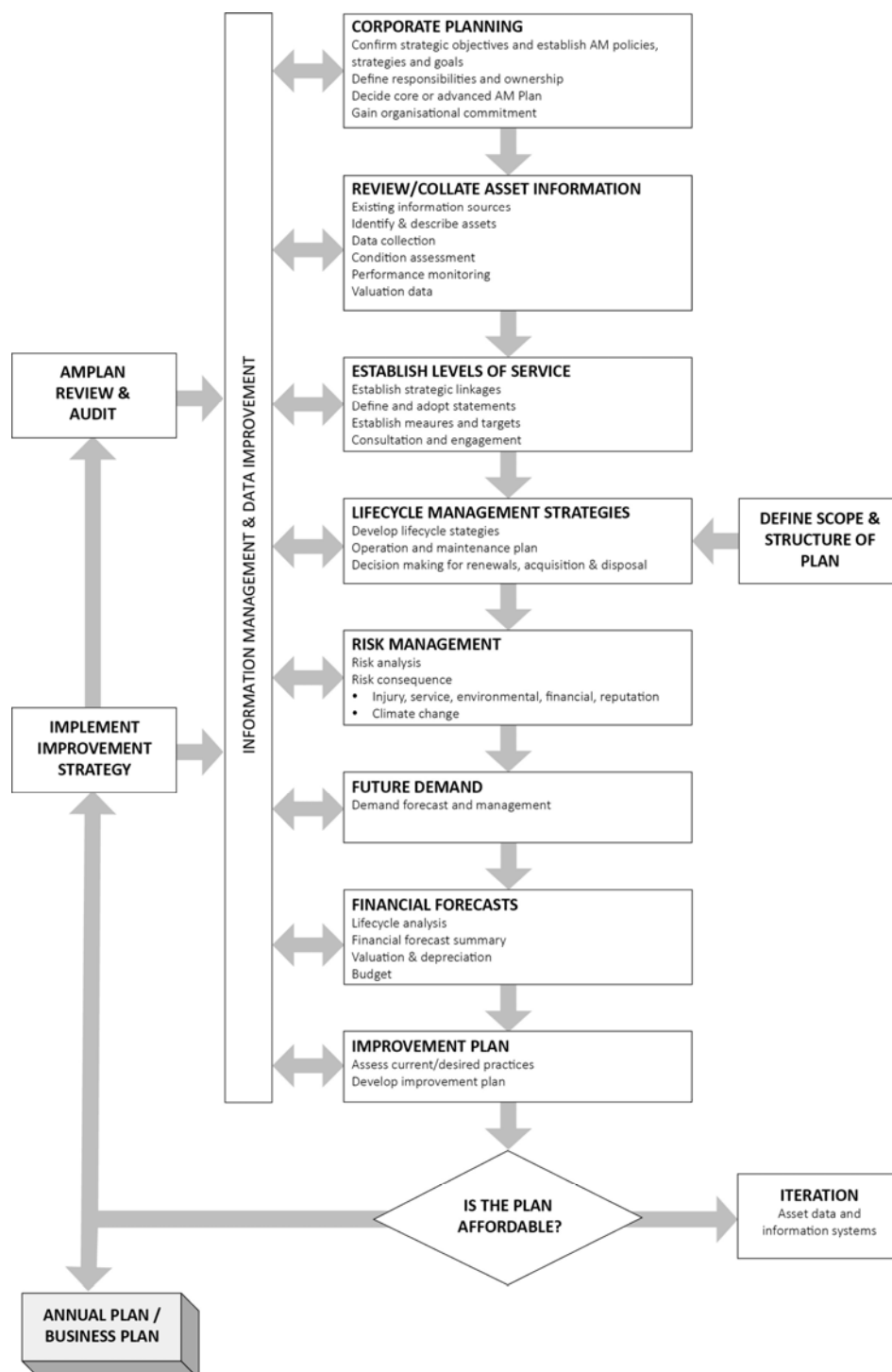
Other references to the benefits, fundamentals principles and objectives of asset management are:

- International Infrastructure Management Manual 2015 <sup>1</sup>
- ISO 55000<sup>2</sup>

A road map for preparing an AM Plan is shown below.

### **Road Map for preparing an Asset Management Plan**

Source: IPWEA, 2006, IIMM, Fig 1.5.1, p 1.11



<sup>1</sup> Based on IPWEA 2015 IIMM, Sec 2.1.3, p 2 | 13

<sup>2</sup> ISO 55000 Overview, principles and terminology

### 3.0 LEVELS OF SERVICE

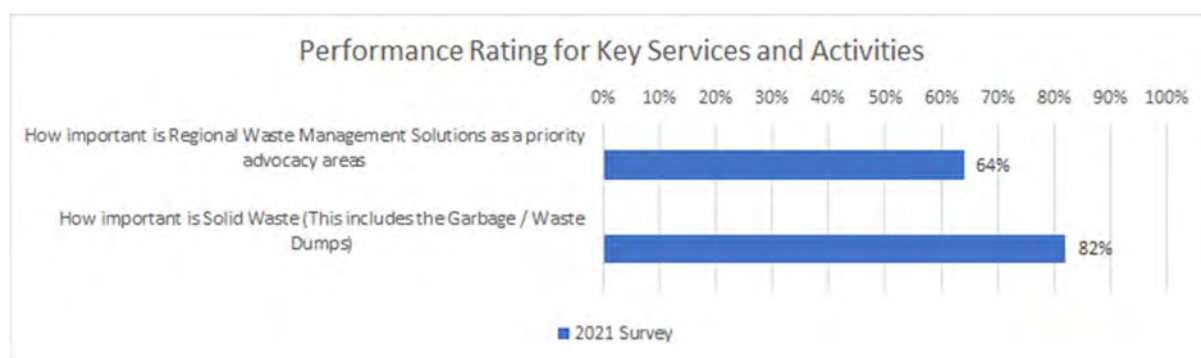
#### 3.1 Customer Research and Expectations

This AM Plan is prepared to facilitate consultation prior to adoption of levels of service by the TSIRC Councilors. Current consultation on service levels is being undertaken by council staff. This will assist the Torres Strait Island Regional Council and stakeholders in matching the level of service required, service risks and consequences with the customer's ability and willingness to pay for the service.

In 2021, Council commissioned a community satisfaction survey which was conducted internally. The survey was administered by multiple means including paper and electronic forms and was available to all within the Torres Strait Islands Regional Council Local Government Area. The survey covered a wide range of functions and services provided by Council. Overall, there were 107 responses which represents approximately 3% of the total population.

Figure 3.1 summarises the results from our Customer survey (very important) in relation to Waste Management and Landfill.

**Figure 3.1: Customer Satisfaction Survey Levels**



Community satisfaction information is used in developing the Strategic Plan and in the development of this asset management plan

#### 3.2 Strategic and Corporate Goals

This AM Plan is prepared under the direction of the Torres Strait Islands Regional Council vision, mission, goals and objectives.

##### **Our vision is:**

For our Communities and Council to be Autonomous, Prosperous and Sustainable.

*For youmpla ples ene Council for meke something youmpla self sor long we can gad fruit them thing we makem e praper ene las long time.*

##### **Our mission is:**

To improve our Communities' livability in all we do.

*For youmpla for strete ples blo youmpla ene weis kaine youmpla stap lor pless youmpla.*

Strategic goals have been set by the Torres Strait Islands Regional Council. The relevant goals and objectives and how these are addressed in this AM Plan are summarised in Table 3.2.

**Table 3.2: Goals and how these are addressed in this Plan**

Goal	Objective	How Goal and Objectives are addressed in the AM Plan
Managing the built environment to ensure sustainable management of community infrastructure.	Provision of assets to meet the service needs (including growth) of the community in a financially sustainable manner.	Development and implementation of strategic asset management plans for all Waste Landfills and Waste Collection assets.
Infrastructure and social services that meet current and future community needs and aspirations.	Monitor social and built infrastructure development to ensure it is in accordance with Council corporate and strategic planning.	Properly functioning Waste Landfills and Waste Collection to provide the platform for the Community to develop an economic and social base.
Asset should be in a condition which allows the prime functions to operate without impedance and in a safe manner.	Monitor service functions to enable Staff to provide priority community needs.	Clarify works required to return capacity, if minor works R&M can restore asset. If capital works are required, plan and include in Capex budget for approval, then action works once approved.

### 3.3 Legislative Requirements

There are many legislative requirements relating to the management of assets. Legislative requirements that impact the delivery of the Waste Management and Land Fill service are outlined in Table 3.3.

**Table 3.3: Legislative Requirements**

Legislation	Requirement
Building Code of Australia	Building Construction & Maintenance
Standards Australia	Mechanical, Electrical, Fire and Plumbing.
Local Government Act 2009	Overarching Governance
National Construction Code 2019	Technical Provisions for Design & Construction
Building Fire Safety Regulation 2008	Fire Safety Compliance
Public Health Act 2005	Ensure Facilities are safe, and Councils are for filling their obligations.
Local Laws	Local governance provision for amenities
WH&S Act 2011	Safety Compliance in the workplace
Environmental Protection Act 1994	EPA is the primary environmental regulator. They Partner with business, government, and community to reduce pollution and waste, protect human health and prevent degradation of the environment.
Waste Reduction and Recycling Act 2011	Ensure a shared responsibility between government, business and industry and the community in waste management and resource recovery
Waste Reduction and Recycling Regulation 2011	Fees for applications under the Waste Reduction and Recycling Act 2011

	Management of used packaging materials  Details about who is required to plan and report about waste management.
--	--

### 3.4 Customer Values

Service levels are defined in three ways, customer values, customer levels of service and technical levels of service.

**Customer Values** indicate:

- what aspects of the service is important to the customer?
- whether they see value in what is currently provided and
- the likely trend over time based on the current budget provision

**Table 3.4: Customer Values**

Service Objective:			
Customer Values	Customer Satisfaction Measure	Current Feedback	Expected Trend Based on Planned Budget
Quality of Service	Qualitative scale (1 – 5) excellent to poor.	Customer Survey	Service levels need to be set at a particular condition rating, i.e., 3.5 as a trigger for future funding prediction.
Safety	Qualitative scale (1 – 5) excellent to poor.	Customer Survey	Service levels need to be set at a particular condition rating, i.e., 3.5 as a trigger for future funding prediction.

### 3.5 Customer Levels of Service

The Customer Levels of Service are considered in terms of:

**Condition**      How good is the service ... what is the condition or quality of the service?

**Function**      Is it suitable for its intended purpose .... Is it the right service?

**Capacity/Use**      Is the service over or under used ... do we need more or less of these assets?

In Table 3.5 under each of the service measures types (Condition, Function, Capacity/Use) there is a summary of the performance measure being used, the current performance, and the expected performance based on the current budget allocation.

These are measures of fact related to the service delivery outcome (e.g. number of occasions when service is not available or proportion of replacement value by condition %'s) to provide a balance in comparison to the customer perception that may be more subjective.

**Table 3.5: Customer Level of Service Measures**

Type of Measure	Level of Service	Performance Measure	Current Performance	Expected Trend Based on Planned Budget
<b>Condition</b>	Assets to be maintained at a minimum acceptable level.	Assets have a minimum physical condition score >3.5	3	While maintaining the current trend, Council's budget will continue to be undertaken on a reactive nature dependent on failures with a decision to strategically review assets and consolidate future funding requirements
	<b>Confidence levels</b>		High – based on 2020 comprehensive valuation data.	Low – lack of mid to long term planning which will change from regular AMP reviews and maturity of planning.
<b>Function</b>	Assets meet current functional requirement of council	Assets have a minimum functional condition score. >3.5	Council does not have any data on assets.	While maintaining the current trend, Council's budget will continue to be undertaken on a reactive nature dependent on failures with a decision to strategically review assets and consolidate future funding requirements
	<b>Confidence levels</b>		Low – Council has not collected data on function.	While maintaining the current trend, Council's budget will continue to be undertaken on a reactive nature dependent on failures with a decision to strategically review assets and consolidate future funding requirements.
<b>Capacity</b>	Assets have adequate capacity ratios (occupancy levels).	Occupancy levels > 100%	Council does not have any capacity data on assets.	While maintaining the current trend, Council's budget will continue to be undertaken on a reactive nature dependent on failures with a decision to strategically review assets and consolidate future funding requirements.
	<b>Confidence levels</b>		Low – Council has not collected data on function.	Low – lack of mid to long term planning which will change from regular AMP reviews and maturity of planning.

### 3.6 Technical Levels of Service

**Technical Levels of Service** – To deliver the customer values, and impact the achieved Customer Levels of Service, are operational or technical measures of performance. These technical measures relate to the activities and allocation 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., widening a road, sealing an unsealed road, replacing a pipeline with a larger size) or a new service that did not exist previously (e.g., a new library).
- **Operation** – the regular activities to provide services (e.g., opening hours, cleansing, 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., road patching, unsealed road grading, building and structure repairs),
- **Renewal** – the activities that return the service capability of an asset up to that which it had originally provided (e.g., road resurfacing and pavement reconstruction, pipeline replacement and building component replacement),

Service and asset managers plan, implement and control technical service levels to influence the service outcomes.<sup>3</sup>

Table 3.6 shows the activities expected to be provided under the current 10 year Planned Budget allocation, and the Forecast activity requirements being recommended in this AM Plan.

**Table 3.6: Technical Levels of Service**

Lifecycle Activity	Purpose of Activity	Activity Measure	Current Performance*	Recommended Performance **
<b>TECHNICAL LEVELS OF SERVICE</b>				
<b>Acquisition</b>	Acquisitions in line with changing council requirement and fit-for purpose.	Community consultation regarding engagement and utilisation of acquisitions	No Data	As data comes available for new acquisitions data will be updated.
		<b>Budget</b>	\$0	\$0
<b>Operation</b>	Recurrent outlay costs driven by the Assets Team.	Scheduled Compliance related Maintenance	Compliant	All buildings to be recertified to prove post amalgamation determinations.
		<b>Budget</b>	\$1,101,341	\$1,101,341
<b>Maintenance</b>	Maintaining assets to minimum operational standards	Work request management from Divisional team for general R&M and Asset Team for compliance	No Data  System under review to improve the data in future years.	The Maintenance activities we would like to do as per the Lifecycle Forecast. A more strategic approach is being developed as this AMP matures
		<b>Budget</b>	\$17,547	\$17,547

<sup>3</sup> IPWEA, 2015, IIMM, p 2|28.

Lifecycle Activity	Purpose of Activity	Activity Measure	Current Performance*	Recommended Performance **
<b>Renewal</b>	Assets in average condition	Asset condition assessments	3	Targeted performance is condition $\geq 3.5$
		<b>Budget</b>	\$0	\$133,580
<b>Disposal</b>	Dispose of assets in line with changing council requirements.	Compliance with environmental, community factors	No Data	Performance measure to be established Currently only one disposal is planned.
		<b>Budget</b>	\$0	\$0

Note: \* Current activities related to Planned Budget.

\*\* Expected performance related to forecast lifecycle costs.

It is important to monitor the service levels regularly as circumstances can and do change. Current performance is based on existing resource provision and work efficiencies. It is acknowledged changing circumstances such as technology and customer priorities will change over time.



## 4.0 FUTURE DEMAND

### 4.1 Demand Drivers

Drivers affecting demand include things such as population change, regulations, changes in demographics, seasonal factors, vehicle ownership rates, consumer preferences and expectations, technological changes, economic factors, agricultural practices, environmental awareness, etc.

### 4.2 Demand Forecasts

The present position and projections for demand drivers that may impact future service delivery and use of assets have been identified and documented.

### 4.3 Demand Impact and Demand Management Plan

The impact of demand drivers that may affect future service delivery and use of assets are shown in Table 4.3.

Demand for new services will be managed through a combination of managing existing assets, upgrading of 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 shown in Table 4.3. Further opportunities will be developed in future revisions of this AM Plan.

**Table 4.3: Demand Management Plan**

Demand driver	Current position	Projection	Impact on services	Demand Management Plan
Population	7,403 (2016 Census)	8,416 (2031)	Increased pressure on central services. Need for additional council staff resources.	Review and plan for appropriate upgrades to facilities as the utilisation levels reach upper levels of utilisation.
Demographics	25.5% under the age of 10, 35% between the ages of 10 and 30, 31.3% between the ages of 30 and 60 and 8.2% over the age of 60	No projection data is available	Changing community requirements for the building's assets including increased needs for access.	Review and plan for appropriate upgrades to align with accessibility needs of changing community demographic profile.
Legislative Compliance	Non-compliant	Achieve Compliance	Financial Impacts	Build transfer station on each island to facilitate recycling and resource recovery programs. Implement compost collection and processing for community. Establish refund scheme for cans, bottles, and other recyclable products

## Indigenous regions, projected increase and rate of growth (series B), 2016 to 2031, at 30 June

Indigenous region	2016	2031	Projected growth 2016 to 2031	
	— persons —		no.	%
Brisbane	84,454	126,482	42,028	49.8
Cairns–Atherton	30,050	39,064	9,014	30.0
Cape York	10,579	13,469	2,890	27.3
Mount Isa	9,003	9,253	250	2.8
Rockhampton	26,941	35,528	8,587	31.9
Toowoomba–Roma	21,350	27,648	6,298	29.5
Torres Strait	7,403	8,156	753	10.2
Townsville–Mackay	31,496	44,795	13,299	42.2
<b>Queensland</b>	<b>221,276</b>	<b>304,395</b>	<b>83,119</b>	<b>37.6</b>
<b>Australia</b>	<b>798,365</b>	<b>1,071,871</b>	<b>273,506</b>	<b>34.3</b>

### 4.4 Asset Programs to meet Demand

The new assets required to meet demand may be acquired, donated or constructed. Additional assets are discussed in Section 5.4.

Acquiring new assets will commit the Torres Strait Islands Regional Council to ongoing operations, maintenance and renewal costs for the period that the service provided from the assets is required. These future costs are identified and considered in developing forecasts of future operations, maintenance and renewal costs for inclusion in the long-term financial plan (Refer to Section 5).

### 4.5 Climate Change Adaptation

The impacts of climate change may have a significant impact on the assets we manage and the services they provide. In the context of the Asset Management Planning process climate change can be considered as both a future demand and a risk.

How climate change impacts on assets will vary depending on the location and the type of services provided, as will the way in which we respond and manage those impacts.<sup>4</sup>

As a minimum we consider how to manage our existing assets given potential climate change impacts for our region.

Risk and opportunities identified to date are shown in Table 4.5.1

**Table 4.5.1 Managing the Impact of Climate Change on Assets and Services**

Climate Change Description	Projected Change	Potential Impact on Assets and Services	Management
Rising sea levels and increased storm tide activity in the wet season	Increased flood zone.	Assets within new flood zone prone to significant water damage and impairment.	Relocation of critical assets and assets with high likelihood of environmental exposure. Plan and develop asset risk assessment considering sea-level rise and astronomical tide projection mapping.
Rising air and sea temperatures	Increased storm activity and/or severity	Higher levels of damage and corrosion to buildings associated materials.	Introducing corrosion resistant building materials, i.e., marine grade aluminium roofing and stainless-steel fixing screws. Where possible utilising wood instead of steel for structural renews.

Additionally, the way in which we construct new assets should recognise that there is opportunity to build in resilience to climate change impacts. Building resilience can have the following benefits:

- Assets will withstand the impacts of climate change.
- Services can be sustained; and
- Assets that can endure may potentially lower the lifecycle cost and reduce their carbon footprint

Table 4.5.2 summarises some asset climate change resilience opportunities.

**Table 4.5.2 Building Asset Resilience to Climate Change**

New Asset Description	Climate Change impact These assets?	Build Resilience in New Works
Transfer Stations	In Design Stage	Seeking capital Funding

The impact of climate change on assets is a new and complex discussion and further opportunities will be developed in future revisions of this AM Plan.

<sup>4</sup> IPWEA Practice Note 12.1 Climate Change Impacts on the Useful Life of Infrastructure

## 5.0 LIFECYCLE MANAGEMENT PLAN

The lifecycle management plan details how the Torres Strait Islands Regional Council plans to manage and operate the assets at the agreed levels of service (Refer to Section 3) while managing life cycle costs.

### 5.1 Background Data

#### 5.1.1 Physical parameters

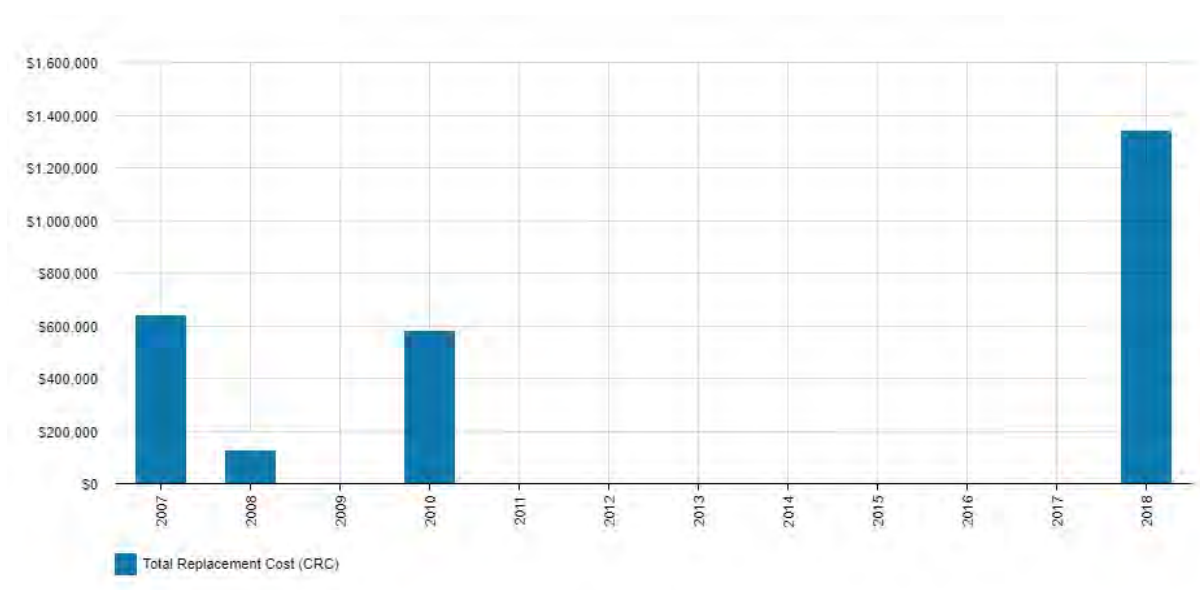
The assets covered by this AM Plan are shown in Table 5.1.1.

The Waste Management & Landfill AMP network comprises of Waste Landfills and Waste Collection with a replacement value estimated at 30 June 2020 of \$2,680,300

The age profile of the assets included in this AM Plan are shown in Figure 5.1.1.

**Table 5.1.1: Assets covered by this Plan**

Asset Category	Number of Assets	Replacement Value \$
Waste	22	2,680,300
<b>TOTAL</b>		<b>\$ 2,680,300</b>



All figure values are shown in current day dollars.

Add discussion about the age asset profile. Outline how past peaks of investment that may require peaks in renewals in the future. Comment on the overall age versus useful lives of the assets.

### 5.1.2 Asset capacity and performance

Assets are generally provided to meet design standards where these are available. However, there is insufficient resources to address all known deficiencies. Locations where deficiencies in service performance are known are detailed in Table 5.1.2.

**Table 5.1.2: Known Service Performance Deficiencies**

Location	Service Deficiency
Various	Lack of Recycling Infrastructure
Various	Rubbish Containment Within Fencing
Various	Scrap Metal abundance (Grant funded project for 21/22)
Various	Waste management staff, equipment, and plant
Various	Processes and procedures
Various	Capex and Opex funding

The above service deficiencies were identified from consultation with the Asset Class Manager

### 5.1.3 Asset condition

Condition is currently monitored through interaction between on the ground management and Asset Class Manager.

Condition is currently monitored based on a scale of 0 to 5 with 0.5 increments and recorded in the asset register. To facilitate the data being introduced to NAMS+ model, values of 0.5 increased to the next increment, this has not impacted on the description of the condition rating as the 1 to 5 representation indicated below was consistent.

Condition is measured using a 1 – 5 grading system<sup>5</sup> as detailed in Table 5.1.3. It is important that a consistent approach is used in reporting asset performance enabling effective decision support. A finer grading system may be used at a more specific level, however, for reporting in the AM plan results are translated to a 1 – 5 grading scale for ease of communication.

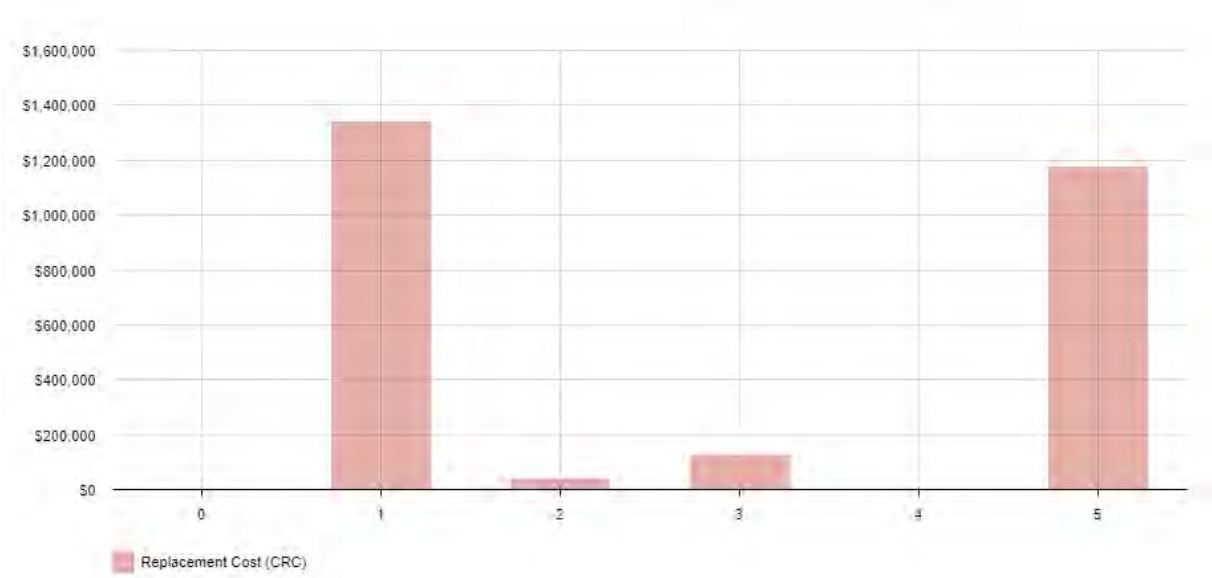
**Table 5.1.3: Condition Grading System**

Condition Grading	Description of Condition
1	<b>Very Good:</b> free of defects, only planned and/or routine maintenance required
2	<b>Good:</b> minor defects, increasing maintenance required plus planned maintenance
3	<b>Fair:</b> defects requiring regular and/or significant maintenance to reinstate service
4	<b>Poor:</b> significant defects, higher order cost intervention likely
5	<b>Very Poor:</b> physically unsound and/or beyond rehabilitation, immediate action required

<sup>5</sup> IPWEA, 2015, IIMM, Sec 2.5.4, p 2|80.

The condition profile of our assets is shown in Figure 5.1.3.

Figure 5.1.3: Asset Condition Profile



The quantity of current assets listed as 5 is being addressed with several projects being planned to rectify the deficiencies.

All figure values are shown in current day dollars.

5.2 Operations and Maintenance Plan

Operations include regular activities to provide services. Examples of typical operational activities include cleaning, street sweeping, 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 pipe repairs, asphalt patching, and equipment repairs.

The trend in maintenance budgets are shown in Table 5.2.1.

Table 5.2.1: Maintenance Budget Trends

Year	Maintenance Budget \$
2020	4,500
2021	4,500
2022	20,798

Maintenance budget levels are considered to be adequate to meet projected service levels, which may be less than or equal to current service levels. Where maintenance budget allocations are such that they will result in a lesser level of service, the service consequences and service risks have been identified and are highlighted in this AM Plan and service risks considered in the Infrastructure Risk Management Plan.

Assessment and priority of reactive maintenance is undertaken by staff using experience and judgement.

### Asset hierarchy

An asset hierarchy provides a framework for structuring data in an information system to assist in collection of data, reporting information and making decisions. The hierarchy includes the asset class and component used for asset planning and financial reporting and service level hierarchy used for service planning and delivery.

The service hierarchy is shown in Table 5.2.2.

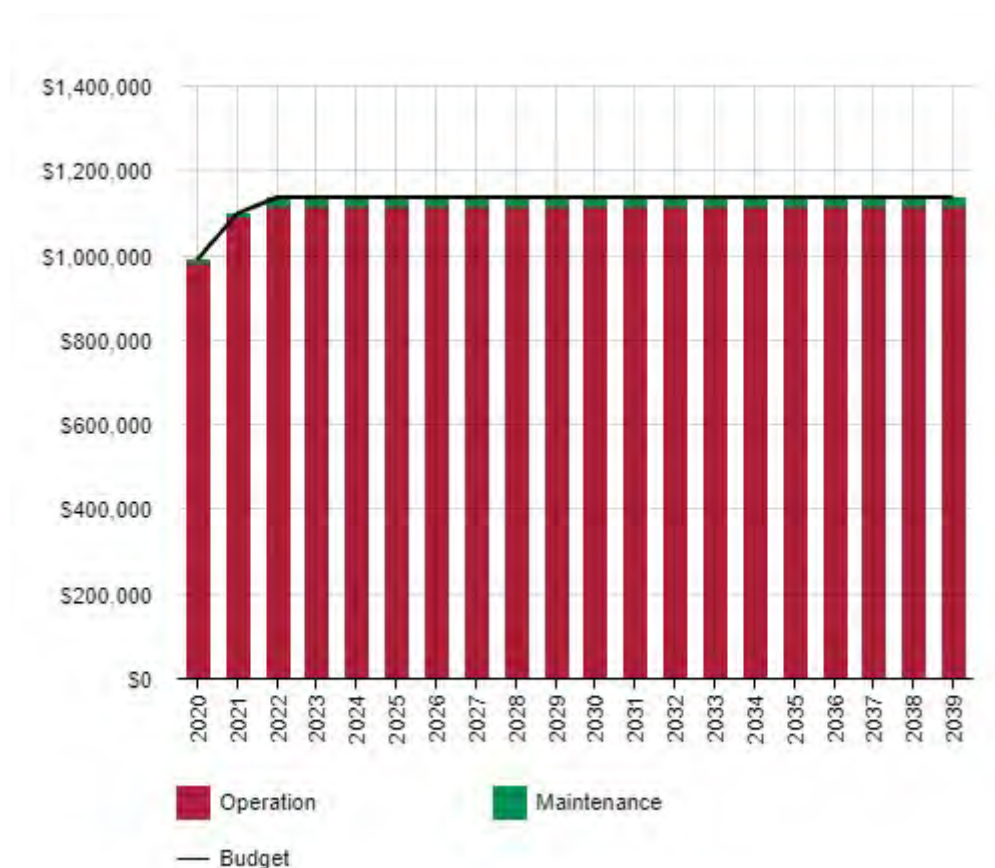
**Table 5.2.2: Asset Service Hierarchy**

Service Hierarchy	Service Level Objective
Waste Collection	Category 1
Waste Landfills	Category 2

### Summary of forecast operations and maintenance costs

Forecast operations and maintenance costs are expected to vary in relation to the total value of the asset stock. If additional assets are acquired, the future operations and maintenance costs are forecast to increase. If assets are disposed of the forecast operation and maintenance costs are expected to decrease. Figure 5.2 shows the forecast operations and maintenance costs relative to the proposed operations and maintenance Planned Budget.

**Figure 5.2: Operations and Maintenance Summary**



All figure values are shown in current day dollars.



The maintenance and operations budget are reactive in nature with little scheduled maintenance apart from compliance and regulatory requirements.

### 5.3 Renewal Plan

Renewal is major capital work which does 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 currently identified from one of two approaches in the Lifecycle Model using asset register data to project the renewal cost (Current replacement cost) and renewal timing (acquisition year plus updated useful life to determine the renewal year).

The typical useful lives of assets used to develop projected asset renewal forecasts are shown in Table 5.3. Asset useful lives were last reviewed on June 2020 as part of a full Valuation.<sup>6</sup>

**Table 5.3: Useful Lives of Assets**

Asset (Sub)Category	Useful life in Years
Waste Assets	8-25

The estimates for renewals in this AM Plan were based on the asset register.

#### 5.3.1 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 a Security fence), or
- To ensure the infrastructure is of sufficient quality to meet the service requirements (e.g. condition of a landfill site).<sup>7</sup>

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

- Have a high consequence of failure,
- Have high use and subsequent impact on users would be significant,
- Have higher than expected operational or maintenance costs, and
- Have potential to reduce life cycle costs by replacement with a modern equivalent asset that would provide the equivalent service.<sup>8</sup>

The ranking criteria used to determine priority of identified renewal proposals is detailed in Table 5.3.1.

<sup>6</sup> Enter Reference to Report documenting Review of Useful Life of Assets

<sup>7</sup> IPWEA, 2015, IIMM, Sec 3.4.4, p 3|91.

<sup>8</sup> Based on IPWEA, 2015, IIMM, Sec 3.4.5, p 3|97.



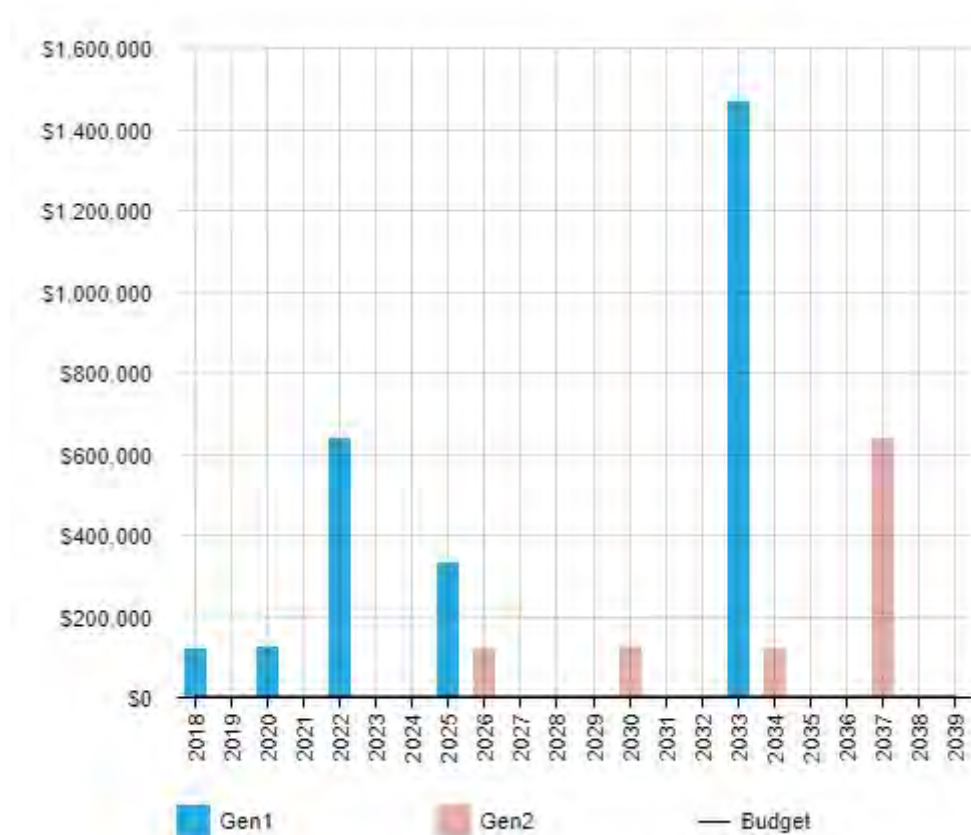
**Table 5.3.1: Renewal Priority Ranking Criteria**

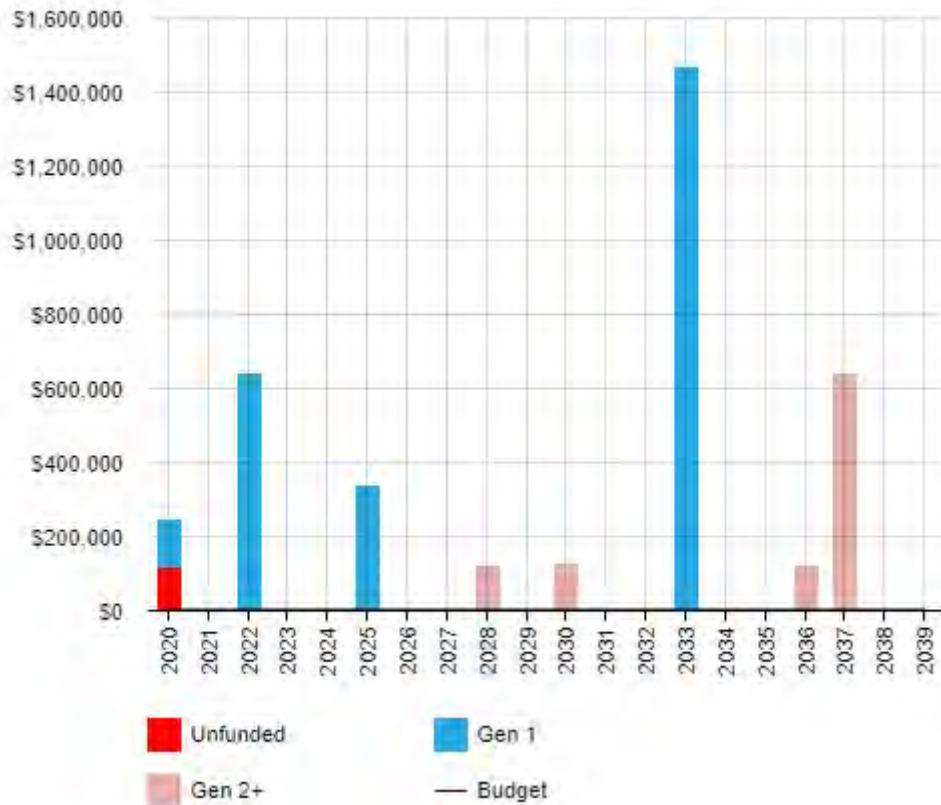
Criteria	Weighting
Sustainability Matrix	TBD
<b>Total</b>	<b>100%</b>

## 5.4 Summary of future renewal costs

Forecast renewal costs are projected to increase over time if the asset stock increases. The forecast costs associated with renewals are shown relative to the proposed renewal budget in Figure 5.4.1. A detailed summary of the forecast renewal costs is shown in Appendix D.

**Figure 5.4.1: Forecast Renewal Costs**





All figure values are shown in current day dollars.

Gen 1 – Relates to the “first” generation of asset renewals. The basis of this assessment is derived from data extracted from the 2020 comprehensive valuation and the revised estimated useful life. Due to legacy data from amalgamation a large component has been identified as being requiring renewal in 2021.

Gen 2+ - Relates to subsequent generations of asset renewals.

All figure values are shown in current day dollars.

There are currently no planned renewal projects aside from the renewals budget. This will be updated with planned projects in future iterations of the asset management plan.

## 5.5 Acquisition Plan

Acquisition reflects are new assets that did not previously exist 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 the Torres Strait Islands Regional Council.

### 5.5.1 Selection criteria

Proposed acquisition of new assets, and upgrade of existing assets, are identified from various sources such as community requests, proposals identified by strategic plans or partnerships with others. Potential upgrade and new works should be reviewed to verify that they are essential to the Entities needs. Proposed upgrade and new work analysis should also include the development of a preliminary renewal estimate to ensure that the services are sustainable over the longer term. Verified proposals can then be ranked by priority and available funds and scheduled in future works programmes. The priority ranking criteria is detailed in Table 5.5.1.

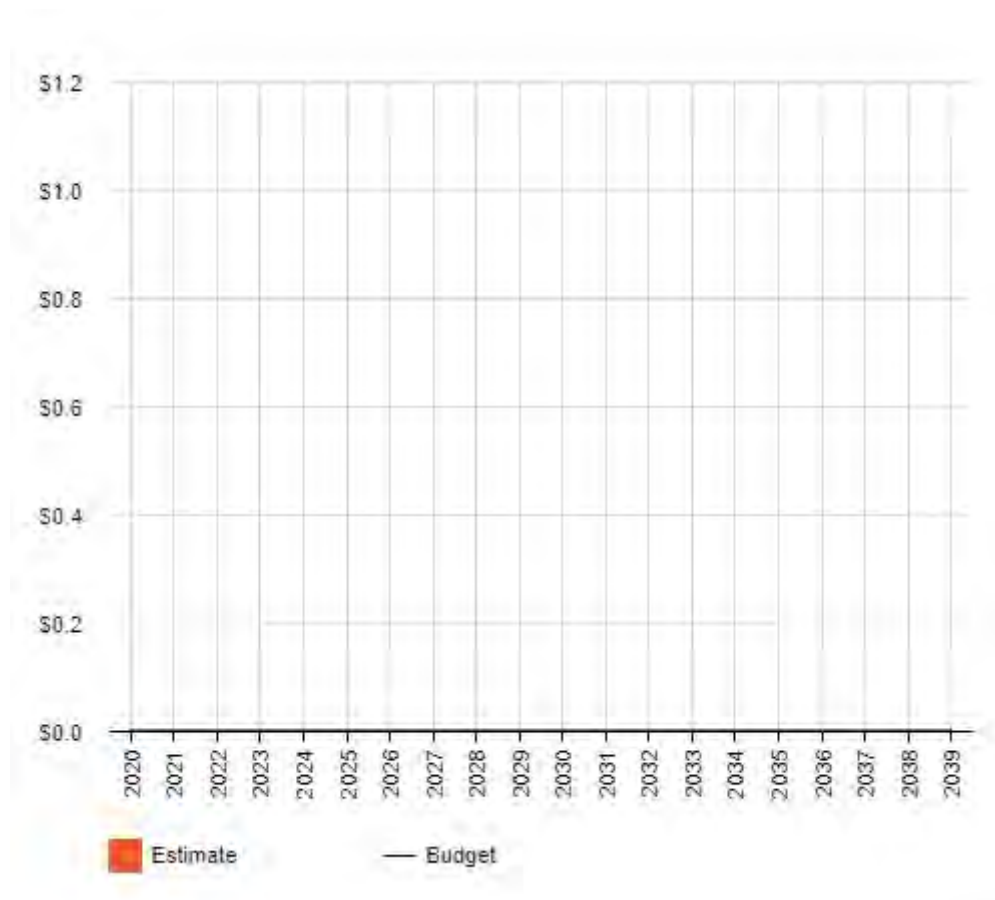
**Table 5.5.1: Acquired Assets Priority Ranking Criteria**

Criteria	Weighting
Not applicable to this class currently due to no long-term planning.	N/A
<b>Total</b>	<b>100%</b>

#### Summary of future asset acquisition costs

Forecast acquisition asset costs are summarised / summarized in Figure 5.5.1 and shown relative to the proposed acquisition budget. The forecast acquisition capital works program is shown in Appendix A.

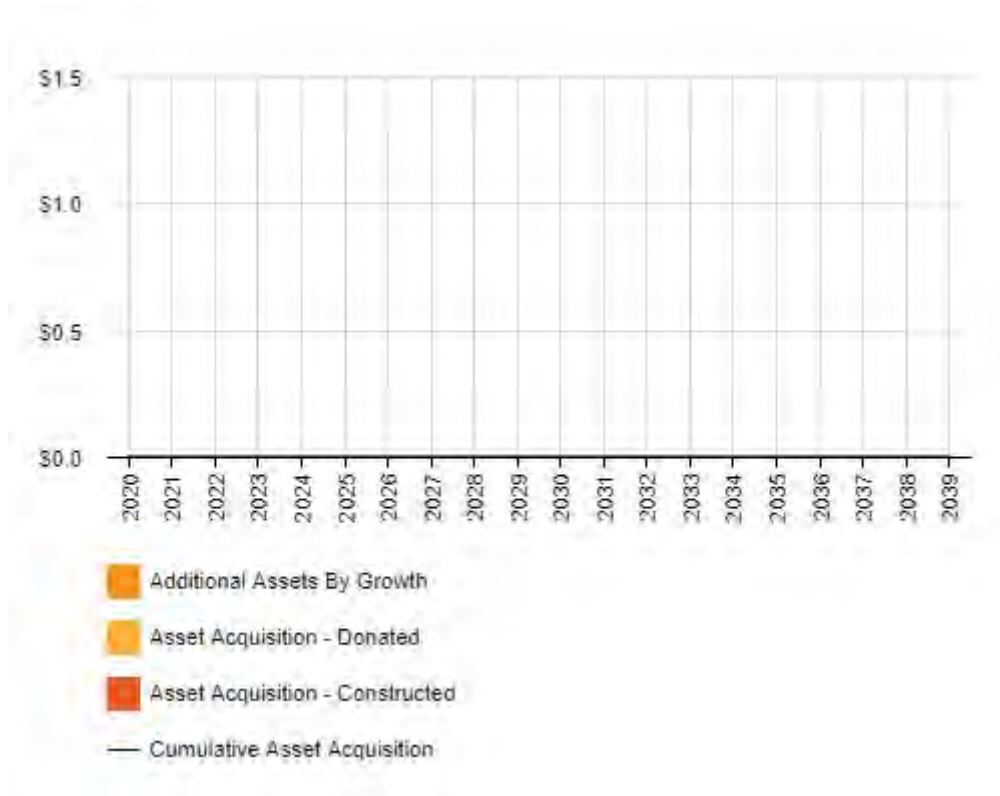
**Figure 5.5.1: Acquisition (Constructed) Summary**



All figure values are shown in current day dollars.

When an Entity commits to new assets, they must be prepared to fund future operations, maintenance and renewal costs. They must also account for future depreciation when reviewing long term sustainability. When reviewing the long-term impacts of asset acquisition, it is useful to consider the cumulative value of the acquired assets being taken on by the Entity. The cumulative value of all acquisition work, including assets that are constructed and contributed shown in Figure 5.5.2.

**Figure 5.5.2: Acquisition Summary**



All figure values are shown in current dollars.

Expenditure on new assets and services in the capital works program will be accommodated in the long-term financial plan, but only to the extent that there is available funding.

Future acquisitions are dependent on grant funding becoming available for betterment of existing services.

## 5.6 Disposal Plan

Disposal includes any activity associated with the disposal of a decommissioned asset including sale, demolition or relocation. Assets identified for possible decommissioning and disposal are shown in Table 5.6. A summary of the disposal costs and estimated reductions in annual operations and maintenance of disposing of the assets are also outlined in Table 5.6. Any costs or revenue gained from asset disposals is included in the long-term financial plan.

**Table 5.6: Assets Identified for Disposal**

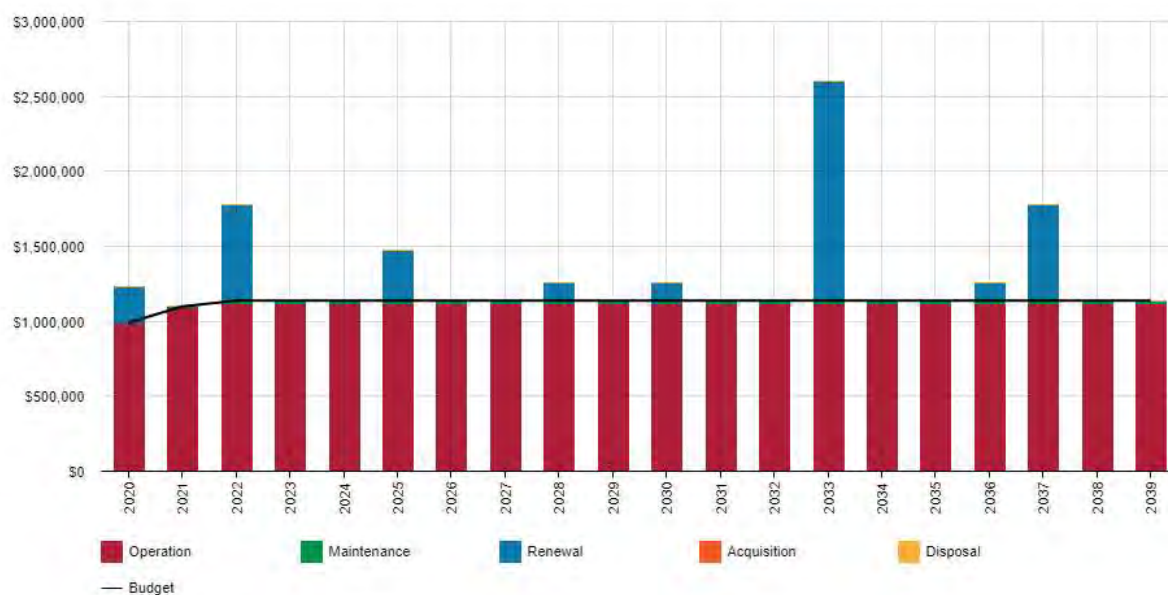
Asset	Reason for Disposal	Timing	Disposal Costs \$	Operations & Maintenance Annual Savings \$
N/A	No Planned disposal	N/A	N/A	N/A

## 5.7 Summary of asset forecast costs

The financial projections from this asset plan are shown in Figure 5.7.1. These projections include forecast costs for acquisition, operation, maintenance, renewal, and disposal. These forecast costs are shown relative to the proposed budget.

The bars in the graphs represent the forecast costs needed to minimise the life cycle costs associated with the service provision. The proposed budget line indicates the estimate of available funding. The gap between the forecast work and the proposed budget is the basis of the discussion on achieving balance between costs, levels of service and risk to achieve the best value outcome.

**Figure 5.7.1: Lifecycle Summary**



All figure values are shown in current day dollars.

## 6.0 RISK MANAGEMENT PLANNING

The purpose of infrastructure risk management is to document the findings and recommendations resulting from the periodic identification, assessment and treatment of risks associated with providing services from infrastructure, using the fundamentals of International Standard ISO 31000:2018 Risk management – Principles and guidelines.

Risk Management is defined in ISO 31000:2018 as: ‘coordinated activities to direct and control with regard to risk’<sup>9</sup>.

An assessment of risks<sup>10</sup> associated with service delivery will identify risks that will result in loss or reduction in service, personal injury, environmental impacts, a ‘financial shock’, reputational impacts, or other consequences. The risk assessment process identifies credible risks, the likelihood of the risk event occurring, and the consequences should the event occur. The risk assessment should also include the development of a risk rating, evaluation of the risks and development of a risk treatment plan for those risks that are deemed to be non-acceptable.

### 6.1 Critical Assets

Critical assets are defined as those which have a high consequence of failure causing significant loss or reduction of service. Critical assets have been identified and along with their typical failure mode, and the impact on service delivery, are summarised in Table 6.1. Failure modes may include physical failure, collapse or essential service interruption.

**Table 6.1 Critical Assets**

Critical Asset(s)	Failure Mode	Impact
Landfill sites	High/critical	Loss of refuse disposal for community possible disease implications
Waste collection vehicles	High	Loss of waste collection services for community leading to increased health risk due to lack of sanitisation
Fencing	Medium	Increased interaction between public and wildlife with unsanitary waste sites

By identifying critical assets and failure modes an organisation can ensure that investigative activities, condition inspection programs, maintenance and capital expenditure plans are targeted at critical assets.

### 6.2 Risk Assessment

The risk management process used is shown in Figure 6.2 below.

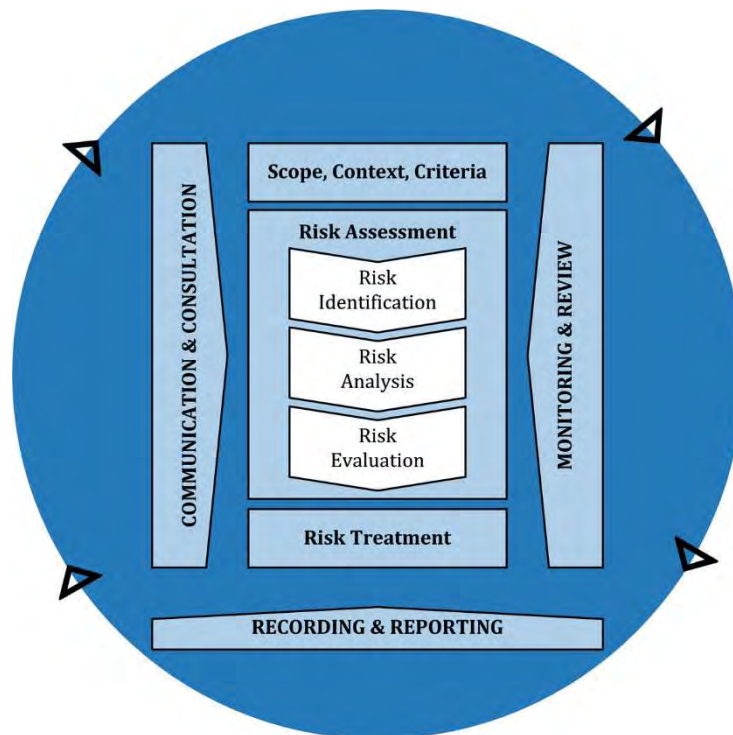
It is an analysis and problem-solving technique designed to provide a logical process for the selection of treatment plans and management actions to protect the community against unacceptable risks.

The process is based on the fundamentals of International Standard ISO 31000:2018.

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<sup>9</sup> ISO 31000:2009, p 2

<sup>10</sup> Reference to the Corporate or Infrastructure Risk Management Plan to be included later



**Fig 6.2 Risk Management Process – Abridged**  
Source: ISO 31000:2018, Figure 1, p9

The risk assessment process identifies credible risks, the likelihood of the risk event occurring, the consequences should the event occur, development of a risk rating, evaluation of the risk and development of a risk treatment plan for non-acceptable risks.

An assessment of risks<sup>11</sup> associated with service delivery will identify risks that will result in loss or reduction in service, personal injury, environmental impacts, a ‘financial shock’, reputational impacts, or other consequences.

Critical risks are those assessed with ‘Very High’ (requiring immediate corrective action) and ‘High’ (requiring corrective action) risk ratings identified in the Infrastructure Risk Management Plan. The residual risk and treatment costs of implementing the selected treatment plan is shown in Table 6.2. It is essential that these critical risks and costs are reported to management and the Torres Strait Island Regional Council.

**Table 6.2: Risks and Treatment Plans**

Service or Asset at Risk	What can Happen	Risk Rating (VH, H)	Risk Treatment Plan	Residual Risk *	Treatment Costs \$
Landfill Sites	Unable to environmentally dispose of waste	VH	Possible creation of Transfer station to sort and recycle waste	H	TBD

Note \* The residual risk is the risk remaining after the selected risk treatment plan is implemented.

<sup>11</sup> REPLACE with Reference to the Corporate or Infrastructure Risk Management Plan as the footnote

### 6.3 Infrastructure Resilience Approach

The resilience of our critical infrastructure is vital to the ongoing provision of services to customers. To adapt to changing conditions we need to understand our capacity to 'withstand a given level of stress or demand', and to respond to possible disruptions to ensure continuity of service.

Resilience recovery planning, financial capacity, climate change risk assessment and crisis leadership.

Our current measure of resilience is shown in Table 6.3 which includes the type of threats and hazards and the current measures that the organisation takes to ensure service delivery resilience.

**Table 6.3: Resilience Assessment**

Threat / Hazard	Assessment Method	Current Resilience Approach
N/A	N/A	N/A
We do not currently measure our resilience in service delivery. This will be included in future iterations of the AM Plan.		

### 6.4 Service and Risk Trade-Offs

The decisions made in adopting this AM Plan are based on the objective to achieve the optimum benefits from the available resources.

#### 6.4.1 What we cannot do

There are some operations and maintenance activities and capital projects that are unable to be undertaken within the next 10 years. These include:

- Implementation of suitable levels of maintenance to stop the rapid degradation of assets, after years of maintenance funding restrictions.
- General maintenance to all priority assets to bring them up to suitable operational status.
- Planned/preventative maintenance.
- Construct new facilities or structures recycle waste.

#### 6.4.2 Service trade-off

If there is forecast work (operations, maintenance, renewal, acquisition or disposal) that cannot be undertaken due to available resources, then this will result in service consequences for users. These service consequences include:

- No forecast works scheduled at this point in. All work undertaken on a prioritised reactive basis.

#### 6.4.3 Risk trade-off

The operations and maintenance activities and capital projects that cannot be undertaken may sustain or create risk consequences. These risk consequences include:

- Increased maintenance services costs
- Increased ageing of assets and acceleration physical deterioration

These actions and expenditures are considered and included in the forecast costs, and where developed, the Risk Management Plan.



## 7.0 FINANCIAL SUMMARY

This section contains the financial requirements resulting from the information presented in the previous sections of this AM Plan. The financial projections will be improved as the discussion on desired levels of service and asset performance matures.

### 7.1 Financial Sustainability and Projections

#### 7.1.1 Sustainability of service delivery

There are two key indicators of sustainable service delivery that are considered in the AM Plan for this service area. The two indicators are the:

- asset renewal funding ratio (proposed renewal budget for the next 10 years / forecast renewal costs for next 10 years), and
- medium term forecast costs/proposed budget (over 10 years of the planning period).

##### Asset Renewal Funding Ratio

Asset Renewal Funding Ratio<sup>12</sup> 0.0%

The Asset Renewal Funding Ratio is an important indicator and illustrates that over the next 10 years we expect to have 0.0% of the funds required for the optimal renewal of assets.

The forecast renewal works along with the proposed renewal budget, and the cumulative shortfall, is illustrated in Appendix D.

##### Medium term – 10-year financial planning period

This AM Plan identifies the forecast operations, maintenance and renewal costs required to provide an agreed level of service to the community over a 10 year period. This provides input into 10 year financial and funding plans aimed at providing the required services in a sustainable manner.

This forecast work can be compared to the proposed budget over the first 10 years of the planning period to identify any funding shortfall.

The forecast operations, maintenance and renewal costs over the 10 year planning period is \$1,252,468 average per year.

The proposed (budget) operations, maintenance and renewal funding is \$1,118,888 on average per year giving a 10 year funding shortfall of (\$133,580 ) per year. This indicates that 89.33% of the forecast costs needed to provide the services documented in this AM Plan are accommodated in the proposed budget. Note, these calculations exclude acquired assets.

Providing sustainable services from infrastructure requires the management of service levels, risks, forecast outlays and financing to achieve a financial indicator of approximately 1.0 for the first years of the AM Plan and ideally over the 10 year life of the Long-Term Financial Plan.

#### 7.1.2 Forecast Costs (outlays) for the long-term financial plan

Table 7.1.3 shows the forecast costs (outlays) required for consideration in the 10 year long-term financial plan.

Providing services in a financially sustainable manner requires a balance between the forecast outlays required to deliver the agreed service levels with the planned budget allocations in the long-term financial plan.

A gap between the forecast outlays and the amounts allocated in the financial plan indicates further work is required on reviewing service levels in the AM Plan (including possibly revising the long-term financial plan).

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<sup>12</sup> AIFMM, 2015, Version 1.0, Financial Sustainability Indicator 3, Sec 2.6, p 9.

We will manage the 'gap' by developing this AM Plan to provide guidance on future service levels and resources required to provide these services in consultation with the community.

Forecast costs are shown in dollar values.

**Table 7.1.2: Forecast Costs (Outlays) for the Long-Term Financial Plan**

Year	Acquisition \$	Operation \$	Maintenance \$	Renewal \$	Disposal \$
2020	0	985,634	4,500	244,000	0
2021	0	1,094,319	4,590	0	0
2022	0	1,116,682	20,798	639,200	0
2023	0	1,116,682	20,798	0	0
2024	0	1,116,682	20,798	0	0
2025	0	1,116,682	20,798	332,600	0
2026	0	1,116,682	20,798	0	0
2027	0	1,116,682	20,798	0	0
2028	0	1,116,682	20,798	120,000	0
2029	0	1,116,682	20,798	0	0
2030	0	1,116,682	20,798	124,000	0
2031	0	1,116,682	20,798	0	0
2032	0	1,116,682	20,798	0	0
2033	0	1,116,682	20,798	1,464,500	0
2034	0	1,116,682	20,798	0	0
2035	0	1,116,682	20,798	0	0
2036	0	1,116,682	20,798	120,000	0
2037	0	1,116,682	20,798	639,200	0
2038	0	1,116,682	20,798	0	0
2039	0	1,116,682	20,798	0	0

## 7.2 Funding Strategy

The proposed funding for assets is outlined in the Entity's budget and long-Term financial plan.

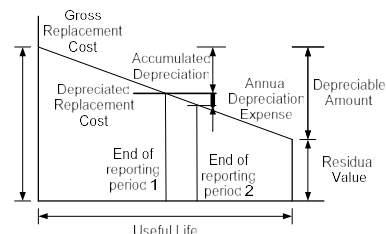
The financial strategy of the entity determines how funding will be provided, whereas the AM Plan communicates how and when this will be spent, along with the service and risk consequences of various service alternatives.

## 7.3 Valuation Forecasts

### 7.3.1 Asset valuations

The best available estimate of the value of assets included in this AM Plan are shown below. The assets are valued at [Enter basis of valuation method, e.g. fair value at cost to replace service capacity, etc]:

Replacement Cost (Current/Gross)	\$2,680,300
Depreciable Amount	\$2,680,300
Depreciated Replacement Cost <sup>13</sup>	\$1,421,993
Depreciation	\$186,486



### 7.3.2 Valuation forecast

Asset values are forecast to increase as additional assets are added to the service.

Additional assets will generally add to the operations and maintenance needs in the longer term. Additional assets will also require additional costs due to future renewals. Any additional assets will also add to future depreciation forecasts.

## 7.4 Key Assumptions Made in Financial Forecasts

In compiling this AM Plan, it was necessary to make some assumptions. This section details the key assumptions made in the development of this AM plan and should provide readers with an understanding of the level of confidence in the data behind the financial forecasts.

Key assumptions made in this AM Plan are:

- Assumptions made around the maintenance and operations budget funds availability remaining constant.
- Renewals are based on the fixed asset register replacement and maybe unreliable for renewal forecasting.
- Capital costs for renewals are based on the replacement costs developed as a part of the valuations.
- Capital funding is fixed based on the current year funding over each year.
- No Asset acquisitions and disposals are planned.

## 7.5 Forecast Reliability and Confidence

The forecast costs, proposed budgets, and valuation projections in this AM Plan are based on the best available data. For effective asset and financial management, it is critical that the information is current and accurate. Data confidence is classified on a A - E level scale<sup>14</sup> in accordance with Table 7.5.1.

<sup>13</sup> Also reported as Written Down Value, Carrying or Net Book Value.

<sup>14</sup> IPWEA, 2015, IIMM, Table 2.4.6, p 2|71.

**Table 7.5.1: Data Confidence Grading System**

Confidence Grade	Description
A. Very High	Data based on sound records, procedures, investigations and analysis, documented properly and agreed as the best method of assessment. Dataset is complete and estimated to be accurate $\pm 2\%$
B. High	Data based on sound records, procedures, investigations and analysis, documented properly but has minor shortcomings, for example some of the data is old, some documentation is missing and/or reliance is placed on unconfirmed reports or some extrapolation. Dataset is complete and estimated to be accurate $\pm 10\%$
C. Medium	Data based on sound records, procedures, investigations and analysis which is incomplete or unsupported, or extrapolated from a limited sample for which grade A or B data are available. Dataset is substantially complete but up to 50% is extrapolated data and accuracy estimated $\pm 25\%$
D. Low	Data is based on unconfirmed verbal reports and/or cursory inspections and analysis. Dataset may not be fully complete, and most data is estimated or extrapolated. Accuracy $\pm 40\%$
E. Very Low	None or very little data held.

The estimated confidence level for and reliability of data used in this AM Plan is shown in Table 7.5.2.

**Table 7.5.2: Data Confidence Assessment for Data used in AM Plan**

Data	Confidence Assessment	Comment
Demand drivers	Low	Business not currently in line with this function
Growth projections	Low	Business not currently in line with this function
Acquisition forecast	Low	Business not currently in line with this function
Operation forecast	Low	Business not currently in line with this function
Maintenance forecast	Low	Business not currently in line with this function
Renewal forecast		Business not currently in line with this function
- Asset values	Low	
- Asset useful lives	Low	Business not currently in line with this function
- Condition modelling	Low	Business not currently in line with this function
Disposal forecast	Low	Business not currently in line with this function

The estimated confidence level for and reliability of data used in this AM Plan is considered to be a Low Confidence Level.

## 8.0 PLAN IMPROVEMENT AND MONITORING

### 8.1 Status of Asset Management Practices<sup>15</sup>

#### 8.1.1 Accounting and financial data sources

This AM Plan utilises accounting and financial data. The source of the data is the TechOne ERP Platform & Sustainability Matrix.**Asset management data sources**

This AM Plan also utilises asset management data. The source of the data is the TechOne ERP Platform & Sustainability Matrix.Improvement Plan

It is important that an entity recognise areas of their AM Plan and planning process that require future improvements to ensure effective asset management and informed decision making. The improvement plan generated from this AM Plan is shown in Table 8.2.

**Table 8.2: Improvement Plan**

Task	Task	Responsibility	Resources Required	Timeline
1	Functional assessments of Waste Landfill & Waste Collection	Engineering	Two (2) Staff	3 years (2021-2023)
2	Develop & implement a risk management framework.	Risk & Ethics/Assets	Two (Staff)	2021
3	Conduct risk assessment on assets at a network level	Assets	Two (Staff)	2021
4	Finalise desired levels of service from community consultation.	Assets	4	2021
5	Develop & implement the Sustainability Matrix.	Assets & Heads of Departments	TBD	2021-2022
6	Reinstated the Asset Management Group (AMG) consisting of all Asset Managers.	Assets	TBD	2021-2022
7	TECH ONE Enhancement upgrade	Assets	6	2022/23
8	Data validation and Asset Register Integrity check	Assets	2	2022
9	Rationalisation of Asset base.	Assets, Executive Group & Council	TBD	2023
10	Install Transfer Station & Associated Equipment	Engineering	TBD	2022

#### 8.2 Monitoring and Review Procedures

This AM Plan will be reviewed during the annual budget planning process and revised to show any material changes in service levels, risks, forecast costs and proposed budgets as a result of budget decisions.

The AM Plan will be reviewed and updated annually to ensure it represents the current service level, asset values, forecast operations, maintenance, renewals, acquisition and asset disposal costs and planned budgets.

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<sup>15</sup> ISO 55000 Refers to this as the Asset Management System

These forecast costs and proposed budget are incorporated into the Long-Term Financial Plan or will be incorporated into the Long-Term Financial Plan once completed.

The AM Plan has a maximum life of 4 years and is due for complete revision and updating within 12 months of each Council election.

### **8.3 Performance Measures**

The effectiveness of this AM Plan can be measured in the following ways:

- The degree to which the required forecast costs identified in this AM Plan are incorporated into the long-term financial plan,
- The degree to which the 1–5-year detailed works programs, budgets, business plans and corporate structures consider the 'global' works program trends provided by the AM Plan,
- The degree to which the existing and projected service levels and service consequences, risks and residual risks are incorporated into the Strategic Planning documents and associated plans,
- The Asset Renewal Funding Ratio achieving the Organisational target (this target is often > 90 %).

## 9.0 REFERENCES

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- ISO, 2014, ISO 55000:2014, Overview, principles, and terminology
- ISO, 2018, ISO 31000:2018, Risk management – Guidelines
- Strategic Asset Management Plan 2021-2023
- 2020 Annual Report
- Corporate Plan 2020-2025
- Operational Plan 2020/21
- Deputations 2020

## Appendix A      Acquisition Forecast

### A.1 – Acquisition Forecast Assumptions and Source

There are no acquisitions forecast

### A.2 – Acquisition Project Summary

The project titles included in the lifecycle forecast are included here.

N/A

### A.3 – Acquisition Forecast Summary

The following is the recommendation from using NAMS+ Outputs Summary for Acquisition

***Table A3 - Acquisition Forecast Summary***

Year	Constructed \$	Donated \$	Growth \$
2020	0	0	0
2021	0	0	0
2022	0	0	0
2023	0	0	0
2024	0	0	0
2025	0	0	0
2026	0	0	0
2027	0	0	0
2028	0	0	0
2029	0	0	0
2030	0	0	0
2031	0	0	0
2032	0	0	0
2033	0	0	0
2034	0	0	0
2035	0	0	0
2036	0	0	0
2037	0	0	0
2038	0	0	0
2039	0	0	0



## Appendix B      Operation Forecast

### B.1 – Operation Forecast Assumptions and Source

Primary assumption is that funds are limited, and future projections are based on current level spend.

### B.2 – Operation Forecast Summary

Recommend using NAMS+ Outputs Summary for Operation

*Table B2 - Operation Forecast Summary*

Year	Operation Forecast \$	Additional Operation Forecast \$	Total Operation Forecast \$
2020	985,634	0	985,634
2021	1,094,319	0	1,094,319
2022	1,116,682	0	1,116,682
2023	1,116,682	0	1,116,682
2024	1,116,682	0	1,116,682
2025	1,116,682	0	1,116,682
2026	1,116,682	0	1,116,682
2027	1,116,682	0	1,116,682
2028	1,116,682	0	1,116,682
2029	1,116,682	0	1,116,682
2030	1,116,682	0	1,116,682
2031	1,116,682	0	1,116,682
2032	1,116,682	0	1,116,682
2033	1,116,682	0	1,116,682
2034	1,116,682	0	1,116,682
2035	1,116,682	0	1,116,682
2036	1,116,682	0	1,116,682
2037	1,116,682	0	1,116,682
2038	1,116,682	0	1,116,682
2039	1,116,682	0	1,116,682

## Appendix C Maintenance Forecast

### C.1 – Maintenance Forecast Assumptions and Source

Maintenance costs are forecasted to remain constant for the review period.

Maintenance costs are based on current and historical allocations from current financial records.

### C.2 – Maintenance Forecast Summary

All financial tables are from NAMS+ Outputs Summary for Maintenance

**Table C2 - Maintenance Forecast Summary**

Year	Maintenance Forecast \$	Additional Maintenance Forecast \$	Total Maintenance Forecast \$
2020	4,500	0	4,500
2021	4,590	0	4,590
2022	20,798	0	20,798
2023	20,798	0	20,798
2024	20,798	0	20,798
2025	20,798	0	20,798
2026	20,798	0	20,798
2027	20,798	0	20,798
2028	20,798	0	20,798
2029	20,798	0	20,798
2030	20,798	0	20,798
2031	20,798	0	20,798
2032	20,798	0	20,798
2033	20,798	0	20,798
2034	20,798	0	20,798
2035	20,798	0	20,798
2036	20,798	0	20,798
2037	20,798	0	20,798
2038	20,798	0	20,798
2039	20,798	0	20,798

## Appendix D      Renewal Forecast Summary

### D.1 – Renewal Forecast Assumptions and Source

Renewals forecasts are based on TechOne asset registers.

### D.2 – Renewal Project Summary

There currently no project titles included in the lifecycle forecast data is based on the asset register useful life only

### D.3 – Renewal Forecast Summary

Statistics are based on using NAMS+ Outputs Summary for Renewal

**Table D3 - Renewal Forecast Summary**

Year	Renewal Forecast \$	Renewal Budget \$
2020	244,000	0
2021	0	0
2022	639,200	0
2023	0	0
2024	0	0
2025	332,600	0
2026	0	0
2027	0	0
2028	120,000	0
2029	0	0
2030	124,000	0
2031	0	0
2032	0	0
2033	1,464,500	0
2034	0	0
2035	0	0
2036	120,000	0
2037	639,200	0
2038	0	0
2039	0	0

### D.4 –Renewal Plan

Detail output from NAMS+ Report for the is based on using the Asset Register Method of replacement cost. A ten-year summary is listed below.

#### Appendix 10 Year Report

10 year total cost [10 yr Ops, Maint, Renewal & Acquisition Forecast]	12,524,683
10 year average forecast	1,252,468
10 year planned budget [Ops, Maint & Acquisition] (from LTFP)	11,188,883
10 year average planned budget	1,118,888
10 year AM financial indicator	89.33%
10 year average shortfall	-133,580

## Appendix E Disposal Summary

### E.1 – Disposal Forecast Assumptions and Source

Disposals forecasts are based on Asset Manager knowledge and data extracted from TechOne asset registers.

### E.2 – Disposal Project Summary

There currently are no disposal planned

### E.3 – Disposal Forecast Summary

Recommend using NAMS+ Outputs Summary for Disposal

**Table E3 – Disposal Activity Summary**

Year	Disposal Forecast \$	Disposal Budget \$
2020	0	0
2021	0	0
2022	0	0
2023	0	0
2024	0	0
2025	0	0
2026	0	0
2027	0	0
2028	0	0
2029	0	0
2030	0	0
2031	0	0
2032	0	0
2033	0	0
2034	0	0
2035	0	0
2036	0	0
2037	0	0
2038	0	0
2039	0	0

## Appendix F      Budget Summary by Lifecycle Activity

Refer previous assumption detailed in Appendix A-E.

**Table F1 – Budget Summary by Lifecycle Activity**

Year	Acquisition \$	Operation \$	Maintenance \$	Renewal \$	Disposal \$	Total \$
2020	0	985,634	4,500	0	0	99,0134
2021	0	1,094,319	4,590	0	0	109,8909
2022	0	1,116,682	20,798	0	0	113,7480
2023	0	1,116,682	20,798	0	0	113,7480
2024	0	1,116,682	20,798	0	0	113,7480
2025	0	1,116,682	20,798	0	0	113,7480
2026	0	1,116,682	20,798	0	0	113,7480
2027	0	1,116,682	20,798	0	0	113,7480
2028	0	1,116,682	20,798	0	0	113,7480
2029	0	1,116,682	20,798	0	0	113,7480
2030	0	1,116,682	20,798	0	0	113,7480
2031	0	1,116,682	20,798	0	0	113,7480
2032	0	1,116,682	20,798	0	0	113,7480
2033	0	1,116,682	20,798	0	0	113,7480
2034	0	1,116,682	20,798	0	0	113,7480
2035	0	1,116,682	20,798	0	0	113,7480
2036	0	1,116,682	20,798	0	0	113,7480
2037	0	1,116,682	20,798	0	0	113,7480
2038	0	1,116,682	20,798	0	0	113,7480
2039	0	1,116,682	20,798	0	0	113,7480





# **ASSET MANAGEMENT PLAN**

Torres Strait Island Regional Council

Waste Water Network

Document Control		Asset Management Plan			
Document ID : ECM (Record #)					
Rev No	Date	Revision Details	Author	Reviewer	Approver
V1.0	August 2021	Revision to new template Adopted by Council August 2021 Workshops with Asset Class Managers undertaken July 2021	Paul Ransom Norman Griffett Tony Wynyen	JLL	Paul Ransom Asset Class Manager

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## **1.0 EXECUTIVE SUMMARY**

### **1.1 The Purpose of the Plan**

This Asset Management Plan (AM Plan) details information about infrastructure assets with actions required to provide an agreed level of service in the most cost-effective manner while outlining associated risks. The plan defines the services to be provided, how the services are provided and what funds are required to provide over the 20 year planning period. The AM Plan will link to a Long-Term Financial Plan which typically considers a 10-year planning period.

### **1.2 Asset Description**

This plan covers the infrastructure assets that provide waste water community services provided from the assets.

The Waste water network comprises:

- Network Assets Pump Station Electrical Pump Station Mechanical Pump Station Structure Settlement Ponds Sewerage Treatment Plant Buildings
- Sewerage Treatment Plant Chemical Treatment
- Sewerage Treatment Plant Electrical
- Sewerage Treatment Plant Mechanical
- Sewerage Treatment Plant Structural
- Subterranean Pipes

The above infrastructure assets have replacement value estimated at 30<sup>th</sup> June 2020 of \$258,666,984 with the inclusion of the 2021 desktop valuation the estimated replacement value indexation at 30<sup>th</sup> June 2021 of 4% which equates to approximately \$269,013,663.

### **1.3 Levels of Service**

The allocation in the planned budget is insufficient to continue providing existing services at current levels for the planning period.

The main service consequences of the Planned Budget are:

- Failure to comply with licence standard for environmental discharge
- Overflow and leakage of raw sewer from pump stations
- Offensive odour from pump stations and treatment plants
- Backflow from reticulated sewerage network into resident's property

### **1.4 Future Demand**

The factors influencing future demand and the impacts they have on service delivery are created by:

Population, Demographics & Grant Funding as listed in table 4.3. These demands will be approached using a combination of managing existing assets, upgrading existing assets and providing new assets to meet demand. Demand management practices may also include a combination of non-asset solutions, insuring against risks and managing failures.

- Asset Management Group (AMG) formed reporting to executive level to provide organisational understanding of the assets Whole Of Life (WOL), and how this can be influenced and managed responsibly..
- Further educate Asset Class managers and staff on planning principles and understanding of their responsibilities to manage and maintain asset service levels.
- Reduce funding being directed to projects not providing core service level outcomes to communities.

- Sustainability Matrix: A prioritisation tool developed to assist in the assessment of capital project submissions and their priority for funding against the pillars of the corporate plan.
- Maintaining existing assets to achieve the maximum useful life possible.

## 1.5 Upgrading or renewal providing new assets as per demand Lifecycle Management Plan

### 1.5.1 What does it Cost?

The forecast lifecycle costs necessary to provide the services covered by this AM Plan includes operation, maintenance, renewal, acquisition, and disposal of assets. Although the AM Plan may be prepared for a range of time periods, it typically informs a Long-Term Financial Planning period of 10 years. Therefore, a summary output from the AM Plan is the forecast of 10-year total outlays, which for Waste Water Network is estimated as \$68,459,888 or \$6,845,989 on average per year.

## 1.6 Financial Summary

### 1.6.1 What we will do

Estimated available funding for the 10 year period is \$38,083,140 or \$3,808,314 on average per year as per the Long-Term Financial plan or Planned Budget. This is 55.63% of the cost to sustain the current level of service at the lowest lifecycle cost.

The infrastructure reality is that only what is funded in the long-term financial plan can be provided. The Informed decision making depends on the AM Plan emphasising the consequences of Planned Budgets on the service levels provided and risks.

The anticipated Planned Budget for Waste Water Network leaves a shortfall of (\$3,037,675) on average per year of the forecast lifecycle costs required to provide services in the AM Plan compared with the Planned Budget currently included in the Long-Term Financial Plan. This is shown in the figure below.

**Forecast Lifecycle Costs and Planned Budgets**

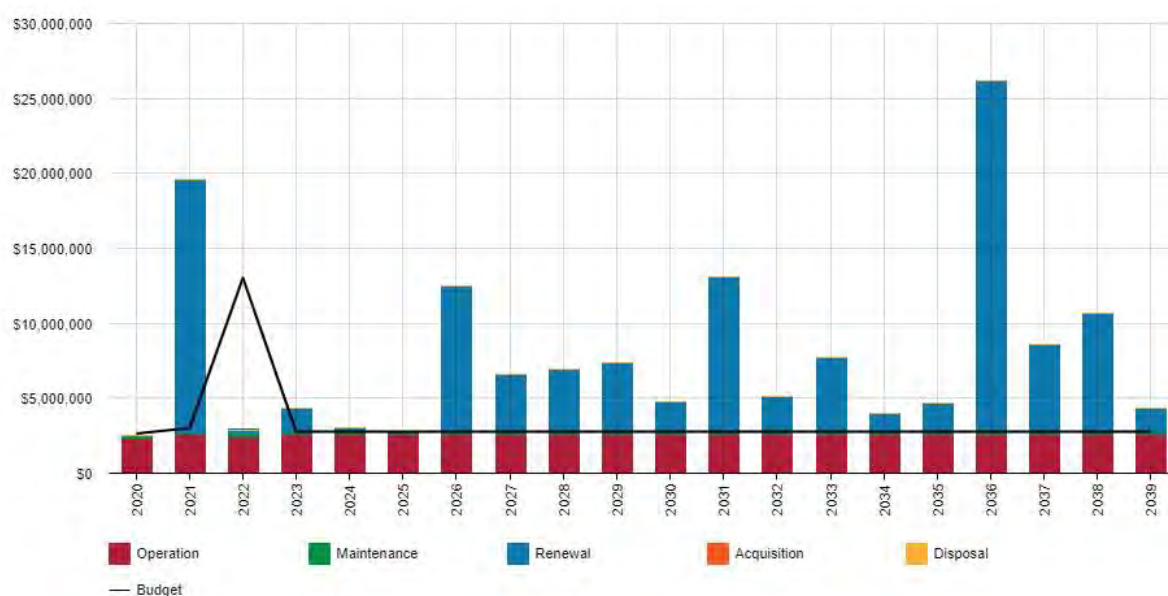


Figure Values are in current dollars.

The following describes the breakdown of values above:

- **Acquisition** – the activities to provide a higher level of service (e.g., widening a road, sealing an unsealed road, replacing a pipeline with a larger size) or a new service that did not exist previously (e.g., a new library).

- **Operation** – the regular activities to provide services (e.g., opening hours, cleansing, 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., road patching, unsealed road grading, building and structure repairs),
- **Renewal** – the activities that return the service capability of an asset up to that which it had originally provided (e.g., road resurfacing and pavement reconstruction, pipeline replacement and building component replacement),
- **Disposal** – Disposal includes any activity associated with the disposal of a decommissioned asset including sale, demolition, or relocation.

We plan to provide Waste Water Network services for the following:

- Operation, maintenance, renewal, and acquisition of the Waste Water Network assets to meet service levels set by Torres Strait Island Regional Council in annual budgets.

The current Capital Budget covering part of the 10-year planning period includes the following tasks

Waste Water Project Details			
Task	Task Description	Location	Closing Balance \$
0001107	Boigu Sewerage Pump Station Upgrade	Boigu	100,000
0001266	ICCIP Saibai STP Renewal & Upgrade	Saibai	3,750,000
0001275	ICCIP Sewer PS Renewals x3 - Badu #7	Badu	750,000
0001282	ICCIP STP Renewal - Mer #61	Mer	1,875,000
0001286	ICCIP #75 - SCADA Upgrades	Various	400,000
0001289	ICCIP #08 – De-sludge Lagoons - Badu	Badu	250,000
0001313	ICCIP #24 - Geospatial AM Tool	Erub	25,000
0001315	ICCIP STP refurb/replacement - Erub #27	Erub	1,187,000
0001319	ICCIP #42 - Sewage PS Renewal - lama	lama	750,000
0001321	ICCIP #46 – De-sludge Lagoons	Kubin	187,500
0001330	ICCIP #70 – De-sludge Lagoons	St Paul	187,500
0001333	ICCIP Replace Ballasts & burnt lamps #74	Warraber	187,000
0001497	Engineering Emergent works 20-21	Various	30,000
0001504	Fencing & Gate Replacement STP Warraber	Warraber	215,000
0001505	St Pauls Lagoon Fence	St Pauls	245,000
0001507	Mer Sewerage Treatment Plant	Mer	320,000
0001540	Urgent Works Sewerage Treatment Plant	Mabuiag	190,000
			<b>\$ 10,650,000</b>

### 1.6.2 What we cannot do

We currently do **not** allocate enough budget to sustain these services at the proposed standard or to provide all new services being sought.

### 1.6.3 Managing the Risks

Our present budget levels are insufficient to continue to manage risks in the medium term.

The main risk consequences are:

- Failure to comply with licence for environmental discharge.
- Overflow and leakage of raw sewer from pump stations.
- Offensive odour from pump stations and treatment plants.
- Backflow from reticulated sewerage network into resident's property.
- Disease outbreak.
- Environmental Impacts

We will endeavour to manage these risks within available funding by:

- Continuing scheduled and programmed inspections and maintenance.
- Always have technical staff on standby to attend to equipment faults.
- Regular inspection for leakages from sewer network.
- Purchase and install permanent electrical generator set to some plants.
- Purchase mobile electrical generator sets located in some plants to be relocated when required elsewhere.

## **1.7 Asset Management Planning Practices**

Key assumptions made in this AM Plan are:

1. Funding limited and therefore restricted to Budget allocation and no additional forecast to rectify deficiencies.
2. No allowances for growth in capital and operating budgets.
3. Sourced data is the fixed asset register and condition ratings that were developed as a part of the 2020 valuations to establish renewal requirements.

Assets requiring renewal are identified from the asset register with the timing of capital renewals based on the asset register is applied by adding the useful life to the year of acquisition or year of last renewal.

The Current Asset Register Method was considered the best available method was used to forecast the renewal lifecycle costs for this AM Plan.

This AM Plan is based on a low level of confidence information.

## **1.8 Monitoring and Improvement Program**

The next steps resulting from this AM Plan to improve asset management practices are:

- Asset Management Group (AMG) formed reporting to executive level to provide organisational understanding of the assets Whole of Life (WOL), and how this can be influenced and managed responsibly.
- Further educate Asset Class managers and staff on planning principles and understanding of their responsibilities to manage and maintain asset service levels.
- Seek council assistance and endorsement of acceptable service levels for communities and using this to determine minimum service levels to trigger priority action.
- Implementation of NAMS+ (IPEWA) to assist and improve data integrity and analysis using the analysis tools retained within the product
- TechOne enhancement Project to further improve on identification and defect management

## 2.0 Introduction

### 2.1 Background

This AM Plan communicates the requirements for the sustainable delivery of services through management of assets, compliance with regulatory requirements, and required funding to provide the appropriate levels of service over the planning period.

The AM Plan is to be read with the Torres Strait Island Regional Council

planning documents. This should include the Asset Management Policy and Asset Management Strategy, where developed, along with other key planning documents:

- Corporate Plan 2020-2025
- Operational Plan 2020/2021
- Annual Report 2020
- Capital Sustainability Matrix (Tool used to identify Capital criteria)
- Annual Budget
- Deputations 2020

The status of Asset Management in the Organisation is it has been reviewed as a low maturity as the organization attempts to gather better data, improve systems, and change the focus to strategic management.

The infrastructure assets covered by this AM Plan include the infrastructure assets that serve the Torres Strait Island Regional Council's Waste Water Network service. These assets are all waste water network assets that improve community wellbeing by providing sewage collection, processing and reticulation. For a detailed summary of the assets covered in this AM Plan refer to Table in Section 5.1.1

The infrastructure assets included in this plan have a total replacement value of \$258,666,981 with the inclusion of the 2021 desktop valuation the estimated replacement value indexation at 30 June 2021 of 4.0% which equates to \$269,013,663

Asset Category	Replacement Value \$
Network Assets	24,418,300
Pump Station Electrical	4,038,549
Pump Station Mechanical	5,333,847
Pump Station Structure	19,739,508
Settlement Ponds	13,343,900
Sewerage Treatment Plant Buildings	3,991,500
Sewerage Treatment Plant Chemical Treatment	295,400
Sewerage Treatment Plant Electrical	15,471,782
Sewerage Treatment Plant Mechanical	22,685,895
Sewerage Treatment Plant Structural	24,392,300
Subterranean Pipes	149,348,300
<b>TOTAL</b>	<b>\$ 258,666,981</b>

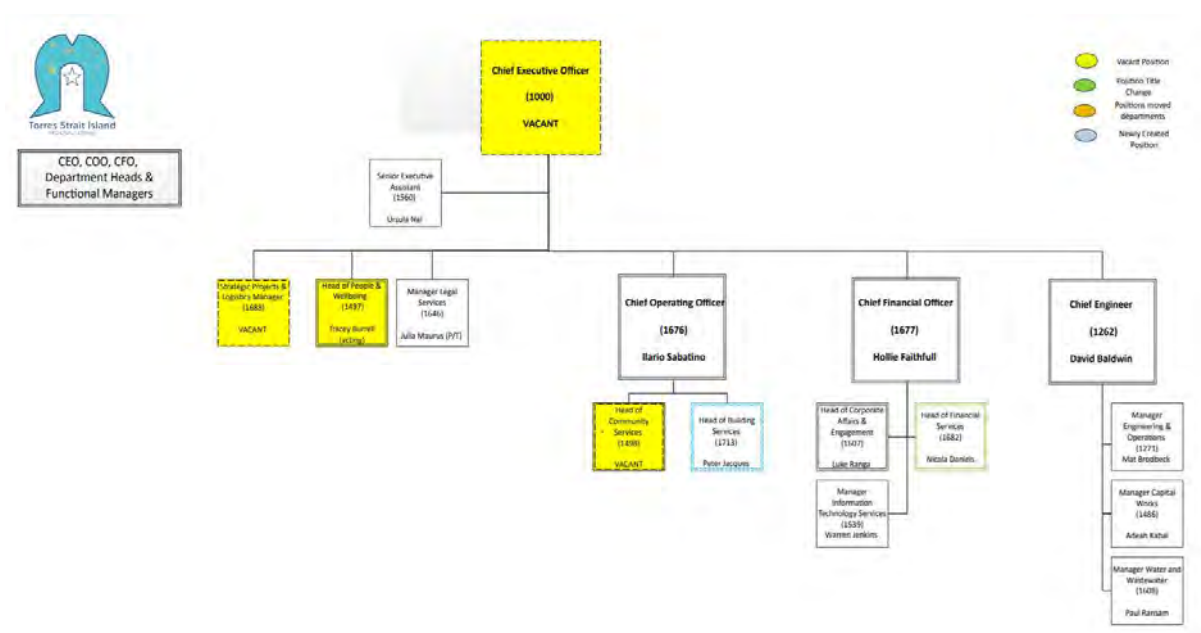
These assets are used to provide the Waste Water services to the 15 communities to meet the service needs (including growth) of the community in a financially sustainable manner.

Key stakeholders in the preparation and implementation of this AM Plan are shown in Table 2.1.

**Table 2.1: Key Stakeholders in the AM Plan**

Key Stakeholder	Role in Asset Management Plan
Department of Local Government and Planning	Funding body of the Torres Strait Island Regional Council
Department of Social Services	Funding body of the Torres Strait Island Regional Council
Torres Strait Regional Authority	Funding body of the Torres Strait Island Regional Council
Torres Strait Island Regional Council (Elected Council)	Providers of the Resources to deliver on the Asset Management Plan requirements
Torres Strait Island Regional Council (Engineering Services)	Operators of the Asset - To utilise the Assets for the role that was intended

Our organisational structure for service delivery from infrastructure assets is detailed below,



## 2.2 Goals and Objectives of Asset Ownership

Our goal for managing infrastructure assets is to meet the defined level of service (as amended from time to time) in the most cost effective manner for present and future consumers. The key elements of infrastructure asset management are:

- Providing a defined level of service and monitoring performance,
- Managing the impact of growth through demand management and infrastructure investment,
- Taking a lifecycle approach to developing cost-effective management strategies for the long-term that meet the defined level of service,
- Identifying, assessing, and appropriately controlling risks, and
- Linking to a Long-Term Financial Plan which identifies required, affordable forecast costs and how it will be allocated.

Key elements of the planning framework are

- Levels of service – specifies the services and levels of service to be provided,
- Risk Management, identifies the risk profile and rating of the asset class
- Future demand – how this will impact on future service delivery and how this is to be met,
- Lifecycle management – how to manage its existing and future assets to provide defined levels of service,
- Financial summary – what funds are required to provide the defined services,
- Asset management practices – how we manage provision of the services,
- Monitoring – how the plan will be monitored to ensure objectives are met,
- Asset management improvement plan – how we increase asset management maturity.

Other references to the benefits, fundamentals principles and objectives of asset management are:

- International Infrastructure Management Manual 2015 <sup>1</sup>
- ISO 55000<sup>2</sup>

A road map for preparing an AM Plan is shown below.

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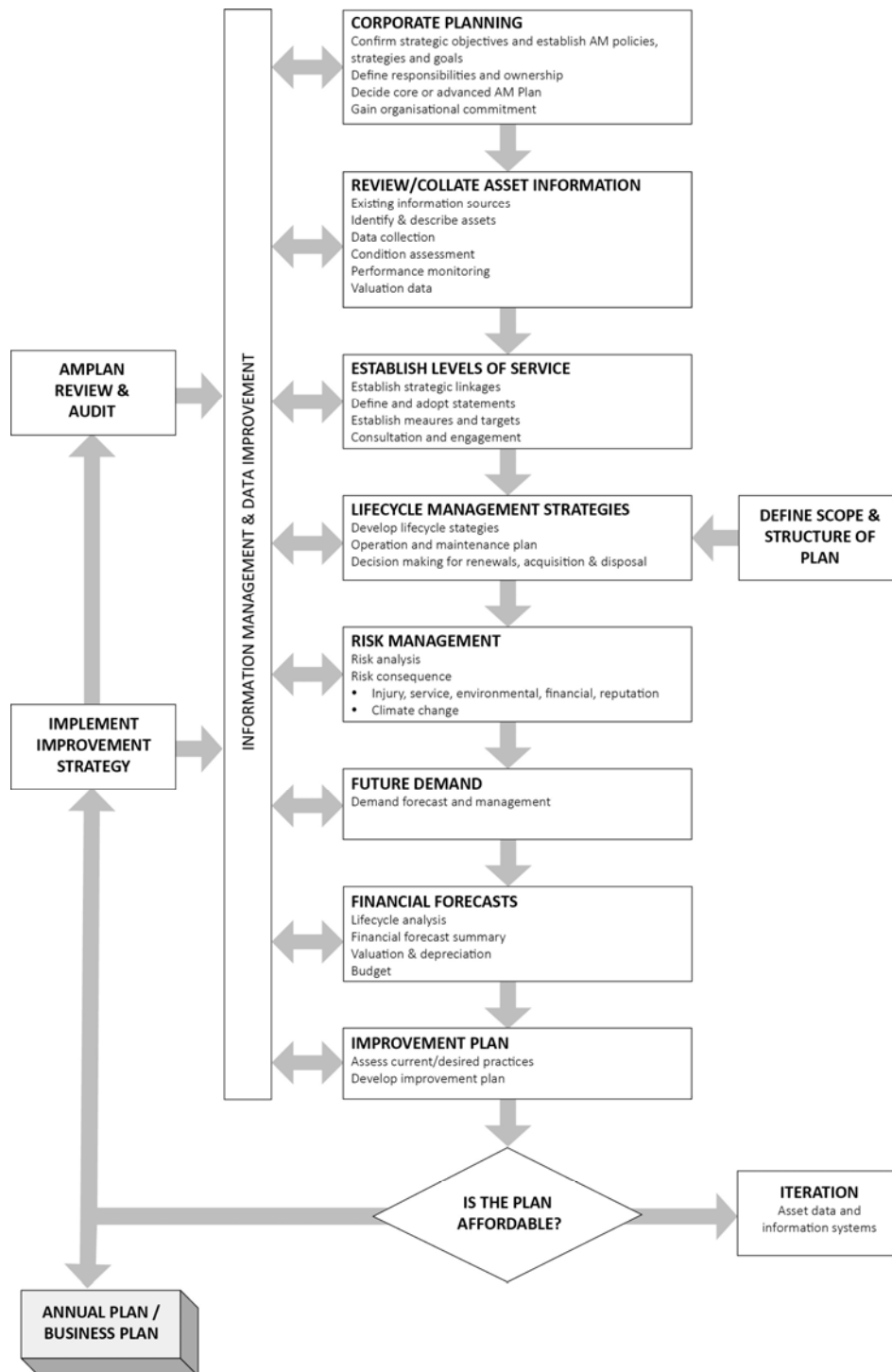
<sup>1</sup> Based on IPWEA 2015 IIMM, Sec 2.1.3, p 2 | 13

<sup>2</sup> ISO 55000 Overview, principles, and terminology



## Road Map for preparing an Asset Management Plan

Source: IPWEA, 2006, IIMM, Fig 1.5.1, p 1.11



### 3.0 LEVELS OF SERVICE

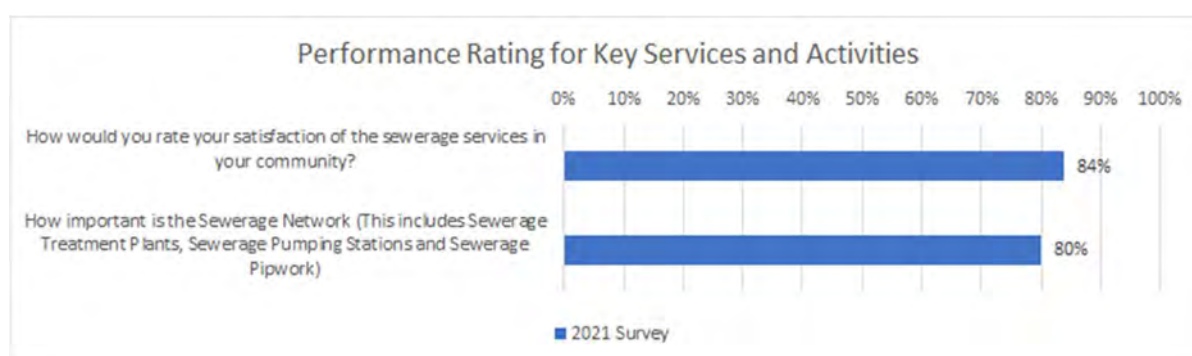
#### 3.1 Customer Research and Expectations

This AM Plan is prepared to facilitate consultation prior to adoption of levels of service by the TSIRC Councilors. Current consultation on service levels is being undertaken by council staff. This will assist the Torres Strait Island Regional Council and stakeholders in matching the level of service required, service risks and consequences with the customer's ability and willingness to pay for the service.

In 2021, Council commissioned a community satisfaction survey which was conducted internally. The survey was administered by multiple means including paper and electronic forms and was available to all within the Torres Strait Islands Regional Council Local Government Area. The survey covered a wide range of functions and services provided by Council. Overall, there were 107 responses which represents approximately 3% of the total population.

Figure 3.1 summarises the results from our Customer survey (neutral or above) in relation to Buildings Corporate.

**Figure 3.1: Customer Satisfaction Survey Levels**



Community satisfaction information is used in developing the Strategic Plan and in the development of this asset management

#### 3.2 Strategic and Corporate Goals

This AM Plan is prepared under the direction of the Torres Strait Island Regional Council vision, mission, goals and objectives.

**Our vision is:**

For our Communities and Council to be Autonomous, Prosperous and Sustainable.

*For youmpla ples ene Council for meke something youmpla self sor long we can gad fruit them thing we makem e praper ene las long time.*

**Our mission is:**

To improve our Communities' livability in all we do.

Strategic goals have been set by the Torres Strait Islands Regional Council. The relevant goals and objectives and how these are addressed in this AM Plan are summarised in Table 3.2.

*For youmpla for strete ples blo youmpla ene weis kaine youmpla stap lor pless youmpla.*

Strategic goals have been set by the Torres Strait Island Regional Council. The relevant goals and objectives and how these are addressed in this AM Plan are summarised in Table 3.2.

**Table 3.2: Goals and how these are addressed in this Plan**

Goal	Objective	How Goal and Objectives are addressed in the AM Plan
Managing the needs of today whilst sustaining the natural environment for future generations to meet their own needs	To collect and treat wastewater with a view towards maximising beneficial re-use	To undertake proactive surveillance, maintenance and management program of the Waste Water supply system and distribution network. To conduct wastewater quality sampling and analysis at regular predetermined intervals To protect the wastewater treatment plant by limiting unauthorised public access and disturbances to these areas
Managing the built environment to ensure sustainable management of community infrastructure	Further develop and implement asset monitoring technologies to enable remote management of key infrastructure – i.e. SCADA	To promptly investigate and report on the quality of Waste Water effluent Regular recording of wastewater effluent testing results Advice communities on the importance of not disposing unsuitable solid and liquid water into the sewerage system
Infrastructure and social services that meet current and future community needs and aspirations	Monitor social and built infrastructure development to ensure it is in accordance with Council corporate and strategic planning	Properly functioning wastewater network to provide the platform for the Community to develop an economic and social base

### 3.3 Legislative Requirements

There are many legislative requirements relating to the management of assets. Legislative requirements that impact the delivery of the Waste Water service are outlined in Table 3.3.

**Table 3.3: Legislative Requirements**

Legislation	Requirement
Australian Guidelines for sewerage systems 1997 Act	Minimum standard for sewerage systems
Environmental protection Act 1994	Environmental Compliance
Standards Australia	Mechanical, Electrical, Fire and Plumbing.
Local Government Act	Overarching Governance
National Construction Cde	Technical Provisions for Design & Construction
Building Fire Safety Regulation 2008	Fire Safety Compliance
Public Health Regulation 2018	Ensure Facilities are safe, and Councils are for filling their obligations.
Public Health Act 2005	Ensure Facilities are safe, and Councils are for filling their obligations.
Local Laws	Local governance provision for amenities
WH&S Act 2011	Safety Compliance in the workplace

### 3.4 Customer Values

Service levels are defined in three ways, customer values, customer levels of service and technical levels of service.

**Customer Values** indicate:

- what aspects of the service is important to the customer?
- whether they see value in what is currently provided and
- the likely trend over time based on the current budget provision

**Table 3.4: Customer Values**

Service Objective:			
Customer Values	Customer Satisfaction Measure	Current Feedback	Expected Trend Based on Planned Budget
Quality	Provide an effective method of collection and disposal of wastewater	Satisfactory	Service levels need to be set based on updated Customer Satisfaction surveys
Quality	No odours	Satisfactory	Service levels need to be set based on updated Customer Satisfaction surveys
Function	No backup of sewage into properties	Satisfactory	Service levels need to be set based on updated Customer Satisfaction surveys
Function	No overflows of sewage onto public places or waterways	Satisfactory	Service levels need to be set based on updated Customer Satisfaction surveys
Capacity/ Utilisation	Provide collection, treatment and disposal of wastewater effluent with low level of risk to public/staff	Satisfactory	Service levels need to be set based on updated Customer Satisfaction surveys

### 3.5 Customer Levels of Service

The Customer Levels of Service are considered in terms of:

**Condition**            How good is the service ... what is the condition or quality of the service?

**Function**            Is it suitable for its intended purpose .... Is it the right service?

**Capacity/Use**        Is the service over or under used ... do we need more or less of these assets?

In Table 3.5 under each of the service measures types (Condition, Function, Capacity/Use) there is a summary of the performance measure being used, the current performance, and the expected performance based on the current budget allocation.

These are measures of fact related to the service delivery outcome (e.g. number of occasions when service is not available or proportion of replacement value by condition %'s) to provide a balance in comparison to the customer perception that may be more subjective.

**Table 3.5: Customer Level of Service Measures**

Type of Measure	Level of Service	Performance Measure	Current Performance	Expected Trend Based on Planned Budget
<b>Condition</b>	Provide an effective method of collection and disposal of wastewater	Customer Complaints	0	0 p.a.
	No odours	Customer Complaints	2	<10 p.a.
	<b>Confidence levels</b>		Low Low (Professional Judgement with no data evidence)	Low Low (Professional Judgement with no data evidence)
<b>Function</b>	No backup of sewage into properties	Customer complaints	1	<10 p.a.
	No overflows of sewage onto public places or waterways	Incident reporting	1	<10 p.a.
	<b>Confidence levels</b>		Low Low (Professional Judgement with no data evidence)	Low Low (Professional Judgement with no data evidence)
<b>Capacity</b>	Provide collection, treatment, and disposal of wastewater effluent with low level of risk to public/staff	Incidents of substandard water being discharged/re-used	0	0 p.a.
	<b>Confidence levels</b>		Low Low (Professional Judgement with no data evidence)	Low Low (Professional Judgement with no data evidence)

### 3.6 Technical Levels of Service

**Technical Levels of Service** – To deliver the customer values, and impact the achieved Customer Levels of Service, are operational or technical measures of performance. These technical measures relate to the activities and allocation 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., widening a road, sealing an unsealed road, replacing a pipeline with a larger size) or a new service that did not exist previously (e.g., a new library).

- **Operation** – the regular activities to provide services (e.g., opening hours, cleansing, 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., road patching, unsealed road grading, building and structure repairs),
- **Renewal** – the activities that return the service capability of an asset up to that which it had originally provided (e.g., road resurfacing and pavement reconstruction, pipeline replacement and building component replacement),

Service and asset managers plan, implement and control technical service levels to influence the service outcomes.<sup>3</sup>

Table 3.6 shows the activities expected to be provided under the current 10 year Planned Budget allocation, and the Forecast activity requirements being recommended in this AM Plan.

**Table 3.6: Technical Levels of Service**

Lifecycle Activity	Purpose of Activity	Activity Measure	Current Performance*	Recommended Performance **
<b>TECHNICAL LEVELS OF SERVICE</b>				
<b>Acquisition</b>	To ensure wastewater assets increase their useful life beyond that which they originally had to continue to provide reliable collection and effective treatment of wastewater	Capacity, quality, and accessibility of wastewater services	Wastewater assets are not upgraded in a timely manner. Most upgrade and new purchases are overdue	To ensure aging and obsolete wastewater assets are upgraded or replaced with new to provide a higher level of service
		<b>Budget</b>	\$0	\$0
<b>Operation</b>	Safe and effective operation of wastewater treatment plant and collection network	Field and laboratory wastewater quality testings	Wastewater quality testings meet regulatory requirements at least 98% of the time	Always meets water regulatory requirements 100%
		<b>Budget</b>	\$2,533,905	\$2,533,905
<b>Maintenance</b>	To ensure wastewater assets perform to their requirements and achieve their useful life	Response time to rectify faults with wastewater assets	Able to repair, replace and restart wastewater assets with minimum downtime	The Maintenance activities we would like to do as per the Lifecycle Forecast Ensure wastewater assets remain in effective service throughout their useful life and beyond
		<b>Budget</b>	\$193,955	\$193,955

<sup>3</sup> IPWEA, 2015, IIMM, p 2|28.

Lifecycle Activity	Purpose of Activity	Activity Measure	Current Performance*	Recommended Performance **
<b>Renewal</b>	To ensure wastewater asset are renewed in accordance with recommended timeframes	Wastewater assets to be renew in a timely manner to maintain effective collection and treatment	Wastewater assets are not renewed at the recommended timeframe with	Wastewater assets to be renewed prior to the end of their useful life.
		<b>Budget</b>	\$1,080,455	\$4,118,130
<b>Disposal</b>	To ensure wastewater assets are disposed in line with their useful life to continue to provide safe, clean and reliable water supply	Capacity, quality, and accessibility of wastewater services	Wastewater assets are not upgraded in a timely manner. Most upgrade and new purchases are overdue	A more strategic approach is being developed as this AMP matures. \$'s will be defined further into the assessment
	What is the purpose of the Activity	Describe the Measure being used for performance monitoring	The Disposal activities that can be done within the current Planned Budget restraints	The Disposal activities we would like to do as per the Lifecycle Forecast
		<b>Budget</b>	\$0	\$0

Note: \* Current activities related to Planned Budget.

\*\* Expected performance related to forecast lifecycle costs.

It is important to monitor the service levels regularly as circumstances can and do change. Current performance is based on existing resource provision and work efficiencies. It is acknowledged changing circumstances such as technology and customer priorities will change over time.

## 4.0 FUTURE DEMAND

### 4.1 Demand Drivers

Drivers affecting demand include things such as population change, regulations, changes in demographics, seasonal factors, vehicle ownership rates, consumer preferences and expectations, technological changes, economic factors, agricultural practices, environmental awareness, etc.

### 4.2 Demand Forecasts

The present position and projections for demand drivers that may impact future service delivery and use of assets have been identified and documented.

### 4.3 Demand Impact and Demand Management Plan

The impact of demand drivers that may affect future service delivery and use of assets are shown in Table 4.3.

Demand for new services will be managed through a combination of managing existing assets, upgrading of 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 shown in Table 4.3. Further opportunities will be developed in future revisions of this AM Plan.

**Table 4.3: Demand Management Plan**

Demand driver	Current position	Projection	Impact on services	Demand Management Plan
Population	7,403 (2016 Census)	8,416 (2031)	Increased pressure on central services. Need for additional council staff resources.	Review and plan for appropriate upgrades to facilities as the utilisation levels reach upper levels of utilisation.
Demographics	25.5% under the age of 10, 35% between the ages of 10 and 30, 31.3% between the ages of 30 and 60 and 8.2% over the age of 60	No projection data is available.	Changing community requirements for the building's assets including increased needs for access.	Review and plan for appropriate upgrades to align with accessibility needs of changing community demographic profile.
Water condition and storage	Complying	Dependent on updated community survey data	Any increase in demand forming part of the service delivery will put pressure on water supply in the region.	Acquire new water assets though new capital funding.



## Indigenous regions, projected increase and rate of growth (series B), 2016 to 2031, at 30 June

Indigenous region	2016	2031	Projected growth 2016 to 2031	
	— persons —		no.	%
Brisbane	84,454	126,482	42,028	49.8
Cairns–Atherton	30,050	39,064	9,014	30.0
Cape York	10,579	13,469	2,890	27.3
Mount Isa	9,003	9,253	250	2.8
Rockhampton	26,941	35,528	8,587	31.9
Toowoomba–Roma	21,350	27,648	6,298	29.5
Torres Strait	7,403	8,156	753	10.2
Townsville–Mackay	31,496	44,795	13,299	42.2
<b>Queensland</b>	<b>221,276</b>	<b>304,395</b>	<b>83,119</b>	<b>37.6</b>
<b>Australia</b>	<b>798,365</b>	<b>1,071,871</b>	<b>273,506</b>	<b>34.3</b>

### 4.4 Asset Programs to meet Demand

The new assets required to meet demand may be acquired, donated or constructed. Additional assets are discussed in Section 5.4.

Acquiring new assets will commit the Torres Strait Island Regional Council to ongoing operations, maintenance and renewal costs for the period that the service provided from the assets is required. These future costs are identified and considered in developing forecasts of future operations, maintenance and renewal costs for inclusion in the long-term financial plan (Refer to Section 5).

### 4.5 Climate Change Adaptation

The impacts of climate change may have a significant impact on the assets we manage and the services they provide. In the context of the Asset Management Planning process climate change can be considered as both a future demand and a risk.

How climate change impacts on assets will vary depending on the location and the type of services provided, as will the way in which we respond and manage those impacts.<sup>4</sup>

<sup>4</sup> IPWEA Practice Note 12.1 Climate Change Impacts on the Useful Life of Infrastructure

As a minimum we consider how to manage our existing assets given potential climate change impacts for our region.

Risk and opportunities identified to date are shown in Table 4.5.1

**Table 4.5.1 Managing the Impact of Climate Change on Assets and Services**

Climate Change Description	Projected Change	Potential Impact on Assets and Services	Management
Rising sea levels and increased storm tide activity in the wet season	Increased flood zone.	Assets within new flood zone prone to significant water damage and impairment.	Relocation of critical assets and assets with high likelihood of environmental exposure. Plan and develop assets considering astronomical tide projection mapping.
Rising air and sea temperatures	Increased storm activity and/or severity	Higher levels of damage and corrosion to buildings associated materials.	Introducing corrosion resistant building materials, i.e., marine grade aluminium roofing and stainless-steel fixing screws. Where possible utilising wood instead of steel for structural renews.

Additionally, the way in which we construct new assets should recognise that there is opportunity to build in resilience to climate change impacts. Building resilience can have the following benefits:

- Assets will withstand the impacts of climate change.
- Services can be sustained; and
- Assets that can endure may potentially lower the lifecycle cost and reduce their carbon footprint

Table 4.5.2 summarises some asset climate change resilience opportunities.

**Table 4.5.2 Building Asset Resilience to Climate Change**

New Asset Description	Climate Change impact These assets?	Build Resilience in New Works
Improved SCADA	Damage to island infrastructure monitored and responded to early	Monitor outcomes to make better decisions
New STP treatment process	Waste service supply and health and wellbeing of community	Improve quality of outflow
Management System upgrade	Improve maintenance regime	Less downtime

The impact of climate change on assets is a new and complex discussion and further opportunities will be developed in future revisions of this AM Plan.

## 5.0 LIFECYCLE MANAGEMENT PLAN

The lifecycle management plan details how the Torres Strait Island Regional Council plans to manage and operate the assets at the agreed levels of service (Refer to Section 3) while managing life cycle costs.

### 5.1 Background Data

#### 5.1.1 Physical parameters

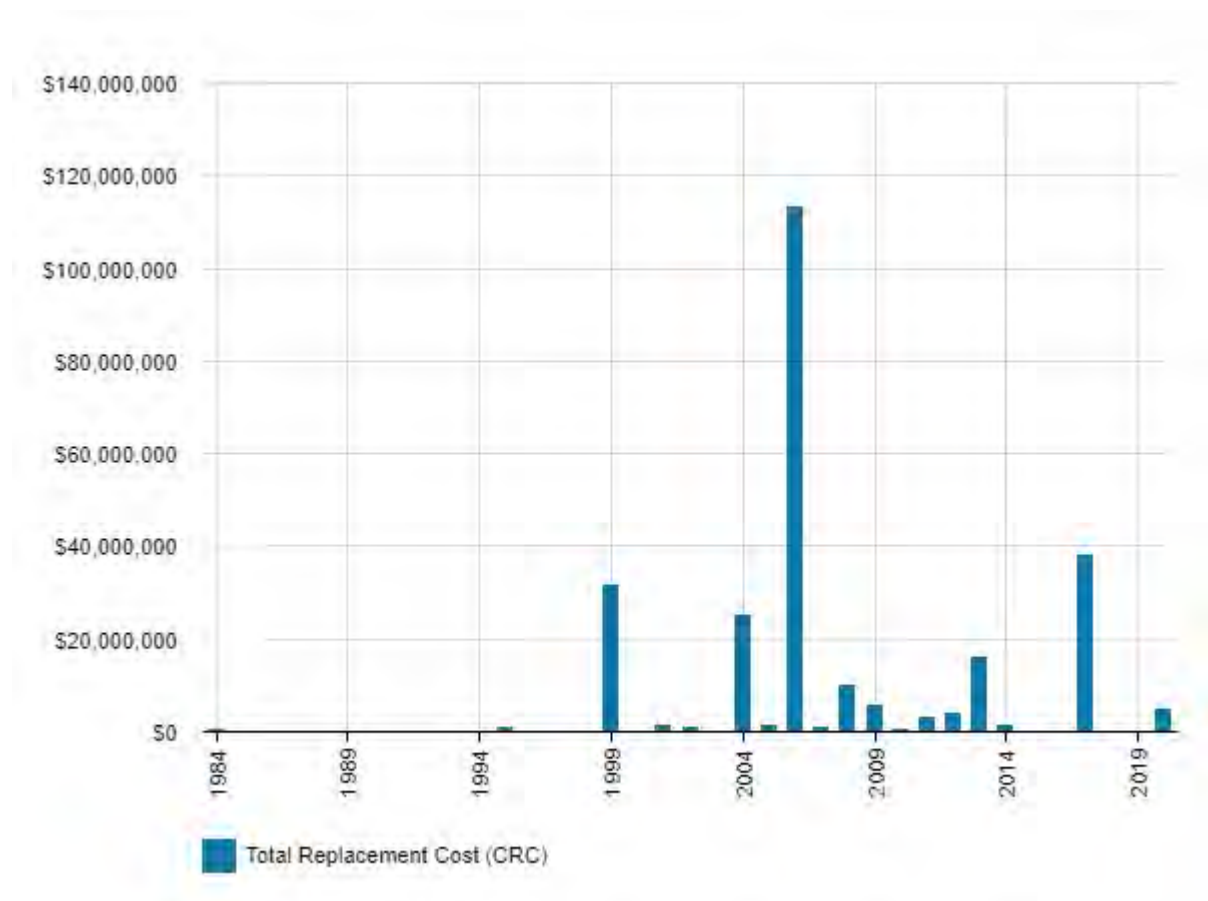
The assets covered by this AM Plan are shown in Table 5.1.1.

The waste water supply network comprises; the items listed in Table 5.1.1 below with a replacement value estimated at 30 June 2021 of \$258,666,984 with the inclusion of the 2021 desktop valuation the estimated replacement value indexation at 30 June 2021 of 4.0% which equates to \$269,013,663.

The age profile of the assets included in this AM Plan are shown in Figure 5.1.1.

**Table 5.1.1: Assets covered by this Plan**

Asset Category	Number of Assets	Replacement Value
Network Assets	4	24,418,300
Pump Station Electrical	110	4,038,549
Pump Station Mechanical	136	5,333,847
Pump Station Structure	161	19,739,508
Settlement Ponds	40	13,343,900
Sewerage Treatment Plant Buildings	22	3,991,500
Sewerage Treatment Plant Chemical Treatment	9	295,400
Sewerage Treatment Plant Electrical	47	15,471,782
Sewerage Treatment Plant Mechanical	40	22,685,895
Sewerage Treatment Plant Structural	89	24,392,300
Subterranean Pipes	37	149,348,300
<b>TOTAL</b>	<b>706</b>	<b>258,666,981</b>



All figure values are shown in current day dollars.

Add discussion about the age asset profile. Outline how past peaks of investment that may require peaks in renewals in the future. Comment on the overall age versus useful lives of the assets.

### 5.1.2 Asset capacity and performance

Assets are generally provided to meet design standards where these are available. However, there is insufficient resources to address all known deficiencies. Locations where deficiencies in service performance are known are detailed in Table 5.1.2.

**Table 5.1.2: Known Service Performance Deficiencies**

Item/Location	Service Deficiency
Mabuiag	Missing/Broken block chain from Sewer pump Station 2. Cannot pull up pump.
Dauan	Desal Genset filters leaking
Masig	There is a leak on the bottom half of the Final Effluent Poly Tank, positioned on the black poly seam. I think it can be fixed with the use of a Plastic Welder machine.
Mer	Loss in power at both pump stations 3 and 4 . Have an electrician look at the switch board to see if anything can be done.
Mabuiag	Inlet screen door can't close always use a prop to open
Badu	Fault on Control board SURGE DIVERTER light red. And faulty.

Badu	Need new tap for wash down screening basket and pump station 5
Badu	Pump station 4 also need new tap and hose for sewerage screening basket wash down.
Warraber	"UV light ballasts shorting out and tripping power circuit. in the process now in ordering new ballasts to replace faulty ones."
Yam	"ISSUE: Both anoxic fibreglass tanks are starting to deteriorate, fibre starting to peel at top of tanks. Fibre glass tanks have been used since 2004. Pipes getting bowed ACTION: UPGRADE STP"
Mer	"Sewer pipe (overflow point) needs a cap In too closer proximity to the water meter"
04 - Mabuig	Missing/Broken block chain from Sewer pump Station 2. Cannot pull up pump.
12 - Masig	There is a leak on the bottom half of the Final Effluent Poly Tank, positioned on the black poly seam. I think it can be fixed with the use of a Plastic Welder machine.
07 - St Pauls	Broken basket winch needs to be fixed
04 - Mabuig	Inlet screen door can't close always use a prop to open
05 - Badu	Fault on Control board SURGE DIVERTER light red. And faulty.
10 - Warraber	"UV light ballasts shorting out and tripping power circuit.in the process now in ordering new ballasts to replace faulty ones."
04 - Mabuig	Flood lights damaged by strong winds and could be rusted as well.
09 - Iama	"ISSUE: Both anoxic fibreglass tanks are starting to deteriorate, fibre starting to peel at top of tanks. Fibre glass tanks have been used since 2004. Pipes getting bowed ACTION: UPGRADE STP"
15 - Mer	"Sewer pipe (overflow point) needs a cap in close proximity to water meter"

The above service deficiencies were identified from information being recorded from the rollout of a new Defects and Issues Register recently implemented. As data matures this will be referenced in the future AM Plan updates.

### 5.1.3 Asset condition

Condition is currently monitored in TSIRC based on a scale of 0 to 5 with 0.5 increments, to facilitate the data being introduced to NAMS+ model, values of 0.5 increased to the next increment, this has not impacted on the description of the condition rating as the 1 to 5 representation indicated below was consistent..

Condition is measured in NAMS+ using a 1 – 5 grading system<sup>5</sup> as detailed in Table 5.1.3. It is important that a consistent approach is used in reporting asset performance enabling effective decision support. A finer grading

<sup>5</sup> IPWEA, 2015, IIMM, Sec 2.5.4, p 2|80.

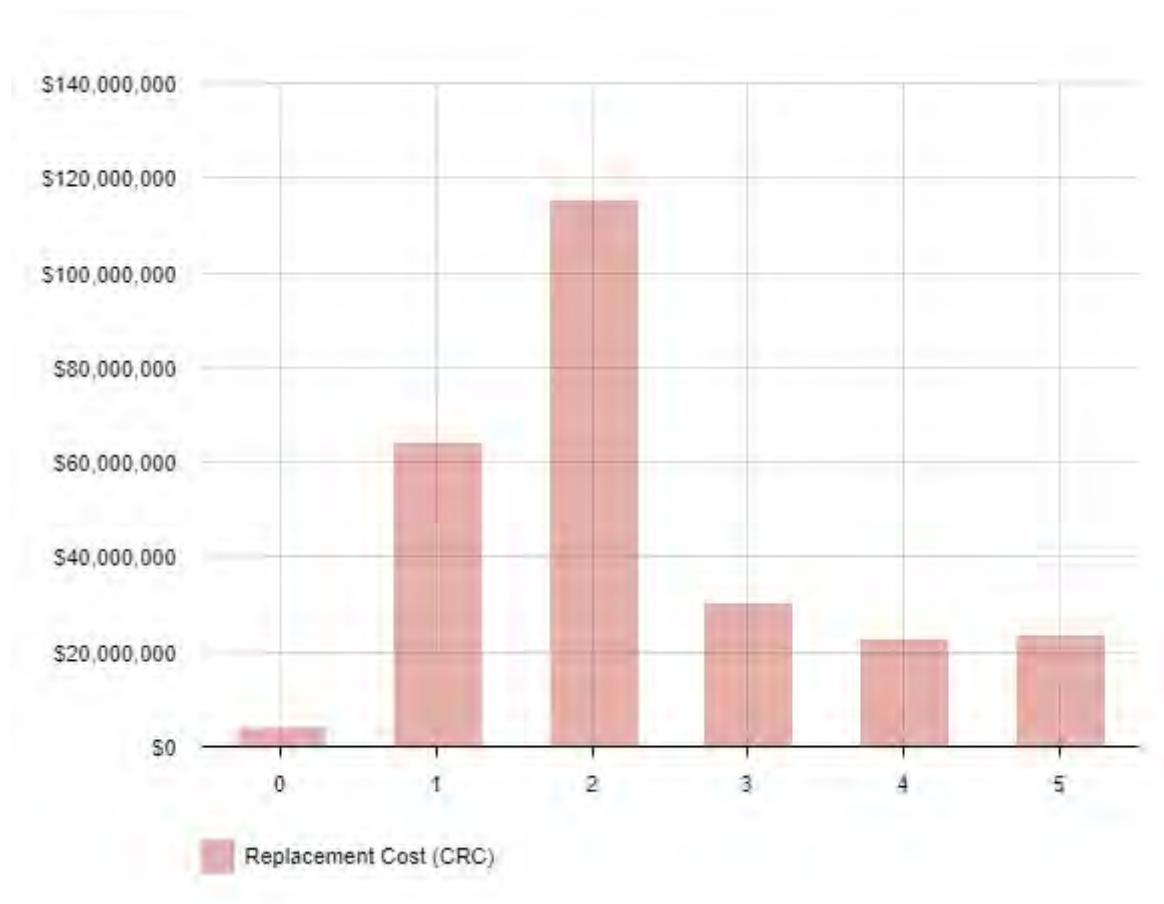
system may be used at a more specific level, however, for reporting in the AM plan results are translated to a 1 – 5 grading scale for ease of communication.

**Table 5.1.3: Condition Grading System**

Condition Grading	Description of Condition
1	<b>Very Good:</b> free of defects, only planned and/or routine maintenance required
2	<b>Good:</b> minor defects, increasing maintenance required plus planned maintenance
3	<b>Fair:</b> defects requiring regular and/or significant maintenance to reinstate service
4	<b>Poor:</b> significant defects, higher order cost intervention likely
5	<b>Very Poor:</b> physically unsound and/or beyond rehabilitation, immediate action required

The condition profile of our assets is shown in Figure 5.1.3.

**Figure 5.1.3: Asset Condition Profile**



It is anticipated that the overall asset conditions will deteriorate over time given the magnitude of funding deficit for maintenance and replacement. This will have a detrimental impact on services. All figure values are shown in current day dollars.

All figure values are shown in current day dollars.

## 5.2 Operations and Maintenance Plan

Operations include regular activities to provide services. Examples of typical operational activities include cleaning, street sweeping, 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 pipe repairs, asphalt patching, and equipment repairs.

The trend in maintenance budgets are shown in Table 5.2.1

**Table 5.2.1: Maintenance Budget Trends**

Year	Maintenance Budget \$
2020	127,365
2021	155,652
2022	207,066

Maintenance budget levels are considered to be adequate to meet projected service levels, which may be less than or equal to current service levels which remain under review. Where maintenance budget allocations are such that they will result in a lesser level of service, the service consequences and service risks have been identified and are highlighted in this AM Plan and service risks considered in the Infrastructure Risk Management Plan.

Assessment and priority of reactive maintenance is undertaken by staff using experience and judgement.

### Asset hierarchy

An asset hierarchy provides a framework for structuring data in an information system to assist in collection of data, reporting information and making decisions. The hierarchy includes the asset class and component used for asset planning and financial reporting and service level hierarchy used for service planning and delivery.

The service hierarchy is shown in Table 5.2.2.

**Table 5.2.2: Asset Service Hierarchy**

Service Hierarchy	Service Level Objective
Category 1 – Pumping Station Electrical, mechanical, structural	Maintain to a good standard and adapt to changing community needs.
Category 2 – Sewerage Treatment Plant Building, Chemical Treatment, Electrical, Mechanical, Structural, Settlement ponds	Maintain to a good standard and adapt to changing community needs.
Category 3 – Subterranean Pipes, Network Assets	Maintain to a good standard and adapt to changing community needs.

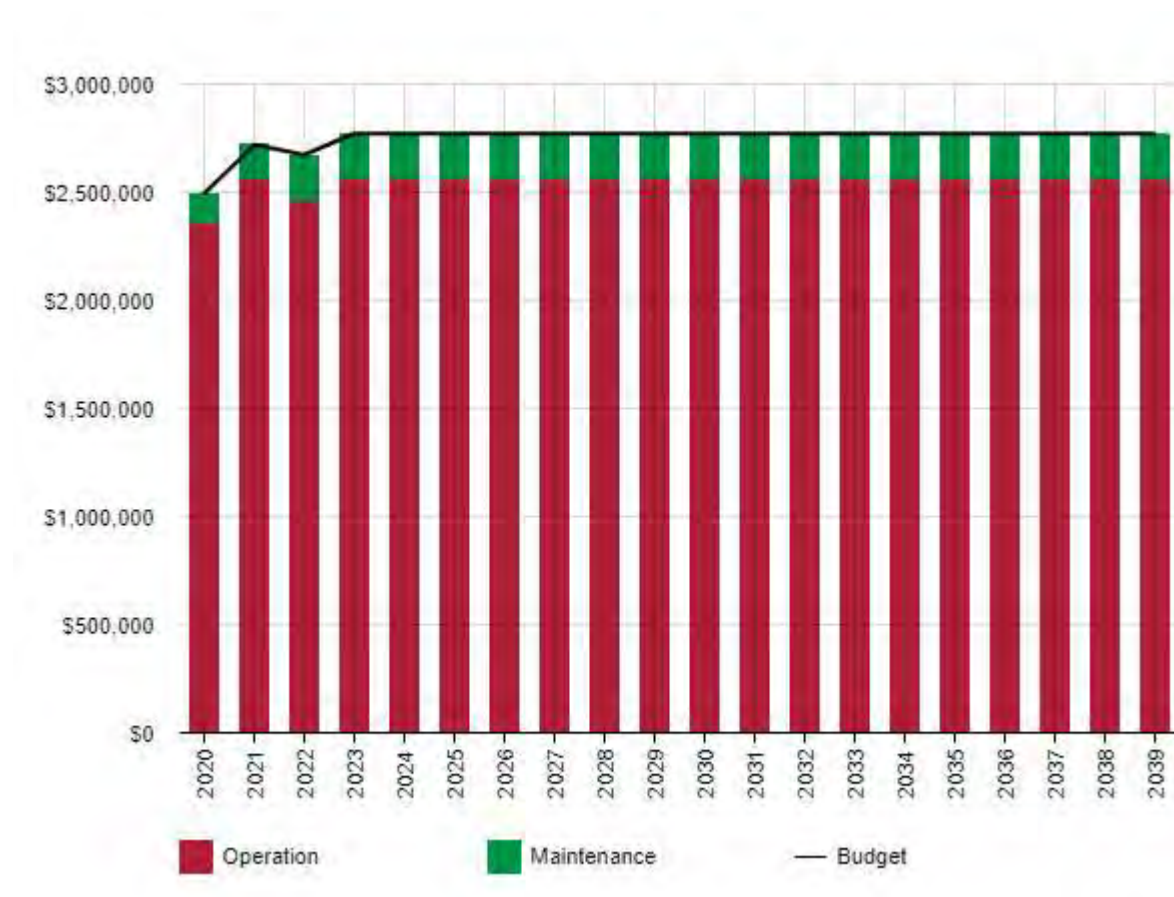
### Summary of forecast operations and maintenance costs

Forecast operations and maintenance costs are expected to vary in relation to the total value of the asset stock. If additional assets are acquired, the future operations and maintenance costs are forecast to increase. If assets are disposed of the forecast operation and maintenance costs are expected to decrease. Figure 5.2



shows the forecast operations and maintenance costs relative to the proposed operations and maintenance Planned Budget.

**Figure 5.2: Operations and Maintenance Summary**



All figure values are shown in current day dollars.

The maintenance and operations budget are reactive in nature with little scheduled maintenance apart from compliance and regulatory requirements.

### 5.3 Renewal Plan

Renewal is major capital work which does 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 currently identified in the Lifecycle Model using asset register data to project the renewal cost (Current replacement cost) and renewal timing (acquisition year plus updated useful life to determine the renewal year).

***The typical useful lives of assets used to develop projected asset renewal forecasts are shown in Table 5.3. Asset useful lives were last reviewed on June 2020 as part of a full Valuation***

Asset (Sub)Category	Useful life in Years
Network Assets	5 - 10
Pump Station Electrical	5 - 30



Pump Station Mechanical	7-25
Pump Station Structure	15-100
Settlement Ponds	30 - 50
Sewerage Treatment Plant Buildings	15-30
Sewerage Treatment Plant Chemical Treatment	10
Sewerage Treatment Plant Electrical	10-25
Sewerage Treatment Plant Mechanical	7-25
Sewerage Treatment Plant Structural	0 -100
Subterranean Pipes	30 - 50

### 5.3.1 The estimates for renewals in this AM Plan were based on the asset register Including all components associated with the primary asset 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 a Sewerage pump that has failed repeatedly), or
- To ensure the infrastructure is of sufficient quality to meet the service requirements (e.g., condition of a Sewerage Treatment Plant).<sup>6</sup>

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

- Have a high consequence of failure,
- Have high use and subsequent impact on users would be significant,
- Have higher than expected operational or maintenance costs, and
- Have potential to reduce life cycle costs by replacement with a modern equivalent asset that would provide the equivalent service.<sup>7</sup>

The ranking criteria used to determine priority of identified renewal proposals is detailed in Table 5.3.1.

**Table 5.3.1: Renewal Priority Ranking Criteria**

Criteria	Weighting
Sustainability Matrix: A prioritisation tool developed to assist in the assessment of capital project submissions and their priority for funding against the pillars of the corporate plan	TBD
<b>Total</b>	<b>100%</b>

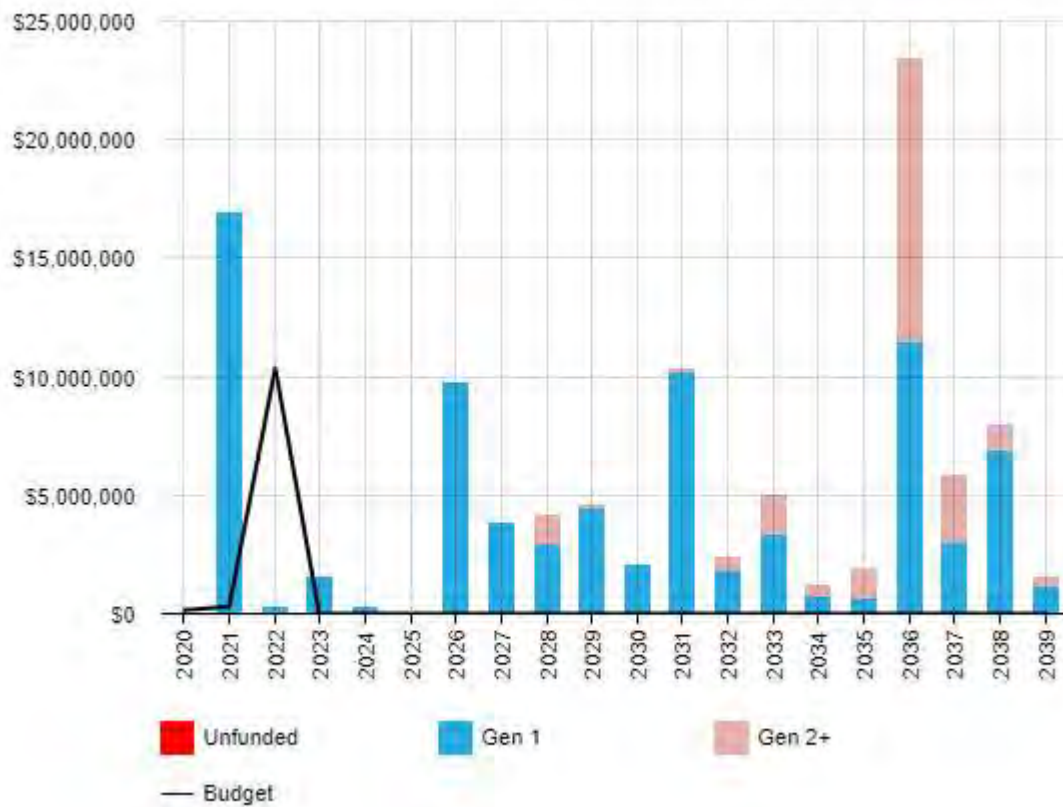
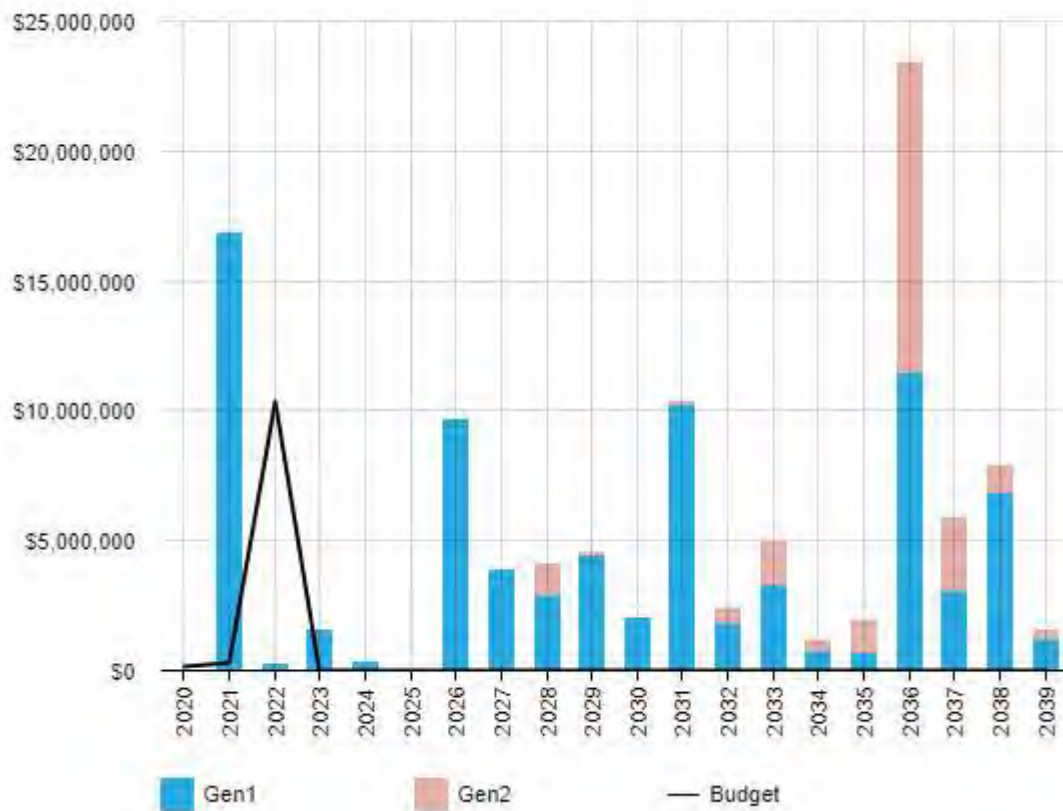
<sup>6</sup> IPWEA, 2015, IIMM, Sec 3.4.4, p 3|91.

<sup>7</sup> Based on IPWEA, 2015, IIMM, Sec 3.4.5, p 3|97.

## **5.4 Summary of future renewal costs**

Forecast renewal costs are projected to increase over time if the asset stock increases. The forecast costs associated with renewals are shown relative to the proposed renewal budget in Figure 5.4.1. A detailed summary of the forecast renewal costs is shown in Appendix D.

Figure 5.4.1: Forecast Renewal Costs



All figure values are shown in current day dollars.

Gen 1 – Relates to the “first” generation of asset renewals. The basis of this assessment is derived from data extracted from the 2020 comprehensive valuation and the revised estimated useful life. Due to legacy data from amalgamation a large component has been identified as being requiring renewal in 2021.

Gen 2+ - Relates to subsequent generations of asset renewals based on their existing useful life.

All figure values are shown in current day dollars.

There are currently no planned renewal projects aside from the renewals budget. This will be updated with planned projects in future iterations of the asset management plan

## 5.5 Acquisition Plan

Acquisition reflects new assets that did not previously exist 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 the Torres Strait Island Regional Council.

### 5.5.1 Selection criteria

Proposed acquisition of new assets, and upgrade of existing assets, are identified from various sources such as community requests, proposals identified by strategic plans or partnerships with others. Potential upgrade and new works should be reviewed to verify that they are essential to the entity and Community needs. Proposed upgrade and new work analysis should also include the development of a preliminary renewal estimate to ensure that the services are sustainable over the longer term. Verified proposals can then be ranked by priority and available funds and scheduled in future works programmes. The priority ranking criteria is detailed in Table 5.5.1.

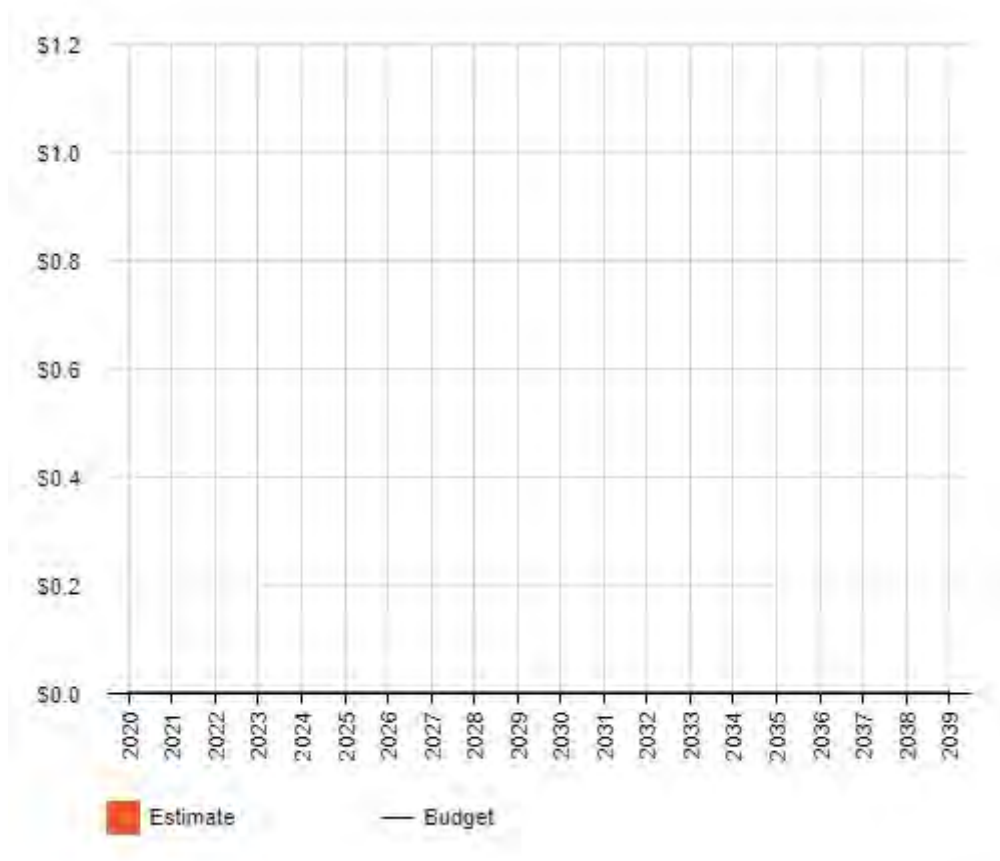
**Table 5.5.1: Acquired Assets Priority Ranking Criteria**

Criteria	Weighting
Not applicable to this class currently due to no structured long-term planning for new assets.	N/A
<b>Total</b>	<b>100%</b>

### Summary of future asset acquisition costs

Forecast acquisition asset costs are summarised / summarized in Figure 5.5.1 and shown relative to the proposed acquisition budget. The forecast acquisition capital works program is shown in Appendix A.

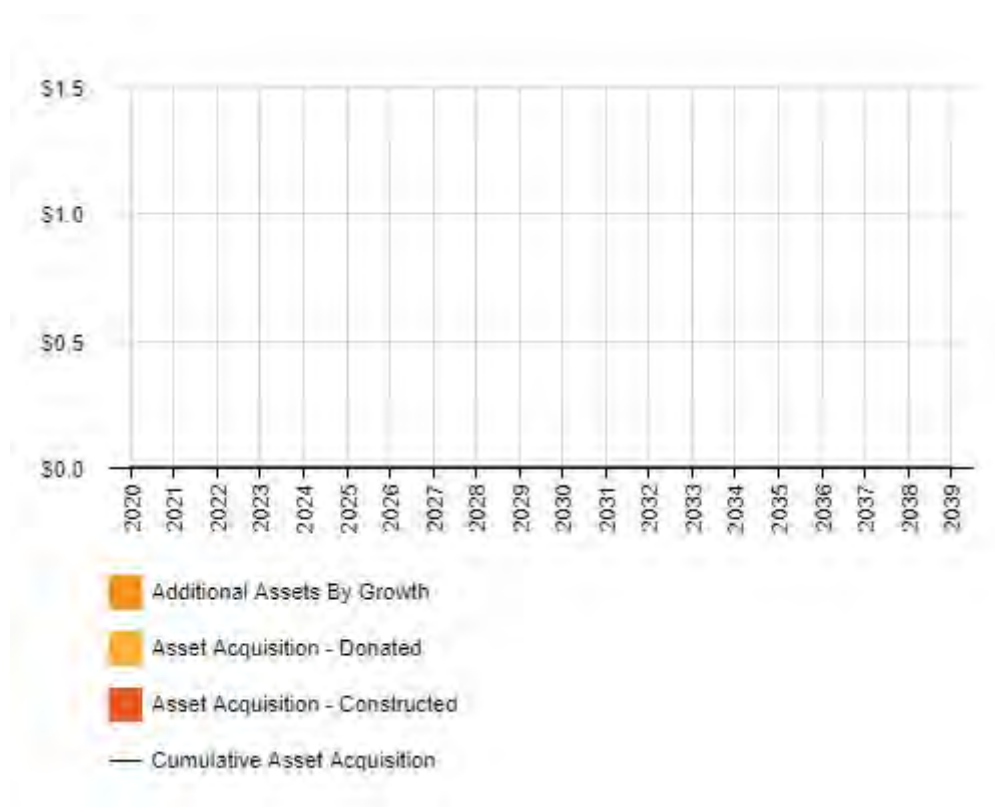
**Figure 5.5.1: Acquisition (Constructed) Summary**



All figure values are shown in current day dollars.

When an Entity commits to new assets, they must be prepared to fund future operations, maintenance, and renewal costs. They must also account for future depreciation when reviewing long term sustainability. When reviewing the long-term impacts of asset acquisition, it is useful to consider the cumulative value of the acquired assets being taken on by the Entity. The cumulative value of all acquisition work, including assets that are constructed and contributed shown in Figure 5.5.2.

**Figure 5.5.2: Acquisition Summary**



All figure values are shown in current dollars.

Expenditure on new assets and services in the capital works program will be accommodated in the long-term financial plan, but only to the extent that there is available funding.

## 5.6 Disposal Plan

Disposal includes any activity associated with the disposal of a decommissioned asset including sale, demolition or relocation. Assets identified for possible decommissioning and disposal are shown in Table 5.6. A summary of the disposal costs and estimated reductions in annual operations and maintenance of disposing of the assets are also outlined in Table 5.6. Any costs or revenue gained from asset disposals is included in the long-term financial plan.

**Table 5.6: Assets Identified for Disposal**

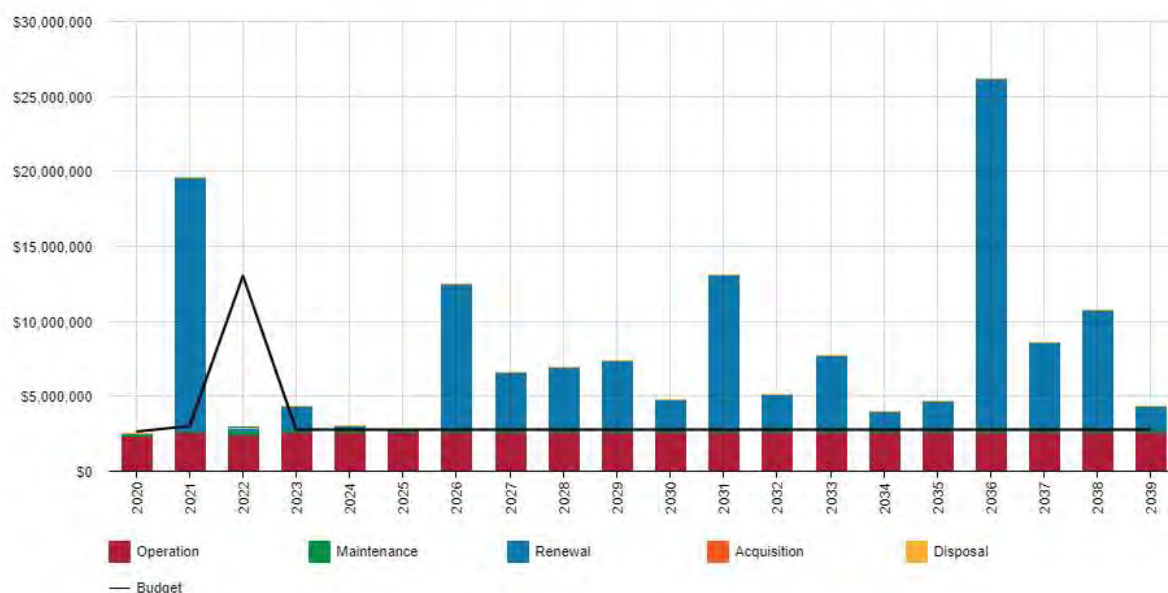
Asset	Reason for Disposal	Timing	Disposal Costs \$	Operations & Maintenance Annual Savings
N/A	N/A	N/A	N/A	N/A

## 5.7 Summary of asset forecast costs

The financial projections from this asset plan are shown in Figure 5.7.1. These projections include forecast costs for acquisition, operation, maintenance, renewal, and disposal. These forecast costs are shown relative to the proposed budget.

The bars in the graphs represent the forecast costs needed to minimise the life cycle costs associated with the service provision. The proposed budget line indicates the estimate of available funding. The gap between the forecast work and the proposed budget is the basis of the discussion on achieving balance between costs, levels of service and risk to achieve the best value outcome.

**Figure 5.7.1: Lifecycle Summary**



All figure values are shown in current day dollars.

With restricted funding and the future strategy still to be defined all information is currently projected based on the useful life retained in the asset register. This data will be updated as other information is clarified as the process matures.

## 6.0 RISK MANAGEMENT PLANNING

The purpose of infrastructure risk management is to document the findings and recommendations resulting from the periodic identification, assessment and treatment of risks associated with providing services from infrastructure, using the fundamentals of International Standard ISO 31000:2018 Risk management – Principles and guidelines.

Risk Management is defined in ISO 31000:2018 as: ‘coordinated activities to direct and control with regard to risk’<sup>8</sup>.

An assessment of risks<sup>9</sup> associated with service delivery will identify risks that will result in loss or reduction in service, personal injury, environmental impacts, a ‘financial shock’, reputational impacts, or other consequences. The risk assessment process identifies credible risks, the likelihood of the risk event occurring, and the consequences should the event occur. The risk assessment should also include the development of a risk rating, evaluation of the risks and development of a risk treatment plan for those risks that are deemed to be non-acceptable.

### 6.1 Critical Assets

Critical assets are defined as those which have a high consequence of failure causing significant loss or reduction of service. Critical assets have been identified and along with their typical failure mode, and the impact on service delivery, are summarised in Table 6.1. Failure modes may include physical failure, collapse or essential service interruption.

**Table 6.1 Critical Assets**

Critical Asset(s)	Failure Mode	Impact
Pumping Station Electrical, mechanical, structural	High	Sewage overflow
Sewerage Treatment Plant Building, Chemical Treatment, Electrical, Mechanical, Structural, Settlement ponds	Standard	Processing issues
Subterranean Pipes, Network Assets	Low	Reputation reduced

By identifying critical assets and failure modes an organisation can ensure that investigative activities, condition inspection programs, maintenance and capital expenditure plans are targeted at critical assets.

### 6.2 Risk Assessment

The risk management process used is shown in Figure 6.2 below.

It is an analysis and problem-solving technique designed to provide a logical process for the selection of treatment plans and management actions to protect the community against unacceptable risks.

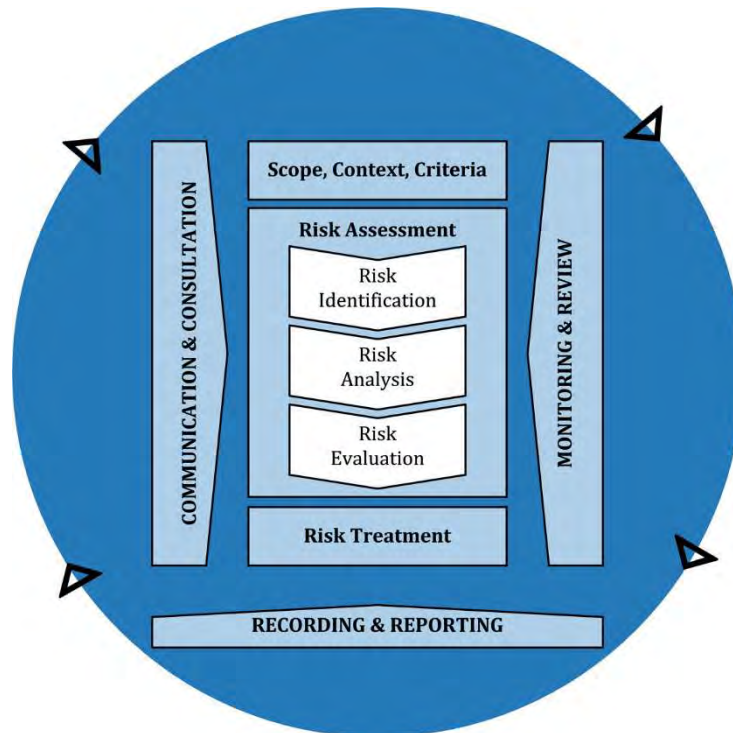
The process is based on the fundamentals of International Standard ISO 31000:2018.

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<sup>8</sup> ISO 31000:2009, p 2

<sup>9</sup> REPLACE with Reference to the Corporate or Infrastructure Risk Management Plan as the footnote





**Fig 6.2 Risk Management Process – Abridged**  
Source: ISO 31000:2018, Figure 1, p9

The risk assessment process identifies credible risks, the likelihood of the risk event occurring, the consequences should the event occur, development of a risk rating, evaluation of the risk and development of a risk treatment plan for non-acceptable risks.

An assessment of risks<sup>10</sup> associated with service delivery will identify risks that will result in loss or reduction in service, personal injury, environmental impacts, a 'financial shock', reputational impacts, or other consequences.

Critical risks are those assessed with 'Very High' (requiring immediate corrective action) and 'High' (requiring corrective action) risk ratings identified in the Infrastructure Risk Management Plan. The residual risk and treatment costs of implementing the selected treatment plan is shown in Table 6.2. It is essential that these critical risks and costs are reported to management and the Torres Strait Island Regional Council.

***Table 6.2: Risks and Treatment Plans***

Service or Asset at Risk	What can Happen	Risk Rating (VH, H)	Risk Treatment Plan	Residual Risk *	Treatment Costs \$
Wastewater Assets	Misalignment of objectives between different authorities / governments causing inability to deliver corporate plan	H	<ul style="list-style-type: none"> <li>a) Review effectiveness of government working groups (in progress)</li> <li>b) Further engagement of decision makers (as opposed to pure stakeholders)</li> <li>c) More formalised engagement with DLG</li> <li>d) Reduction in green tape</li> <li>e) Strengthened AMP linkages to conversations with stakeholders highlighting council needs and requirements</li> <li>f) Quality assurance through Environment and Health (planned)</li> <li>g) Additional dedicated resources</li> <li>h) Direct control of funding</li> </ul>	M	TBA
Waste W Water Assets	Inability to attract skilled employees for key positions in a timely manner	H	<ul style="list-style-type: none"> <li>a) Selective in recruitment process</li> <li>b) Use of recruitment firms</li> <li>c) Training within to meet selection criteria (for TSIs)</li> <li>d) Advertising (internal and external)</li> <li>e) Increase in number of specialist positions located in Cairns (albeit still limited)</li> <li>f) Increased flexibility in salary / benefits packaging 'specialist positions'</li> <li>g) Training &amp; development enhancements including training needs analysis</li> <li>h) Formal succession planning for key roles (more could be done, subject to budgetary constraints). Including documentation</li> </ul>	M	TBA

Waste Water Assets	Impact of climate change on islands	VH	<ul style="list-style-type: none"> <li>a) Land use planning allows for changes to high water marks</li> <li>b) Internal discussion around potential relocation in future</li> <li>c) Raising houses</li> <li>d) Temporary sea walls</li> <li>e) Funding for permanent (engineered) sea walls - have secured \$27m of funding (project commences in May 2013 - completion expected 2016) plus other protection systems (\$3m funding).</li> <li>f) Active LDMG (local Disaster Mgt Group)</li> <li>g) Disaster Management Officer in council</li> <li>h) King Tide subgroup (management plan - protective and reactive mitigation)</li> <li>i) Site based management plans</li> </ul>	M	TBA
Waste Water Assets	Disruption of supplies / transport to islands as a result of logistics failure or supplier withdrawal from TSI	H	<ul style="list-style-type: none"> <li>a) Increased stores of goods on individual islands leading into bad weather and ability to share</li> <li>b) Improved understanding of usage and restock levels required</li> <li>c) Communication with local communities to limit use of essential supplies prior to known event that will affect supply chain</li> <li>d) Fuel stores supplied on more frequent basis (minimum weekly).</li> </ul>	M	TBA
	Reduction or withdrawal of State and/or federal government funding required to carry on business	VH	<ul style="list-style-type: none"> <li>a) Complying with govt dept requirements</li> <li>b) Specific compliance around Local Govt Act (asset management, financial management)</li> <li>c) Forward planning regarding acquittals</li> <li>d) Lobbying of ministers and senior department heads</li> <li>e) First time in budget surplus (cash)</li> <li>f) Transfer of non-core functions to appropriate government body</li> </ul>	VH	TBA
Waste Water Assets	Environmental event resulting in financial and reputational damage	H	<ul style="list-style-type: none"> <li>a) Current controls include proactive engagement with EHP / EPA</li> <li>b) Environmental management plans in place for water treatment</li> <li>c) Appropriate staff employed with necessary skill set</li> <li>d) Bunding around fuel storage and dumps</li> <li>e) Training of staff</li> </ul>	M	TBA

	Breakdown of Council infrastructure, plant & equipment resulting in operational and financial impact	H	a) Asset management planning. b) To certain extent all core equipment now known. c) Proactive maintenance program (ongoing progress). d) Dedicated personnel for mobile plant & equipment (multi-skilled workforce would work at cross purposes to this - training more important) e) Additional reporting requirements imposed on contractors. f) Use of appropriately experienced/competent operators on equipment. g) Defect notification process.	M	TBA
Wastewater Assets	Sabotage of Council infrastructure resulting in major safety issue	H	Physical security around wastewater facilities (fences and locked gates/doors)	M	TBA
Wastewater Assets	Investment analysis not being undertaken before purchase of assets and poor asset management	VH	a) Formal tender process. b) Ranking of capital budget. c) Procurement policy and function. d) Asset management plans, policies and training. e) Formalised requirement for whole of life costing. f) Dedicated positions - manager of assets & property officer. g) Scheduled asset maintenance programs. h) Maintenance of licenced premises sits with asset manager.	H	TBA

Note \* The residual risk is the risk remaining after the selected risk treatment plan is implemented.

### 6.3 Infrastructure Resilience Approach

The resilience of our critical infrastructure is vital to the ongoing provision of services to customers. To adapt to changing conditions we need to understand our capacity to 'withstand a given level of stress or demand', and to respond to possible disruptions to ensure continuity of service.

Resilience recovery planning, financial capacity, climate change risk assessment and crisis leadership.

Our current measure of resilience is shown in Table 6.3 which includes the type of threats and hazards and the current measures that the organisation takes to ensure service delivery resilience.

**Table 6.3: Resilience Assessment**

Threat / Hazard	Assessment Method	Current Resilience Approach
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We do not currently measure our resilience in service delivery. This will be included in future iterations of the AM Plan.

## 6.4 Service and Risk Trade-Offs

The decisions made in adopting this AM Plan are based on the objective to achieve the optimum benefits from the available resources.

### 6.4.1 What we cannot do

There are some operations and maintenance activities and capital projects that are unable to be undertaken within the next 10 years. We do not have enough funding to provide all services at the desired service levels or provide new services. Works and services that cannot be provided under present funding levels are:

- Implementation of suitable levels of maintenance to stop the rapid degradation of waste water assets, after years of maintenance funding restrictions.
- General maintenance to all priority waste water assets to bring them up to suitable operational status.
- Planned/preventative maintenance.
- Renewal program for all waste water assets at the end of their useful life without additional funding.

### 6.4.2 Service trade-off

If there is forecast work (operations, maintenance, renewal, acquisition or disposal) that cannot be undertaken due to available resources, then this will result in service consequences for users. These service consequences include:

### 6.4.3 No forecast works scheduled at this point in time other than renewal work listed in Appendix A . All work undertaken on a prioritised reactive basis to maintain services Risk trade-off

The operations and maintenance activities and capital projects that cannot be undertaken may sustain or create risk consequences. These risk consequences include:

- Increased maintenance services costs
- Increased ageing of assets and acceleration physical deterioration

These actions and expenditures are considered and included in the forecast costs, and where developed, the Risk Management Plan.

## 7.0 FINANCIAL SUMMARY

This section contains the financial requirements resulting from the information presented in the previous sections of this AM Plan. The financial projections will be improved as the discussion on desired levels of service and asset performance matures.

### 7.1 Financial Sustainability and Projections

#### 7.1.1 Sustainability of service delivery

There are two key indicators of sustainable service delivery that are considered in the AM Plan for this service area. The two indicators are the:

- asset renewal funding ratio (proposed renewal budget for the next 10 years / forecast renewal costs for next 10 years), and
- medium term forecast costs/proposed budget (over 10 years of the planning period).

##### Asset Renewal Funding Ratio

Asset Renewal Funding Ratio<sup>11</sup> 26.24%

The Asset Renewal Funding Ratio is an important indicator and illustrates that over the next 10 years we expect to have 26.24% of the funds required for the optimal renewal of assets.

The forecast renewal works along with the proposed renewal budget, and the cumulative shortfall, is illustrated in Appendix D.

##### Medium term – 10-year financial planning period

This AM Plan identifies the forecast operations, maintenance and renewal costs required to provide an agreed level of service to the community over a 10 year period. This provides input into 10 year financial and funding plans aimed at providing the required services in a sustainable manner.

This forecast work can be compared to the proposed budget over the first 10 years of the planning period to identify any funding shortfall.

The forecast operations, maintenance and renewal costs over the 10-year planning period is \$,6845,989 average per year.

The proposed (budget) operations, maintenance and renewal funding is \$3,808,314 on average per year giving a 10 year funding shortfall of ( \$3,037,675) per year. This indicates that 55.63% of the forecast costs needed to provide the services documented in this AM Plan are accommodated in the proposed budget. Note, these calculations exclude acquired assets.

Providing sustainable services from infrastructure requires the management of service levels, risks, forecast outlays and financing to achieve a financial indicator of approximately 1.0 for the first years of the AM Plan and ideally over the 10 year life of the Long-Term Financial Plan.

#### 7.1.2 Forecast Costs (outlays) for the long-term financial plan

Table 7.1.3 shows the forecast costs (outlays) required for consideration in the 10-year long-term financial plan.

Providing services in a financially sustainable manner requires a balance between the forecast outlays required to deliver the agreed service levels with the planned budget allocations in the long-term financial plan.

A gap between the forecast outlays and the amounts allocated in the financial plan indicates further work is required on reviewing service levels in the AM Plan (including possibly revising the long-term financial plan).

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<sup>11</sup> AIFMM, 2015, Version 1.0, Financial Sustainability Indicator 3, Sec 2.6, p 9.

We will manage the 'gap' by developing this AM Plan to provide guidance on future service levels and resources required to provide these services in consultation with the community.

Forecast costs are shown in 2021dollar values.

**Table 7.1.2: Forecast Costs (Outlays) for the Long-Term Financial Plan**

Year	Acquisition \$	Operation \$	Maintenance \$	Renewal \$	Disposal \$
2020	0	2,365,383	127,365	0	0
2021	0	2,563,380	155,652	16,854,100	0
2022	0	2,466,624	207,066	229,700	0
2023	0	2,563,380	207,066	1,549,600	0
2024	0	2,563,380	207,066	275,400	0
2025	0	2,563,380	207,066	35,000	0
2026	0	2,563,380	207,066	9,682,100	0
2027	0	2,563,380	207,066	3,839,800	0
2028	0	2,563,380	207,066	4,153,600	0
2029	0	2,563,380	207,066	4,562,000	0
2030	0	2,563,380	207,066	2,036,063	0
2031	0	2,563,380	207,066	10,321,200	0
2032	0	2,563,380	207,066	2,345,500	0
2033	0	2,563,380	207,066	4,941,300	0
2034	0	2,563,380	207,066	1,178,900	0
2035	0	2,563,380	207,066	1,897,000	0
2036	0	2,563,380	207,066	23,409,800	0
2037	0	2,563,380	207,066	5,838,800	0
2038	0	2,563,380	207,066	7,974,500	0
2039	0	2,563,380	207,066	1,527,200	0

## 7.2 Funding Strategy

The proposed funding for assets is outlined in the Entity's budget and Long-Term financial plan.

The financial strategy of the entity determines how funding will be provided, whereas the AM Plan communicates how and when this will be spent, along with the service and risk consequences of various service alternatives.

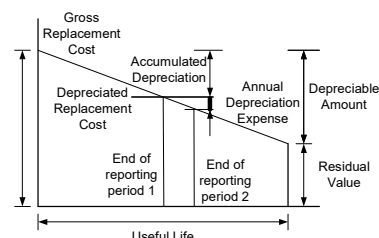


## 7.3 Valuation Forecasts

### 7.3.1 Asset valuations

The best available estimate of the value of assets included in this AM Plan are shown below. The assets are valued at fair value at cost to replace service capacity:

Replacement Cost (Current/Gross)	\$258,666,981
Depreciable Amount	\$258,666,981
Depreciated Replacement Cost <sup>12</sup>	\$164,765,3444
Depreciation	\$8,163,199



### 7.3.2 Valuation forecast

Asset values are forecast to increase as additional assets are added to the service and in line with annual revaluation reviews.

Additional assets may add to the operations and maintenance needs in the longer term. Additional assets may require additional costs due to future renewals. Any additional assets will also add to future depreciation forecasts.

## 7.4 Key Assumptions Made in Financial Forecasts

In compiling this AM Plan, it was necessary to make some assumptions. This section details the key assumptions made in the development of this AM plan and should provide readers with an understanding of the level of confidence in the data behind the financial forecasts.

Key assumptions made in this AM Plan are:

- Assumptions made around the maintenance and operations budget.
- Renewals are based on the fixed asset register replacement and have a low reliability rating for renewal forecasting.
- Capital costs for renewals are based on the replacement costs developed as a part of the valuations.
- Capital funding is based on the current year funding over each year based on existing known grant funds approved.
- No Asset acquisitions and disposals are planned except for renewals and adjusting disposals for those values.

## 7.5 Forecast Reliability and Confidence

The forecast costs, proposed budgets, and valuation projections in this AM Plan are based on the best available data. For effective asset and financial management, it is critical that the information is current and accurate. Data confidence is classified on a, A - E level scale<sup>13</sup> in accordance with Table 7.5.1.

<sup>12</sup> Also reported as Written Down Value, Carrying or Net Book Value.

<sup>13</sup> IPWEA, 2015, IIMM, Table 2.4.6, p 2|71.

**Table 7.5.1: Data Confidence Grading System**

Confidence Grade	Description
A. Very High	Data based on sound records, procedures, investigations and analysis, documented properly and agreed as the best method of assessment. Dataset is complete and estimated to be accurate $\pm 2\%$
B. High	Data based on sound records, procedures, investigations and analysis, documented properly but has minor shortcomings, for example some of the data is old, some documentation is missing and/or reliance is placed on unconfirmed reports or some extrapolation. Dataset is complete and estimated to be accurate $\pm 10\%$
C. Medium	Data based on sound records, procedures, investigations and analysis which is incomplete or unsupported, or extrapolated from a limited sample for which grade A or B data are available. Dataset is substantially complete but up to 50% is extrapolated data and accuracy estimated $\pm 25\%$
D. Low	Data is based on unconfirmed verbal reports and/or cursory inspections and analysis. Dataset may not be fully complete, and most data is estimated or extrapolated. Accuracy $\pm 40\%$
E. Very Low	None or very little data held.

The estimated confidence level for and reliability of data used in this AM Plan is shown in Table 7.5.2.

**Table 7.5.2: Data Confidence Assessment for Data used in AM Plan**

Data	Confidence Assessment	Comment
Demand drivers	Low	Addressed in improvement plan
Growth projections	Low	Addressed in improvement plan
Acquisition forecast	Low	Addressed in improvement plan
Operation forecast	Low	Addressed in improvement plan
Maintenance forecast	Low	Addressed in improvement plan
Renewal forecast		
- Asset values	Low	Addressed in improvement plan
- Asset useful lives	Low	Addressed in improvement plan
- Condition modelling	Low	Addressed in improvement plan
Disposal forecast	Low	Addressed in improvement plan

The estimated confidence level for and reliability of data used in this AM Plan is considered to be a Low Confidence Level.

## 8.0 PLAN IMPROVEMENT AND MONITORING

### 8.1 Status of Asset Management Practices<sup>14</sup>

#### 8.1.1 Accounting and financial data sources

This AM Plan utilises accounting and financial data. The source of the data is the TechnologyOne ERP Platform and the Sustainability Matrix.

#### 8.1.2 Asset management data sources

This AM Plan also utilises asset management data. The source of the data is the TechnologyOne ERP Platform.

### 8.2 Improvement Plan

It is important that an entity recognise areas of their AM Plan and planning process that require future improvements to ensure effective asset management and informed decision making. The improvement plan generated from this AM Plan is shown in Table 8.2.

**Table 8.2: Improvement Plan**

Task	Task	Responsibility	Resources Required	Timeline
1	Forecast reliability and confidence improvement	Asset Class Manager	1 Staff	3 years (2021-2023)
2	Functional assessments of Water Supply Assets	Asset Class Manager	Two (1) Staff	3 years (2021-2023)
3	Develop & implement a risk management framework.	Risk & Ethics/Assets	Two (Staff)	2021
4	Conduct risk assessment on assets at a network level	Asset Class Manager	Two (Staff)	2021
5	Finalise desired levels of service from community consultation.	Assets	4	2021
6	Develop & implement the Sustainability Matrix.	Asset Class Manager & Heads of Departments	TBD	2021-2022
7	Reinstate the Asset Management Group (AMG) consisting of all Asset Managers.	Executive	TBD	2021-2022
8	TECH ONE Enhancement upgrade	Assets	6	2022/23
9	Data validation and Asset Register Integrity check	Assets Department and Asset Class Manager	2	2022
10	Rationalisation of Asset base.	Assets, Executive Group & Council	TBD	2023
11	10 Year Capital Plan To be adopted	Engineering	TBA	2023
12	Identify AMPs as an outcome in the Corporate Plan	Finance	1	2022

<sup>14</sup> ISO 55000 Refers to this as the Asset Management System

13	Identify AMPs in the OP plan and asset managers across classes as being stakeholders as well.	Finance	1	2022
14	Update the Strategic Asset Management Plan	Assets	1	2021

### 8.3 Monitoring and Review Procedures

This AM Plan will be reviewed during the annual budget planning process and revised to show any material changes in service levels, risks, forecast costs and proposed budgets as a result of budget decisions.

The AM Plan will be reviewed and updated annually to ensure it represents the current service level, asset values, forecast operations, maintenance, renewals, acquisition and asset disposal costs and planned budgets. These forecast costs and proposed budget are incorporated into the Long-Term Financial Plan or will be incorporated into the Long-Term Financial Plan once completed.

The AM Plan has a maximum life of 4 years and is due for complete revision and updating within 12 months of each Council election.

### 8.4 Performance Measures

The effectiveness of this AM Plan can be measured in the following ways:

- The degree to which the required forecast costs identified in this AM Plan are incorporated into the long-term financial plan,
- The degree to which the 1–5-year detailed works programs, budgets, business plans and corporate structures consider the ‘global’ works program trends provided by the AM Plan,
- The degree to which the existing and projected service levels and service consequences, risks and residual risks are incorporated into the Strategic Planning documents and associated plans,
- The Asset Renewal Funding Ratio achieving the Organisational target (this target is often 90 – 100%).

## 9.0 REFERENCES

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- ISO, 2014, ISO 55000:2014, Overview, principles and terminology
- ISO, 2018, ISO 31000:2018, Risk management – Guidelines
- 'Strategic Asset Management Plan 2021– 2023
- 2020 Annual Report
- Corporate Plan 2020-2025
- Operational Plan 2020/21
- Deputations 2020

## 10.0 APPENDICES

### Appendix A Acquisition Forecast

#### A.1 – Acquisition Forecast Assumptions and Source

There are no acquisitions currently forecast. .

#### A.2 – Acquisition Project Summary

The project titles included in the lifecycle forecast are included here.

N/A

#### A.3 – Acquisition Forecast Summary

Recommend using NAMS+ Outputs Summary for Acquisition

*Table A3 - Acquisition Forecast Summary*

Year	Constructed \$	Donated \$	Growth \$
2020	0	0	0
2021	0	0	0
2022	0	0	0
2023	0	0	0
2024	0	0	0
2025	0	0	0
2026	0	0	0
2027	0	0	0
2028	0	0	0
2029	0	0	0
2030	0	0	0
2031	0	0	0
2032	0	0	0
2033	0	0	0
2034	0	0	0
2035	0	0	0
2036	0	0	0
2037	0	0	0
2038	0	0	0
2039	0	0	0

## Appendix B      Operation Forecast

### B.1 – Operation Forecast Assumptions and Source

Primary assumption is that funds are limited, and future projections are based on current level spend

### B.2 – Operation Forecast Summary

Recommend using NAMS+ Outputs Summary for Operation as listed below.

*Table B2 - Operation Forecast Summary*

Year	Operation Forecast \$	Additional Operation Forecast \$	Total Operation Forecast \$
2020	2,365,383	0	2,365,383
2021	2,563,380	0	2,563,380
2022	2,466,624	0	2,466,624
2023	2,563,380	0	2,563,380
2024	2,563,380	0	2,563,380
2025	2,563,380	0	2,563,380
2026	2,563,380	0	2,563,380
2027	2,563,380	0	2,563,380
2028	2,563,380	0	2,563,380
2029	2,563,380	0	2,563,380
2030	2,563,380	0	2,563,380
2031	2,563,380	0	2,563,380
2032	2,563,380	0	2,563,380
2033	2,563,380	0	2,563,380
2034	2,563,380	0	2,563,380
2035	2,563,380	0	2,563,380
2036	2,563,380	0	2,563,380
2037	2,563,380	0	2,563,380
2038	2,563,380	0	2,563,380
2039	2,563,380	0	2,563,380

## Appendix C Maintenance Forecast

### C.1 – Maintenance Forecast Assumptions and Source

#### C.1 – Maintenance Forecast Assumptions and Source

Maintenance costs are forecasted to remain constant for the review period.

Maintenance costs are based on current and historical allocations from current financial records.

#### C.2 – Maintenance Forecast Summary

All financial tables are from NAMS+ Outputs Summary for Maintenance as listed below

**Table C2 - Maintenance Forecast Summary**

Year	Maintenance Forecast \$	Additional Maintenance Forecast \$	Total Maintenance Forecast \$
2020	127,365	0	127,365
2021	155,652	0	155,652
2022	207,066	0	207,066
2023	207,066	0	207,066
2024	207,066	0	207,066
2025	207,066	0	207,066
2026	207,066	0	207,066
2027	207,066	0	207,066
2028	207,066	0	207,066
2029	207,066	0	207,066
2030	207,066	0	207,066
2031	207,066	0	207,066
2032	207,066	0	207,066
2033	207,066	0	207,066
2034	207,066	0	207,066
2035	207,066	0	207,066
2036	207,066	0	207,066
2037	207,066	0	207,066
2038	207,066	0	207,066
2039	207,066	0	207,066



## Appendix D      Renewal Forecast Summary

### D.1 – Renewal Forecast Assumptions and Source

Renewals forecasts are based on TechOne asset register values.

### D.2 – Renewal Project Summary

The project titles included in the lifecycle forecast are based on the current asset register useful life

Waste Water Project Details for 2021-2023			
Task	Task Description	Location	Budget \$
0001107	Boigu Sewerage Pump Station Upgrade	Boigu	100,000
0001266	ICCIP Saibai STP Renewal & Upgrade	Saibai	3,750,000
0001275	ICCIP Sewer PS Renewals x3 - Badu #7	Badu	750,000
0001282	ICCIP STP Renewal - Mer #61	Mer	1,875,000
0001286	ICCIP #75 - SCADA Upgrades	Various	400,000
0001289	ICCIP #08 – De-sludge Lagoons - Badu	Badu	250,000
0001313	ICCIP #24 - Geospatial AM Tool	Erub	25,000
0001315	ICCIP STP refurb/replacement - Erub #27	Erub	1,187,500
0001319	ICCIP #42 - Sewage PS Renewal - lama	lama	750,000
0001321	ICCIP #46 – De-sludge Lagoons	Kubin	187,500
0001330	ICCIP #70 – De-sludge Lagoons	St Paul	187,500
0001333	ICCIP Replace Ballasts & burnt lamps #74	Warraber	187,500
0001497	Engineering Emergent works 20-21	Various	30,000
0001504	Fencing & Gate Replacement STP Warraber	Warraber	215,000
0001505	St Pauls Lagoon Fence	St Pauls	245,000
0001507	Mer Sewerage Treatment Plant	Mer	320,000
0001540	Urgent Works Sewerage Treatment Plant	Mabuiag	190,000
<b>18</b>	<b>Total Tasks Costs for WIP</b>		<b>\$ 10,650,000</b>

### D.3 – Renewal Forecast Summary

Recommend using NAMS+ Outputs Summary for Renewal

**Table D3 - Renewal Forecast Summary**

Year	Renewal Forecast \$	Renewal Budget \$
2020	0	154,547
2021	16,854,100	296,537
2022	229,700	10,353,462
2023	1,549,600	0
2024	275,400	0
2025	35,000	0
2026	9,682,100	0
2027	3,839,800	0
2028	4,153,600	0
2029	4,562,000	0
2030	2,036,063	0
2031	10,321,200	0
2032	2,345,500	0
2033	4,941,300	0
2034	1,178,900	0
2035	1,897,000	0
2036	23,409,800	0
2037	5,838,800	0
2038	7,974,500	0
2039	1,527,200	0

### D.4 –Renewal Plan

Detail output from NAMS+ Report is based on using the Asset for the Register Method of Replacement Cost. A ten-year summary is listed below.

#### Appendix 10 Year Report

These are figures to be input into the executive summary.	
10 year total cost [10 yr Ops, Maint, Renewal & Acquisition Forecast]	68,459,888
10 year average forecast	6,845,989
10 year planned budget [Ops, Maint & Acquisition] (from LTFP)	38,083,140
10 year average planned budget	3,808,314
10 year AM financial indicator	55.63%
10 year average shortfall	-3,037,676

## Appendix E      Disposal Summary

### E.1 – Disposal Forecast Assumptions and Source

Current information is based on using the renewal cost to apply for the disposal value

### E.2 – Disposal Project Summary

The project titles referred to in renewals are consistent for disposals.

### E.3 – Disposal Forecast Summary

Recommend using NAMS+ Outputs Summary for Disposal

.

***Table E3 – Disposal Activity Summary***

Year	Disposal Forecast \$	Disposal Budget \$
2020	0	0
2021	0	0
2022	0	0
2023	0	0
2024	0	0
2025	0	0
2026	0	0
2027	0	0
2028	0	0
2029	0	0
2030	0	0
2031	0	0
2032	0	0
2033	0	0
2034	0	0
2035	0	0
2036	0	0
2037	0	0
2038	0	0
2039	0	0

## Appendix F      Budget Summary by Lifecycle Activity

Previous assumptions listed in Appendices A-E are consistent with this Appendix.

**Table F1 – Budget Summary by Lifecycle Activity**

Year	Acquisition \$	Operation \$	Maintenance \$	Renewal \$	Disposal \$	Total \$
2020	0	2,365,383	127,365	154,547	0	8,956,967
2021	0	2,563,380	155,652	296,537	0	3,300,244
2022	0	2,466,624	207,066	10,353,462	0	19,141,188
2023	0	2,563,380	207,066	0	0	2,770,446
2024	0	2,563,380	207,066	0	0	2,770,446
2025	0	2,563,380	207,066	0	0	2,770,446
2026	0	2,563,380	207,066	0	0	2,770,446
2027	0	2,563,380	207,066	0	0	2,770,446
2028	0	2,563,380	207,066	0	0	2,770,446
2029	0	2,563,380	207,066	0	0	2,770,446
2030	0	2,563,380	207,066	0	0	2,770,446
2031	0	2,563,380	207,066	0	0	2,770,446
2032	0	2,563,380	207,066	0	0	2,770,446
2033	0	2,563,380	207,066	0	0	2,770,446
2034	0	2,563,380	207,066	0	0	2,770,446
2035	0	2,563,380	207,066	0	0	2,770,446
2036	0	2,563,380	207,066	0	0	2,770,446
2037	0	2,563,380	207,066	0	0	2,770,446
2038	0	2,563,380	207,066	0	0	2,770,446
2039	0	2,563,380	207,066	0	0	2,770,446





# **ASSET MANAGEMENT PLAN**

Torres Strait Island Regional Council  
Water Supply Network

Document Control		Asset Management Plan			
Document ID : ECM (Record #)					
Rev No	Date	Revision Details	Author	Reviewer	Approver
V1.0	August 2021	Revision to new template Adopted by Council August 2021 Workshops with Asset Class Managers undertaken July 2021	Paul Ransom Norman Griffett Tony Wynyen	JLL	Paul Ransom Asset Class Manager

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## **1.0 EXECUTIVE SUMMARY**

### **1.1 The Purpose of the Plan**

This Asset Management Plan (AM Plan) details information about infrastructure assets with actions required to provide an agreed level of service in the most cost-effective manner while outlining associated risks. The plan defines the services to be provided, how the services are provided and what funds are required to provide over the 20 year planning period. The AM Plan will link to a Long-Term Financial Plan which typically considers a 10-year planning period.

### **1.2 Asset Description**

This plan covers the infrastructure assets that provide community services provided from the assets..

The Water Supply network comprises:

- Above Ground Reservoirs
- Chlorine Treatment Plant
- Desalination equipment
- Filtration equipment
- Power Generators
- Inground Reservoirs
- Network Assets
- Operations Centre
- Pumping Station Mechanical assets
- Pumps
- Subterranean Pipes
- Wells
- Weirs

The above infrastructure assets have replacement value estimated at 30<sup>th</sup> June 2020 of \$227,657,328 with the inclusion of the 2021 desktop valuation the estimated replacement value indexation at 30<sup>th</sup> June 2021 of 4% which equates to approximately \$236,763,622

### **1.3 Levels of Service**

The allocation in the planned budget is insufficient to continue providing existing services at current levels for the planning period.

The main service consequences of the Planned Budget are:

- Incorrect or unsuitable raw water pH
- Filtered water has out of range pH
- Potential for over chlorination
- Under chlorination can result in micro-organisms regrowth in water supply
- Actual water consumption exceeds projected demand
- Corrosion in galvanised pipes

## 1.4 Future Demand

The factors influencing future demand and the impacts they have on service delivery are created by:

- Population, Demographics & Grant Funding as listed in table 4.3.

These demands will be approached using a combination of managing existing assets, upgrading existing assets and providing new assets to meet demand. Demand management practices may also include a combination of non-asset solutions, insuring against risks and managing failures.

- Asset Management Group (AMG) formed reporting to executive level to provide organisational understanding of the assets Whole Of Life(WOL), and how this can be influenced and managed responsibly..
- Further educate Asset Class managers and staff on planning principles and understanding of their responsibilities to manage and maintain asset service levels. This will be in the form of training and will be conducted early in the 2021/22 FY by an external provider and the Asset team.
- Reduce funding being directed to projects not providing core service level outcomes to communities.
- Sustainability Matrix: A prioritisation tool developed to assist in the assessment of capital project submissions and their priority for funding against the pillars of the corporate plan.
- Maintaining existing assets to achieve the maximum useful life possible.
- Upgrading or renewal providing new assets as per demand.

## 1.5 Lifecycle Management Plan

### 1.5.1 What does it Cost?

The forecast lifecycle costs necessary to provide the services covered by this AM Plan includes operation, maintenance, renewal, acquisition, and disposal of assets. Although the AM Plan may be prepared for a range of time periods, it typically informs a Long-Term Financial Planning period of 10 years. Therefore, a summary output from the AM Plan is the forecast of 10-year total outlays, which for the Water Supply Network is estimated as \$134,130,560 or \$13,413,056 on average per year.

## 1.6 Financial Summary

### 1.6.1 What we will do

Estimated available funding for the 10 year period is \$90,996,888 or \$9,099,689 on average per year as per the Long-Term Financial plan or Planned Budget. This is 67.84% of the cost to sustain the current level of service at the lowest lifecycle cost.

The infrastructure reality is that only what is funded in the long-term financial plan can be provided. The Informed decision making depends on the AM Plan emphasising the consequences of Planned Budgets on the service levels provided and risks.

The anticipated Planned Budget for Water Supply Network leaves a shortfall of (\$4,313,367) on average per year of the forecast lifecycle costs required to provide services in the AM Plan compared with the Planned Budget currently included in the Long-Term Financial Plan. This is shown in the figure below.

### Forecast Lifecycle Costs and Planned Budgets

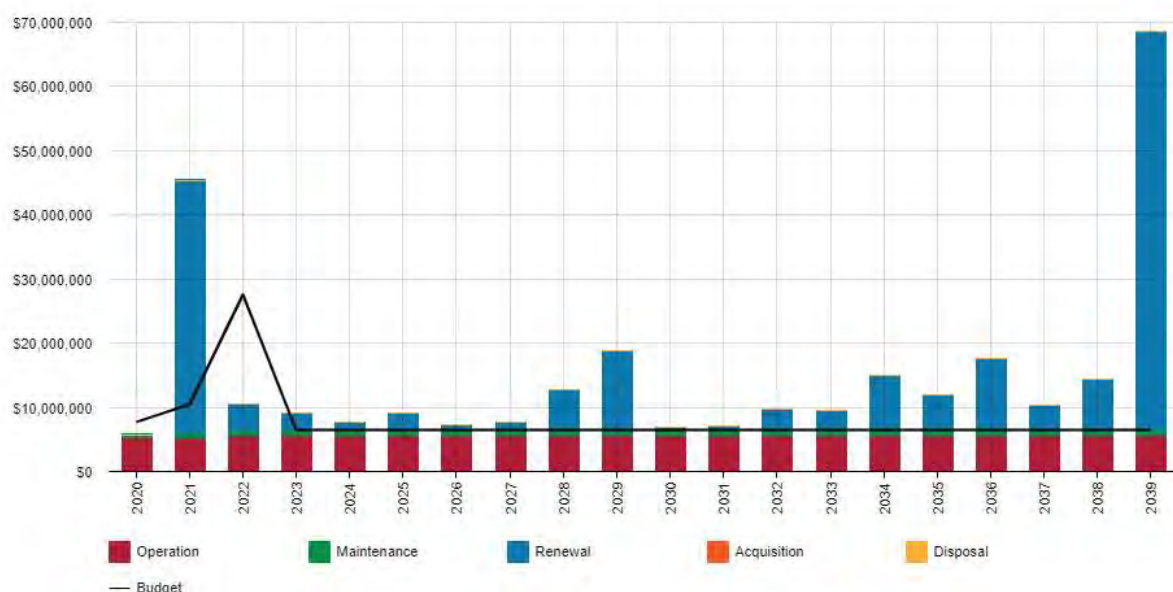


Figure Values are in current dollars.

The following describes the breakdown of values above:

- **Acquisition** – the activities to provide a higher level of service (e.g., widening a road, sealing an unsealed road, replacing a pipeline with a larger size) or a new service that did not exist previously (e.g., a new library).
- **Operation** – the regular activities to provide services (e.g., opening hours, cleansing, 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., road patching, unsealed road grading, building and structure repairs),
- **Renewal** – the activities that return the service capability of an asset up to that which it had originally provided (e.g., road resurfacing and pavement reconstruction, pipeline replacement and building component replacement),
- **Disposal** – Disposal includes any activity associated with the disposal of a decommissioned asset including sale, demolition, or relocation.

We plan to provide Water Supply Network services for the following:

- Operation, maintenance, renewal, and acquisition of the Water Supply Network assets to meet service levels set by Torres Strait Island Regional Council in annual budgets.
- The current Capital Budget covering part of the 10-year planning period includes the following tasks.

Water Supply Project Details			
Task	Task Description	Location	Budget \$
0001240	ICCIP Project Management Fees	Various	0
0001241	ICCIP #76 - Chlorine Dosing Renew - Badu	Badu	150,000
0001242	ICCIP #76 - Chlorine Dosing Renew - Boigu	Boigu	85,000
0001247	ICCIP #76 - Chlorine Dosing Renew - Masig	Masig	89,454
0001250	ICCIP #76 - Chlorine Dosing Renew - Ugar	Ugar	103,160
0001264	ICCIP #28 - Water Treatment Plant - Erub	Erub	781,250
0001265	ICCIP #66 - Water Lagoon - Saibai	Saibai	625,000
0001272	ICCIP #03 - Well 1 Refurbishment - Badu	Badu	189,863
0001274	ICCIP #05 - WTP Upgrade - Badu	Badu	962,500
0001276	ICCIP #37 - Well 3 Galleries - Hammond	Hammond	300,000
0001277	ICCIP #38 - Water Main Replace Hammond	Hammond	1,640,158
0001278	ICCIP #45 - WTP Renewal - Kubin	Kubin	1,500,000
0001279	ICCIP #54 - Wells 1 & 2 Renewal - Masig	Masig	225,000
0001283	ICCIP #68 - Lagoon Fence Renewal St Pauls	St Pauls	123,183
0001284	ICCIP #69 - Water Network Renew St Pauls	St Pauls	912,500
0001285	ICCIP #71 - Desalination Plant - Ugar	Ugar	625,000
0001292	ICCIP #20 - Reservoir Fencing - Dauan	Dauan	62,261
0001302	ICCIP #02 - Air Compressor - Badu	Badu	5,249
0001303	ICCIP #06 - Lot 152 O'Leary St Upgrade	Badu	250,000
0001304	ICCIP #09 - lamella Clarifier - Boigu	Boigu	37,751
0001305	ICCIP #12 - Replace Lagoon Cover - Boigu	Boigu	750,000
0001306	ICCIP #16 - Raw Water Intake - Boigu	Boigu	437,500
0001310	ICCIP #21 - Well upgrade 1,2,3,4 - Dauan	Dauan	1,250,000
0001311	ICCIP #22 - Reservoir Repairs - Dauan	Dauan	2,125,000
0001317	ICCIP #40 - Replace Rising Main - lama	lama	1,937,500
0001318	ICCIP #41 - Concrete Reservoir - lama	lama	250,000
0001320	ICCIP #44 - Lagoon Fence Renewal - Kubin	Kubin	137,197
0001322	ICCIP #47 - Lagoon Fencing - Mabuiag	Mabuiag	142,034
0001323	ICCIP #48 - Water PS Upgrades - Mabuiag	Mabuiag	275,000
0001325	ICCIP #53 - Replace Lagoon Cover - Masig	Masig	1,000,000
0001327	ICCIP #58 - Lagoon Cover & Lining - Mer	Mer	750,000
0001328	ICCIP #62 - Chemical Dosing Equip - Poruma	Poruma	37,500
0001329	ICCIP #64 - Replace Standby Pump -Poruma	Poruma	98,750
0001331	ICCIP #72 - Lagoon Upgrades - Warraber	Warraber	625,000
0001332	ICCIP #73 - Reservoir Renewal - Warraber	Warraber	937,500
0001335	ICCIP #10 - Water Treatment Plant - Boigu	Boigu	0
0001336	ICCIP #30 - Bormeo Bore & PS - Erub	Erub	94,375
0001337	ICCIP #49 - Reservoir - Mabuiag	Mabuiag	250,000
0001338	ICCIP #51 - Mabuiag Well	Mabuiag	25,000
0001339	ICCIP #59 - Replace Lagoon Pumps - Mer	Mer	55,277
0001432	Smart Water Meters TSRA 19/20	Various	406,823

0001433	Smart Water Meters LGGSP 19/21	Various	725,826
0001494	SCADA Magflow meters lama & Mer	Various	40,000
0001496	Replacement of Water Assets	Various	80,000
0001503	Erub 80mm Water Main 190m	Erub	280,000
0001506	Leak detection equipment Mer, Badu, & St Pauls	Various	190,000
0001508	Mabuiag Town Hall Well Upgrade	Mabuiag	220,000
0001519	190KL Desalination Unit	Rotable	385,000
			\$ 21,446,785

### 1.6.2 What we cannot do

We currently do **not** allocate enough budget to sustain these services at the proposed standard or to provide all new services being sought.

### 1.6.3 Managing the Risks

Our present budget levels are insufficient] to continue to manage risks in the medium term.

The main risk consequences are:

- Downstream water treatment processes affected by incorrect raw water pH, turbidity, and conductivity
- Poor disinfection of filtered water by out-of-range pH/ Turbidity
- Over chlorination can result in not meeting health requirements
- Under chlorination can result in water supply not meeting health requirement
- Raw water supply contaminated by wildlife waste matter
- Excessive demand can lead to water supply shortage and permanent water restrictions imposed
- Metal contaminants from corrosion in water supply can exceed guideline values

We will endeavour to manage these risks within available funding by:

- Carrying out repairs on a priority needs/breakdown basis.
- Issues of safety will be highest priority.
- Shutting down sections of facilities which cannot be rectified under funding restraints and do not provide core services.

## 1.7 Asset Management Planning Practices

Key assumptions made in this AM Plan are:

Key assumptions made in this AM Plan are:

1. Funding limited and therefore restricted to Budget allocation and no additional forecast to rectify deficiencies.
2. No allowances for growth in capital and operating budgets.
3. Sourced data is the fixed asset register and condition ratings via 2020 valuations to establish renewal requirements.

Assets requiring renewal are identified from the asset register.

- The timing of capital renewals based on the asset register is applied by adding the useful life to the year of acquisition or year of last renewal,

- Alternatively, an estimate of renewal lifecycle costs is projected from external condition modelling systems and may be supplemented with, or based on, expert knowledge.

The Current Asset Register Method is used as the best available method to forecast the renewal lifecycle costs for this AM Plan.

This AM Plan is based on a low level of confidence information.

## **1.8 Monitoring and Improvement Program**

The next steps resulting from this AM Plan to improve asset management practices are:

- Asset Management Group (AMG) formed reporting to executive level to provide organisational understanding of the assets Whole of Life (WOL), and how this can be influenced and managed responsibly.
- Further educate Asset Class managers and staff on planning principles and understanding of their responsibilities to manage and maintain asset service levels. This will be in the form of training and will be conducted early in the 2021/22 by an external provider and the Asset Management team.
- Seek council assistance and endorsement of acceptable service levels for communities and using this to determine minimum service levels to trigger priority action.
- Implementation of NAMS+ (IPEWA) to assist and improve data integrity and analysis using the analysis tools retained within the software product
- TechOne enhancement Project to further improve on identification and defect management
- Data enhancement program for testing via electronic software for recording purposes

## 2.0 Introduction

### 2.1 Background

This AM Plan communicates the requirements for the sustainable delivery of services through management of assets, compliance with regulatory requirements, and required funding to provide the appropriate levels of service over the planning period.

The AM Plan is to be read with the Torres Strait Islands Regional Council planning documents. This should include the Asset Management Policy and Asset Management Strategy, where developed, along with other key planning documents:

- Corporate Plan 2020-2025
- Operational Plan 2020/2021
- Annual Report 2020
- Capital Sustainability Matrix (Tool used to identify Capital criteria)
- Annual Budget
- Deputations 2020
- Drinking Water Quality Management plan

The status of Asset Management in the Organisation is it has been reviewed as a low maturity as the organization attempts to gather better data, improve systems and change the focus to strategic management.

The infrastructure assets covered by this AM Plan include the infrastructure assets that serve the Torres Strait Island Regional Council's Water Supply needs. These assets are all water supply network assets that improve community wellbeing by providing clean and regular fresh water. For a detailed summary of the assets covered in this AM Plan refer to Table in Section 5.1.1

The infrastructure assets included in this plan have a total replacement value of **\$227,657,328** with the inclusion of the 2021 desktop valuation the estimated replacement value indexation at 30 June 2021 of 4.0% which equates to \$236,763,622.

Asset Category	Replacement Value \$
Above Ground Reservoir	19,424,600
Chlorine Treatment Plants	509,100
Desalination	16,174,995
Filtration	9,286,200
Generators	553,500
Inground Reservoir	51,426,570
Network Assets	441,971
Operations Centre	10,138,100
Pumping Station Mechanical	2,223,992
Pumps	3,973,900
Pumping Station	4,357,900
Subterranean Pipes	97,533,000
Wells	204,900
Weirs	11,408,600
<b>TOTAL</b>	<b>\$ 227,657,328</b>

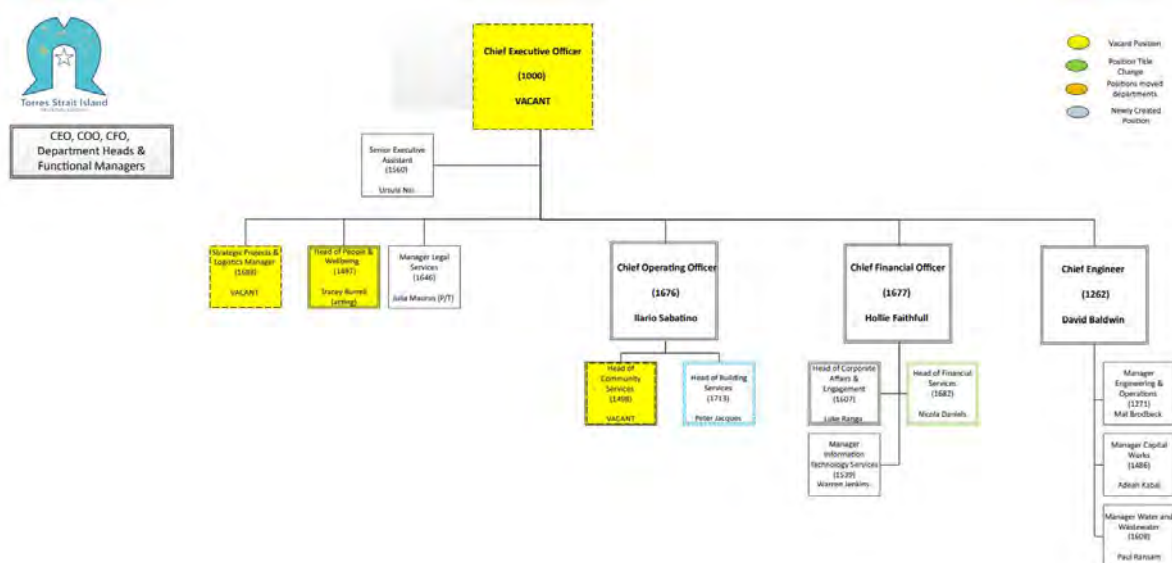
These assets are used to provide the water delivery to the 15 communities to meet the service needs (including growth) of the community in a financially sustainable manner.

Key stakeholders in the preparation and implementation of this AM Plan are shown in Table 2.1.

**Table 2.1: Key Stakeholders in the AM Plan**

Key Stakeholder	Role in Asset Management Plan
Primary funding body of the Water Supply Assets of Torres Strait Island Regional Council	Primary funding body of the Water Supply Assets of Torres Strait Island Regional Council
FACHSIA	Primary funding body of the Water Supply Assets of Torres Strait Island Regional Council
Torres Strait Regional Authority	Primary funding body of the Water Supply Assets of Torres Strait Island Regional Council
Torres Strait Island Regional Council (Elected Council)	Providers of the Resources to deliver on the Asset Management Plan requirements
Torres Strait Island Regional Council (Engineering Services)	To operate and utilise the Assets for the role that was intended
Department of Energy and Water Supply	Water supply regulator

Our organisational structure for service delivery from infrastructure assets is detailed below,



## 2.2 Goals and Objectives of Asset Ownership

Our goal for managing infrastructure assets is to meet the defined level of service (as amended from time to time) in the most cost effective manner for present and future consumers. The key elements of infrastructure asset management are:

- Providing a defined level of service and monitoring performance,
- Managing the impact of growth through demand management and infrastructure investment,



- Taking a lifecycle approach to developing cost-effective management strategies for the long-term that meet the defined level of service,
- Identifying, assessing, and appropriately controlling risks, and
- Linking to a Long-Term Financial Plan which identifies required, affordable forecast costs and how it will be allocated.

Key elements of the planning framework are:

- Levels of service – specifies the services and levels of service to be provided,
- Risk Management, identifies the risk profile and rating of the asset class
- Future demand – how this will impact on future service delivery and how this is to be met,
- Lifecycle management – how to manage its existing and future assets to provide defined levels of service,
- Financial summary – what funds are required to provide the defined services,
- Asset management practices – how we manage provision of the services,
- Monitoring – how the plan will be monitored to ensure objectives are met,
- Asset management improvement plan – how we increase asset management maturity.

Other references to the benefits, fundamentals principles and objectives of asset management are:

- International Infrastructure Management Manual 2015 <sup>1</sup>
- ISO 55000<sup>2</sup>

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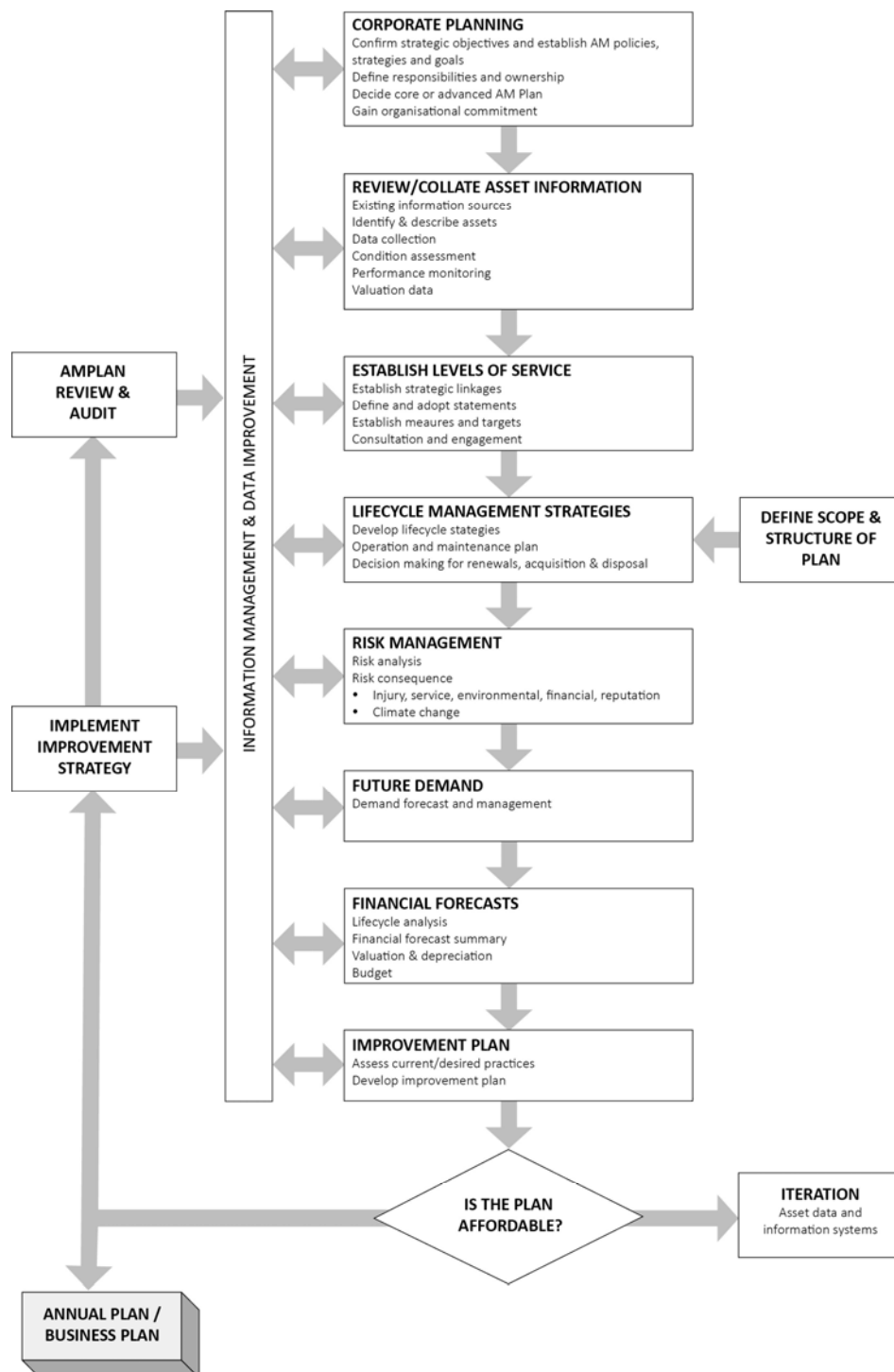
<sup>1</sup> Based on IPWEA 2015 IIMM, Sec 2.1.3, p 2 | 13

<sup>2</sup> ISO 55000 Overview, principles and terminology

A road map for preparing an AM Plan is shown below.

### **Road Map for preparing an Asset Management Plan**

Source: IPWEA, 2006, IIMM, Fig 1.5.1, p 1.11



3.0 LEVELS OF SERVICE

3.1 Customer Research and Expectations

This AM Plan is prepared to facilitate consultation prior to adoption of levels of service by the TSIRC Councilors. Current consultation on service levels is being undertaken by council staff. This will assist the Torres Strait Island Regional Council and stakeholders in matching the level of service required, service risks and consequences with the customer’s ability and willingness to pay for the service.

In 2021, Council commissioned a community satisfaction survey which was conducted internally. The survey was administered by multiple means including paper and electronic forms and was available to all within the Torres Strait Islands Regional Council Local Government Area. The survey covered a wide range of functions and services provided by Council. Overall, there were 107 responses which represents approximately 3% of the total population.

Figure 3.1 summarises the results from our Customer survey (neutral or above) in relation to the Water Supply Network.

Figure 3.1: Customer Satisfaction Survey Levels

Community satisfaction information is used in developing the Strategic Plan and in the development of this asset management plan.

3.2 Strategic and Corporate Goals

This AM Plan is prepared under the direction of the Torres Strait Island Regional Council vision, mission, goals and objectives.

Our vision is:

For our Communities and Council to be Autonomous, Prosperous and Sustainable.

*For youmpla ples ene Council for meke something youmpla self sor long we can gad fruit them thing we makem e praper ene las long time.*

Our mission is:

To improve our Communities’ livability in all we do.

Strategic goals have been set by the Torres Strait Islands Regional Council. The relevant goals and objectives and how these are addressed in this AM Plan are summarised in Table 3.2.

*For youmpla for strete ples blo youmpla ene weis kaine youmpla stap lor pless youmpla.*

Strategic goals have been set by the Torres Strait Island Regional Council. The relevant goals and objectives and how these are addressed in this AM Plan are summarised in Table 3.2.

Table 3.2: Goals and how these are addressed in this Plan

Goal	Objective	How Goal and Objectives are addressed in the AM Plan
We actively reduce our environmental footprint and manage our resources sustainably	Ensure a safe and sustainable drinking water	Development and implementation of strategic asset management plans for all Water Supply Network assets.
	Torres Strait Gauge Project	Addressed as an outcome in this plan

	Complete water lagoon cover repairs/replacements for Saibai, Erub, Mer and Ugar communities	Addressed as an outcome in this plan
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### 3.3 Legislative Requirements

There are many legislative requirements relating to the management of assets. Legislative requirements that impact the delivery of the Water Supply service are outlined in Table 3.3.

**Table 3.3: Legislative Requirements**

Legislation	Requirement
Water Health and Safety Act 2011	Safe Water drinking performance requirements
Water Supply (Safety and Reliability) Act 2008	Safe Water drinking
Standards Australia	Mechanical, Electrical, Fire and Plumbing.
Local Government Act	Overarching Governance
National Construction Cde	Technical Provisions for Design & Construction
Building Fire Safety Regulation 2008	Fire Safety Compliance
Public Health Regulation 2018	Ensure Facilities are safe, and Councils are for filling their obligations.
Public Health Act 2005	Ensure Facilities are safe, and Councils are for filling their obligations.
Local Laws	Local governance provision for amenities
WH&S Act 2011	Safety Compliance in the workplace
Water Act 2000	Sustainable Management of QLD water sources, effective operation of water authorities.

### 3.4 Customer Values

Service levels are defined in three ways, customer values, customer levels of service and technical levels of service.

**Customer Values** indicate:

- what aspects of the service is important to the customer?
- whether they see value in what is currently provided and
- the likely trend over time based on the current budget provision

**Table 3.4: Customer Values**

<b>Service Objective:</b> We actively reduce our environmental footprint and manage our resources sustainably			
<b>Customer Values</b>	<b>Customer Satisfaction Measure</b>	<b>Current Feedback</b>	<b>Expected Trend Based on Planned Budget</b>
Quality	Water supplied tastes good Clear	Satisfactory	Service levels need to be set based on updated Customer Satisfaction surveys
Function	Reliable supply	Satisfactory	Service levels need to be set based on updated Customer Satisfaction surveys
Capacity/ Use	Adequate storage and production to meet demand	Satisfactory	Service levels need to be set based on updated Customer Satisfaction surveys

### 3.5 Customer Levels of Service

The Customer Levels of Service are considered in terms of:

**Condition**            How good is the service ... what is the condition or quality of the service?

**Function**            Is it suitable for its intended purpose .... Is it the right service?

**Capacity/Use**        Is the service over or under used ... do we need more or less of these assets?

In Table 3.5 under each of the service measures types (Condition, Function, Capacity/Use) there is a summary of the performance measure being used, the current performance, and the expected performance based on the current budget allocation.

These are measures of fact related to the service delivery outcome (e.g. number of occasions when service is not available or proportion of replacement value by condition %'s) to provide a balance in comparison to the customer perception that may be more subjective.

**Table 3.5: Customer Level of Service Measures**

Type of Measure	Level of Service	Performance Measure	Current Performance	Expected Trend Based on Planned Budget
<b>Condition</b>	Water supplied tastes good and Is Clear	Customer surveys Customer requests	Satisfactory	Service levels need to be set based on updated Customer Satisfaction surveys
	<b>Confidence levels</b>		Low Low (Professional Judgement with no data evidence)	Low Low (Professional Judgement with no data evidence)
<b>Function</b>	Reliable supply	Customer surveys Customer requests Ongoing monitoring	Satisfactory	Service levels need to be set based on updated Customer Satisfaction surveys
	<b>Confidence levels</b>		Low Low (Professional Judgement with no data evidence)	Low Low (Professional Judgement with no data evidence)
<b>Capacity/ Use</b>	Adequate storage and production to meet demand	Continuous monitoring usages and regulating production	Satisfactory	Service levels need to be set based on updated Customer Satisfaction surveys
	<b>Confidence levels</b>		Low Low (Professional Judgement with no data evidence)	Low Low (Professional Judgement with no data evidence)

### 3.6 Technical Levels of Service

**Technical Levels of Service** – To deliver the customer values, and impact the achieved Customer Levels of Service, are operational or technical measures of performance. These technical measures relate to the activities and allocation 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., widening a road, sealing an unsealed road, replacing a pipeline with a larger size) or a new service that did not exist previously (e.g., a new library).
- **Operation** – the regular activities to provide services (e.g., opening hours, cleansing, 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., road patching, unsealed road grading, building and structure repairs),
- **Renewal** – the activities that return the service capability of an asset up to that which it had originally provided (e.g., road resurfacing and pavement reconstruction, pipeline replacement and building component replacement),

Service and asset managers plan, implement and control technical service levels to influence the service outcomes.<sup>3</sup>

Table 3.6 shows the activities expected to be provided under the current 10 year Planned Budget allocation, and the Forecast activity requirements being recommended in this AM Plan.

**Table 3.6: Technical Levels of Service**

Lifecycle Activity	Purpose of Activity	Activity Measure	Current Performance*	Recommended Performance **
<b>TECHNICAL LEVELS OF SERVICE</b>				
<b>Acquisition</b>	Acquisitions in line with changing council requirement and fit-for purpose.	Community consultation regarding engagement and utilisation of acquisitions	No Data	As data comes available for new acquisitions data and additional \$'s will be updated.
		<b>Budget</b>	\$0	\$0
<b>Operation</b>	Safe and regular operation of water treatment plant, storage, and distribution network	Field and laboratory water quality testings	Water quality testings meet regulatory requirements at least 98% of the time	Meets water regulatory requirements 100% at all time
		<b>Budget</b>	\$5,503,033	\$5,503,033
<b>Maintenance</b>	To ensure water assets perform to their requirements and achieve their useful life	Response time to rectify faults with water assets	Able to repair, replace and restart water assets with minimum downtime	A more strategic approach is being developed as this AMP matures. \$'s will be defined further into the assessment
		<b>Budget</b>	\$844,664	\$844,664
<b>Renewal</b>	To ensure water assets are renewed in accordance with recommended timeframes.	Percentage of breakdown components	Water assets are not renewed at the recommended timeframe with most renewal overdue	A more strategic approach is being developed as this AMP matures. \$'s will be defined further into the assessment
		<b>Budget</b>	\$2,751,993	\$7,065,360
<b>Disposal</b>	To ensure water assets are disposed in line with their useful life to continue to provide safe, clean, and Reliable water supply	Capacity, quality, and accessibility of water services	Water assets are not upgraded in a timely manner. Most upgrade and new purchases are overdue	A more strategic approach is being developed as this AMP matures. \$'s will be defined further into the assessment
		<b>Budget</b>	\$0	\$0

Note: \* Current activities related to Planned Budget.

\*\* Expected performance related to forecast lifecycle costs.

<sup>3</sup> IPWEA, 2015, IIMM, p 2 | 28.

It is important to monitor the service levels regularly as circumstances can and do change. Current performance is based on existing resource provision and work efficiencies. It is acknowledged changing circumstances such as technology and customer priorities will change over time.



## 4.0 FUTURE DEMAND

### 4.1 Demand Drivers

Drivers affecting demand include things such as population change, regulations, changes in demographics, seasonal factors, vehicle ownership rates, consumer preferences and expectations, technological changes, economic factors, agricultural practices, environmental awareness, etc.

### 4.2 Demand Forecasts

The present position and projections for demand drivers that may impact future service delivery and use of assets have been identified and documented (refer the table below).

### 4.3 Demand Impact and Demand Management Plan

The impact of demand drivers that may affect future service delivery and use of assets are shown in Table 4.3.

Demand for new services will be managed through a combination of managing existing assets, upgrading of 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 shown in Table 4.3. Further opportunities will be developed in future revisions of this AM Plan.

**Table 4.3: Demand Management Plan**

Demand driver	Current position	Projection	Impact on services	Demand Management Plan
Population	7,403 (2016 Census)	8,416 (2,031)	Increased pressure on central services. Need for additional council staff resources.	Review and plan for appropriate upgrades to facilities as the utilisation levels reach upper levels of utilisation.
Demographics	25.5% under the age of 10, 35% between the ages of 10 and 30, 31.3% between the ages of 30 and 60 and 8.2% over the age of 60	No projection data is available.	Changing community requirements for the building's assets including increased needs for access.	Review and plan for appropriate upgrades to align with accessibility needs of changing community demographic profile.
Water condition and storage	Complying	Dependent on updated community survey data	Any increase in demand forming part of the service delivery will put pressure on water supply in the region.	Acquire new water assets though new capital funding.

## Indigenous regions, projected increase and rate of growth (series B), 2016 to 2031, at 30 June

Indigenous region	2016	2031	Projected growth 2016 to 2031	
	— persons —		no.	%
Brisbane	84,454	126,482	42,028	49.8
Cairns–Atherton	30,050	39,064	9,014	30.0
Cape York	10,579	13,469	2,890	27.3
Mount Isa	9,003	9,253	250	2.8
Rockhampton	26,941	35,528	8,587	31.9
Toowoomba–Roma	21,350	27,648	6,298	29.5
Torres Strait	7,403	8,156	753	10.2
Townsville–Mackay	31,496	44,795	13,299	42.2
<b>Queensland</b>	<b>221,276</b>	<b>304,395</b>	<b>83,119</b>	<b>37.6</b>
<b>Australia</b>	<b>798,365</b>	<b>1,071,871</b>	<b>273,506</b>	<b>34.3</b>

### 4.4 Asset Programs to meet Demand

The new assets required to meet demand may be acquired, donated or constructed. Additional assets are discussed in Section 5.4.

Acquiring new assets will commit the Torres Strait Island Regional Council to ongoing operations, maintenance and renewal costs for the period that the service provided from the assets is required. These future costs are identified and considered in developing forecasts of future operations, maintenance and renewal costs for inclusion in the long-term financial plan (Refer to Section 5).

### 4.5 Climate Change Adaptation

The impacts of climate change may have a significant impact on the assets we manage and the services they provide. In the context of the Asset Management Planning process climate change can be considered as both a future demand and a risk.

How climate change impacts on assets will vary depending on the location and the type of services provided, as will the way in which we respond and manage those impacts.<sup>4</sup>

<sup>4</sup> IPWEA Practice Note 12.1 Climate Change Impacts on the Useful Life of Infrastructure

As a minimum we consider how to manage our existing assets given potential climate change impacts for our region.

Risk and opportunities identified to date are shown in Table 4.5.1

**Table 4.5.1 Managing the Impact of Climate Change on Assets and Services**

Climate Change Description	Projected Change	Potential Impact on Assets and Services	Management
Rising sea levels and increased storm tide activity in the wet season	Increased flood zone.	Assets within new flood zone prone to significant water damage and impairment.	Relocation of critical assets and assets with high likelihood of environmental exposure. Plan and develop assets considering astronomical tide projection mapping.
Rising air and sea temperatures	Increased storm activity and/or severity	Higher levels of damage and corrosion to buildings associated materials.	Introducing corrosion resistant building materials, i.e., marine grade aluminium roofing and stainless-steel fixing screws. Where possible utilising wood instead of steel for structural renews.

Additionally, the way in which we construct new assets should recognise that there is opportunity to build in resilience to climate change impacts. Building resilience can have the following benefits:

- Assets will withstand the impacts of climate change.
- Services can be sustained; and
- Assets that can endure may potentially lower the lifecycle cost and reduce their carbon footprint

Table 4.5.2 summarises some asset climate change resilience opportunities.

**Table 4.5.2 Building Asset Resilience to Climate Change**

New Asset Description	Climate Change impact These assets?	Build Resilience in New Works
Lagoon Covers	Reduces evaporation	Monitor usage to enable fault detection early.
Desalination plants both mobile and fixed.	Reduce impact when reduced rain	Water restrictions reduced

The impact of climate change on assets is a new and complex discussion and further opportunities will be developed in future revisions of this AM Plan.

## 5.0 LIFECYCLE MANAGEMENT PLAN

The lifecycle management plan details how the Torres Strait Islands Regional Council plans to manage and operate the assets at the agreed levels of service (Refer to Section 3) while managing life cycle costs.

### 5.1 Background Data

#### 5.1.1 Physical parameters

The assets covered by this AM Plan are shown in Table 5.1.1.

The water supply network comprises; the items listed in Table 5.1.1 below with a Gross replacement value estimated at 30 June 2021 of \$236,763,622 with the inclusion of the 2021 desktop valuation the estimated replacement value indexation at 30<sup>th</sup> June 2021 of 4% which equates to approximately \$236,763,622

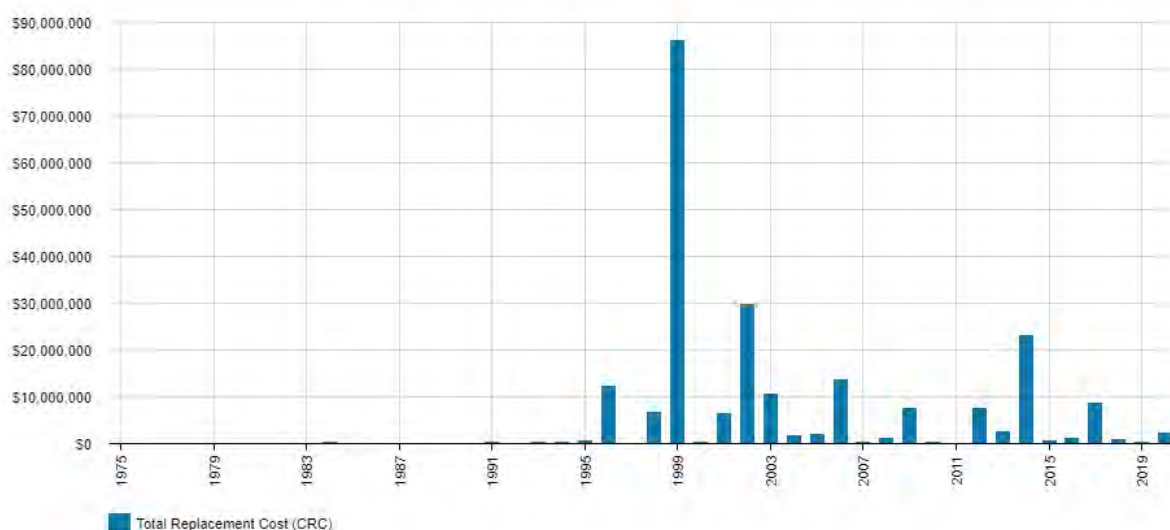
The age profile of the assets included in this AM Plan are shown in Figure 5.1.1.

**Table 5.1.1: Assets covered by this Plan**

Asset Category	Number of Assets	Replacement Value \$
Above Ground Reservoir	85	19,424,600
Chlorine Treatment Plants	15	509,100
Desalination	76	16,174,995
Filtration	80	9,286,200
Generators	6	553,500
Inground Reservoir	105	51,426,570
Network Assets	6	441,971
Operations Centre	27	10,138,100
Pumping Station Mechanical	26	2,223,992
Pumps	52	3,973,900
Pumping Station	59	4,357,900
Subterranean Pipes	16	97,533,000
Wells	2	204,900
Weirs	89	11,408,600
<b>TOTAL</b>	<b>644</b>	<b>\$ 227,657,328</b>

The age profile of the assets included in this AM Plan are shown in Figure 5.1.1.

**Figure 5.1.1: Assets age profile covered by this Plan**



All figure values are shown in current day dollars.

Most of the organisation's Water Supply network was constructed by developers and from government grants, often provided and accepted without consideration of ongoing operations, maintenance, and replacement needs. Many of these assets are approaching the later years of their life and require replacement services from the assets are decreasing and maintenance costs are increasing. Except for recent ICCIP funding to address this aging issue, our present funding levels are insufficient to continue to provide existing services at current levels in the medium to long term without a long-term access to both Capital and operational grant funding.

### 5.1.2 Asset capacity and performance

Assets are generally provided to meet design standards where these are available. However, there is currently insufficient resources to address all known deficiencies. Locations where deficiencies in service performance are known are detailed in Table 5.1.2.

**Table 5.1.2: Known Service Performance Deficiencies**

Location	Service Deficiency
Mabuiag Reservoir	Rusted ladder safety cage, handrails and gangways surface rusted and inspection hatch cover rust falling in.
Badu Reservoir	Town Flow meter is reading 40 l/s which is full scale. Indication of meter failure.
Badu Reservoir	Needed proper safety Ladder with guard rail for safety of our workers and Contractors. Safety Ladder with
07 - St Pauls	Pump 2 does not run-in auto. Run light is on but not energizing pump. As a future upgrade instigate duty rotation functionality. Also noted on SCADA that pumps can be started but not stopped.
01 - Boigu	Raw Water Level Indicator on Pump 2 keeps going on fault and can't fill up the Lamella settling tank, it has been happening for quite some time, cleaning the probes down the intake and in the lamella tank hasn't stopped this issue.

04 - Mabuig	"Lift pump 1 capacitor burnt out. Spare pump on ground to replace. Faulty pump will be sent to Northern water for repair in Cairns."
12 - Masig	The 2 roller doors need to be replaced. They are rusted and can't be locked. We must use screwdrivers to lock them from the inside.
02 - Dauan	Damage road heading up to reservoir from rainy weather- severe washout.

The above service deficiencies were identified from information being recorded from the rollout of a new Defects and Issues Register recently implemented. As data matures this will be referenced in the future AM Plan updates.

### 5.1.3 Asset condition

Condition is currently monitored based on a scale of 0 to 5 with 0.5 increments, to facilitate the data being introduced to NAMS+ model, values of 0.5 increased to the next increment, this has not impacted on the description of the condition rating as the 1 to 5 representation indicated below was consistent.

Condition is measured using a 1 – 5 grading system<sup>5</sup> as detailed in Table 5.1.3. It is important that a consistent approach is used in reporting asset performance enabling effective decision support. A finer grading system may be used at a more specific level, however, for reporting in the AM plan results are translated to a 1 – 5 grading scale for ease of communication.

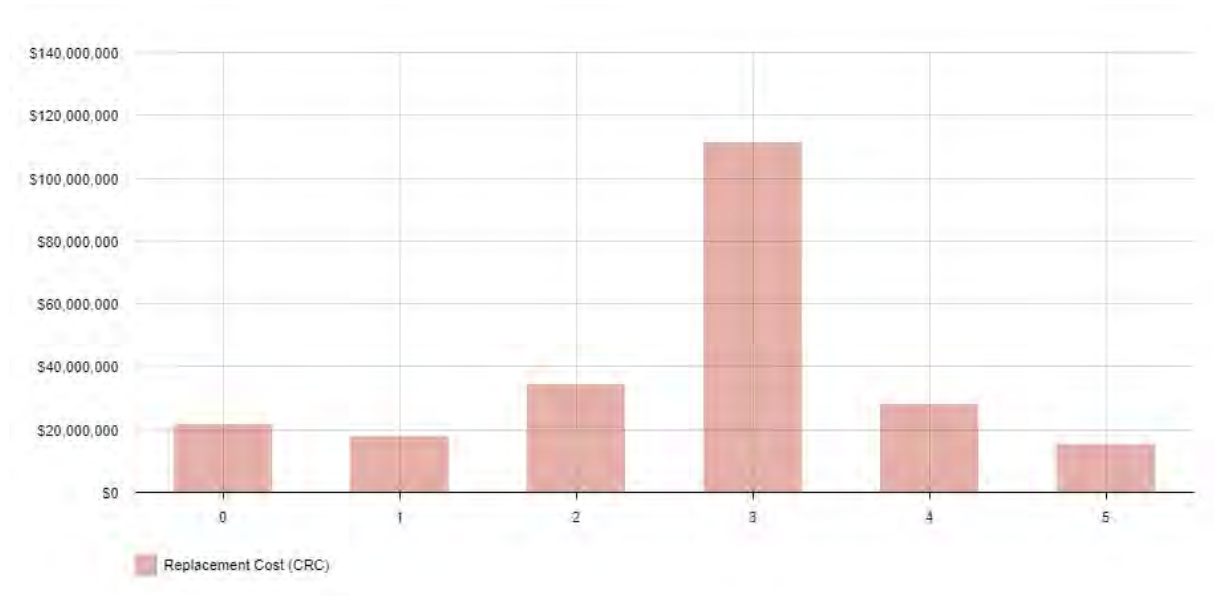
**Table 5.1.3: Condition Grading System**

Condition Grading	Description of Condition
1	<b>Very Good:</b> free of defects, only planned and/or routine maintenance required
2	<b>Good:</b> minor defects, increasing maintenance required plus planned maintenance
3	<b>Fair:</b> defects requiring regular and/or significant maintenance to reinstate service
4	<b>Poor:</b> significant defects, higher order cost intervention likely
5	<b>Very Poor:</b> physically unsound and/or beyond rehabilitation, immediate action required

The condition profile of our assets is shown in Figure 5.1.3.

<sup>5</sup> IPWEA, 2015, IIMM, Sec 2.5.4, p 2|80.

**Figure 5.1.3: Asset Condition Profile**



It is anticipated that the overall asset conditions will deteriorate over time given the magnitude of funding deficit for maintenance and replacement. This may have a detrimental impact on services. All figure values are shown in current day dollars.

## 5.2 Operations and Maintenance Plan

Operations include regular activities to provide services. Examples of typical operational activities include Water condition testing, cleaning, 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 pipe repairs, and equipment repairs.

The trend in maintenance budgets are shown in Table 5.2.1.

**Table 5.2.1: Maintenance Budget Trends**

Year	Maintenance Budget \$
2020	575,000
2022	693,216
2022	897,303

Maintenance budget levels are considered to be adequate to meet required service levels, which may be less than or equal to current service levels which remain under review. Where maintenance budget allocations are such that they will result in a lesser level of service, the service consequences and service risks have been identified and are highlighted in this AM Plan and service risks considered in the Infrastructure Risk Management Plan.

Assessment and priority of reactive maintenance is undertaken by staff using experience and judgement.



## Asset hierarchy

An asset hierarchy provides a framework for structuring data in an information system to assist in collection of data, reporting information and making decisions. The hierarchy includes the asset class and component used for asset planning and financial reporting and service level hierarchy used for service planning and delivery.

The service hierarchy is shown in Table 5.2.2.

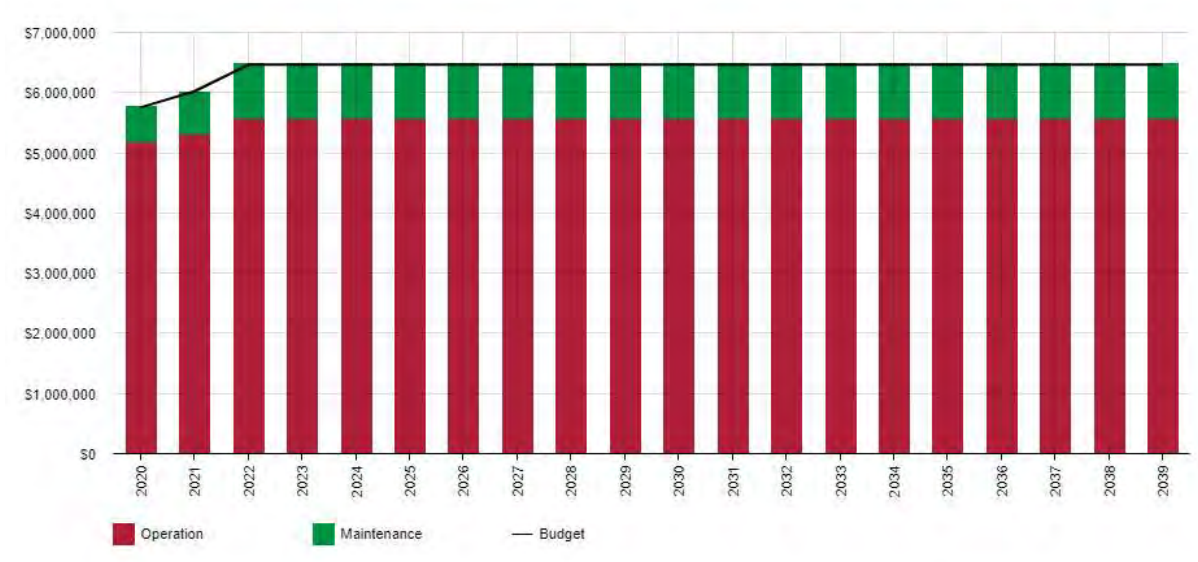
**Table 5.2.2: Asset Service Hierarchy**

Service Hierarchy	Service Level Objective
Category 1 - High Chlorine Treatment Plant, Filtration, Generator, Pumping Station	Maintain to a good standard and adapt to changing community needs.
Category 2 - Standard (Pumps, Pumping Station Mechanical Operations Centre, Network Assets, Desalination	Maintain to a good standard and adapt to changing community needs.
Category 3 - Low (Above Ground Reservoir, Inground reservoir, Subterranean Pipes, Wells, Generator	Maintain to a good standard and adapt to changing community needs.

## Summary of forecast operations and maintenance costs

Forecast operations and maintenance costs are expected to vary in relation to the total value of the asset stock. If additional assets are acquired, the future operations and maintenance costs are forecast to increase. If assets are disposed of the forecast operation and maintenance costs are expected to decrease. Figure 5.2 shows the forecast operations and maintenance costs relative to the proposed operations and maintenance Planned Budget.

**Figure 5.2: Operations and Maintenance Summary**



All figure values are shown in current day dollars.

The maintenance and operations budget are reactive in nature with little scheduled maintenance apart from compliance and regulatory requirements.



### 5.3 Renewal Plan

Renewal is major capital work which does 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 currently identified in the Lifecycle Model using asset register data to project the renewal cost (Current replacement cost) and renewal timing (acquisition year plus updated useful life to determine the renewal year).

The typical useful lives of assets used to develop projected asset renewal forecasts are shown in Table 5.3. Asset useful lives were last reviewed on June 2020 as part of a full Valuation.<sup>6</sup>

**Table 5.3: Useful Lives of Assets**

Asset (Sub)Category	Useful Life in Years
Above Ground Reservoir	3-50
Chlorine Treatment Plants	5-15
Desalination	3-40
Filtration	5-50
Generators	10
Inground Reservoir	0-40
Network Assets	15-25
Operations Centre	40
Pumping Station Mechanical	10 - 40
Pumps	5-10
Pumping Station	5-40
Subterranean Pipe	40
Weirs	40
Wells	10-60

The estimates for renewals in this AM Plan were based on the asset register Including all components associated with the primary asset

#### 5.3.1 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 a Chlorinator dosing Pump that has failed repeatedly), or

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<sup>6</sup> Enter Reference to Report documenting Review of Useful Life of Assets

- To ensure the infrastructure is of sufficient quality to meet the service requirements (e.g., condition of a Water Treatment Plant).<sup>7</sup>

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

- Have a high consequence of failure,
- Have high use and subsequent impact on users would be significant,
- Have higher than expected operational or maintenance costs, and
- Have potential to reduce life cycle costs by replacement with a modern equivalent asset that would provide the equivalent service.<sup>8</sup>

The ranking criteria used to determine priority of identified renewal proposals is detailed in Table 5.3.1.

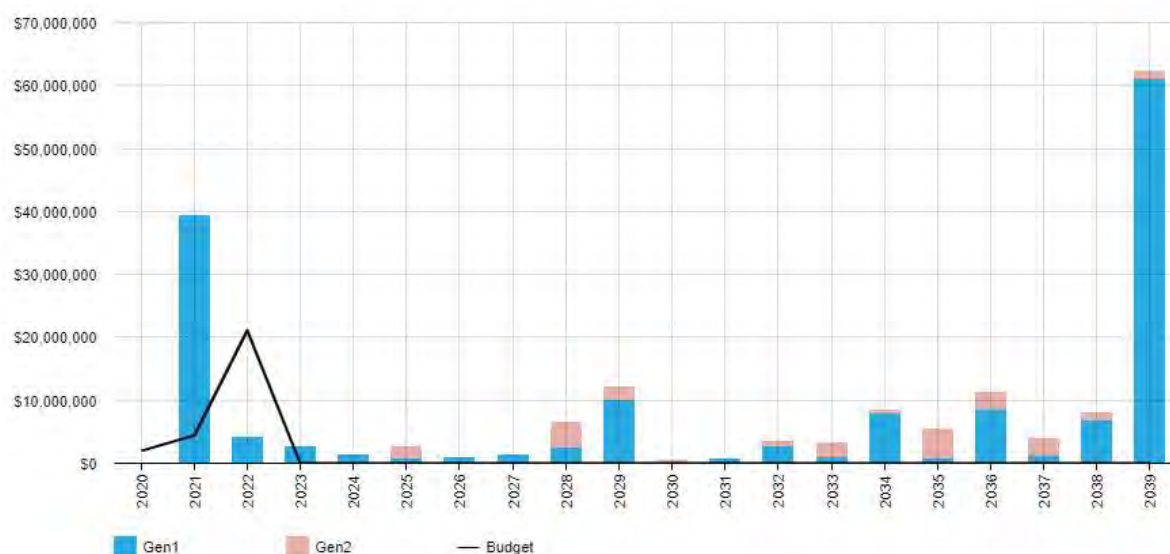
**Table 5.3.1: Renewal Priority Ranking Criteria**

Criteria	Weighting
Sustainability Matrix: A prioritisation tool developed to assist in the assessment of capital project submissions and their priority for funding against the pillars of the corporate plan	TBD
<b>Total</b>	<b>100%</b>

## 5.4 Summary of future renewal costs

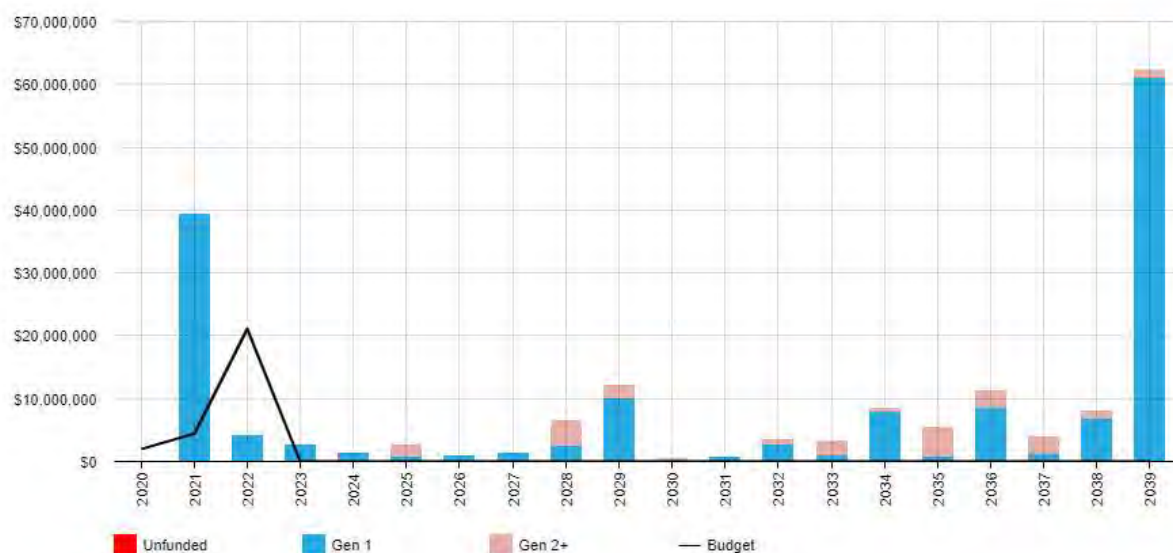
Forecast renewal costs are projected to increase over time if the asset stock increases. The forecast costs associated with renewals are shown relative to the proposed renewal budget in Figure 5.4.1. A detailed summary of the forecast renewal costs is shown in Appendix D.

**Figure 5.4.1: Forecast Renewal Costs**



<sup>7</sup> IPWEA, 2015, IIMM, Sec 3.4.4, p 3|91.

<sup>8</sup> Based on IPWEA, 2015, IIMM, Sec 3.4.5, p 3|97.



Unfunded – Relates to asset renewals that are not funded in the current year's budget.

Gen 1 – Relates to the “first” generation of asset renewals. The basis of this assessment is derived from data extracted from the 2020 comprehensive valuation and the revised estimated useful life. Due to legacy data from amalgamation a large component has been identified as being requiring renewal in 2021.

Gen 2+ - Relates to subsequent generations of asset renewals.

All figure values are shown in current day dollars.

There are currently no planned renewal projects aside from the renewals budget. This will be updated with planned projects in future iterations of the asset management plan

## 5.5 Acquisition Plan

Acquisition reflects are new assets that did not previously exist 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 the Torres Strait Islands Regional Council.

### 5.5.1 Selection criteria

Proposed acquisition of new assets, and upgrade of existing assets, are identified from various sources such as community requests, proposals identified by strategic plans or partnerships with others. Potential upgrade and new works should be reviewed to verify that they are essential to the entity and communities needs. Proposed upgrade and new work analysis should also include the development of a preliminary renewal estimate to ensure that the services are sustainable over the longer term. Verified proposals can then be ranked by priority and available funds and scheduled in future works programmes. The priority ranking criteria is detailed in Table 5.5.1.

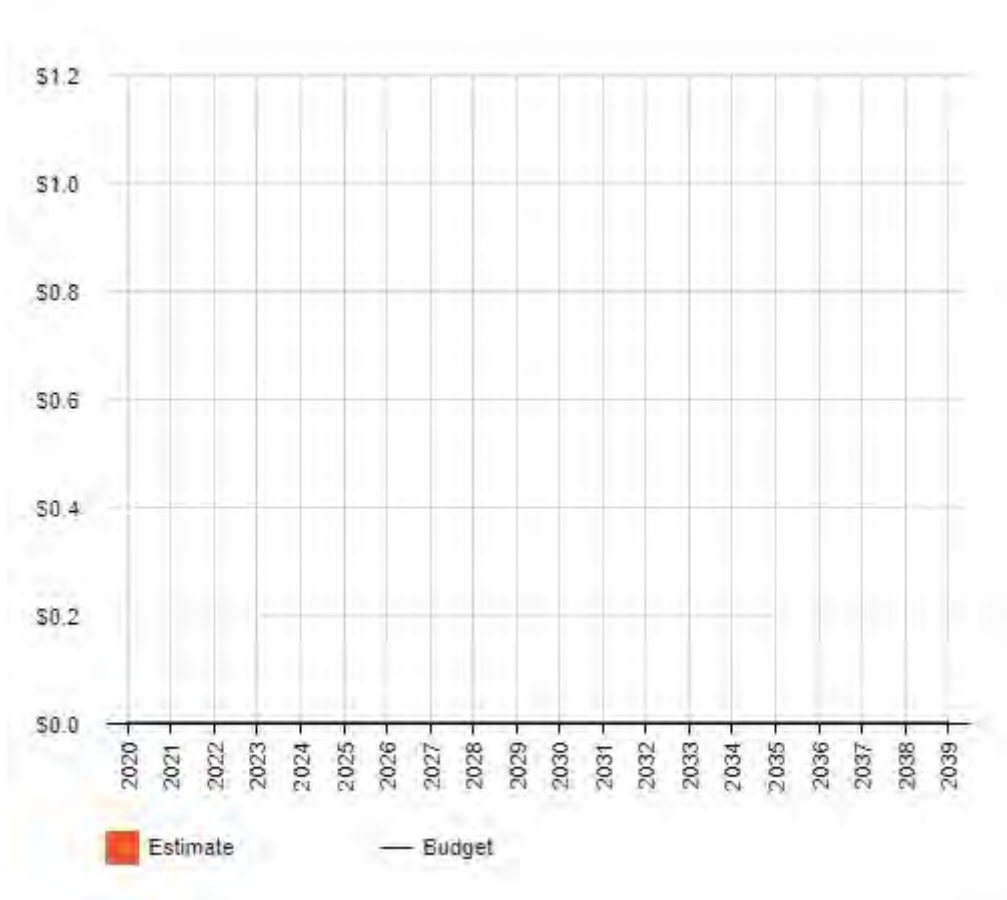
**Table 5.5.1: Acquired Assets Priority Ranking Criteria**

Criteria	Weighting
Not applicable to this class currently due to no structured long-term planning for new assets.	N/A
<b>Total</b>	<b>100%</b>

Summary of future asset acquisition costs

Forecast acquisition asset costs are summarised / summarized in Figure 5.5.1 and shown relative to the proposed acquisition budget. The forecast acquisition capital works program is shown in Appendix A.

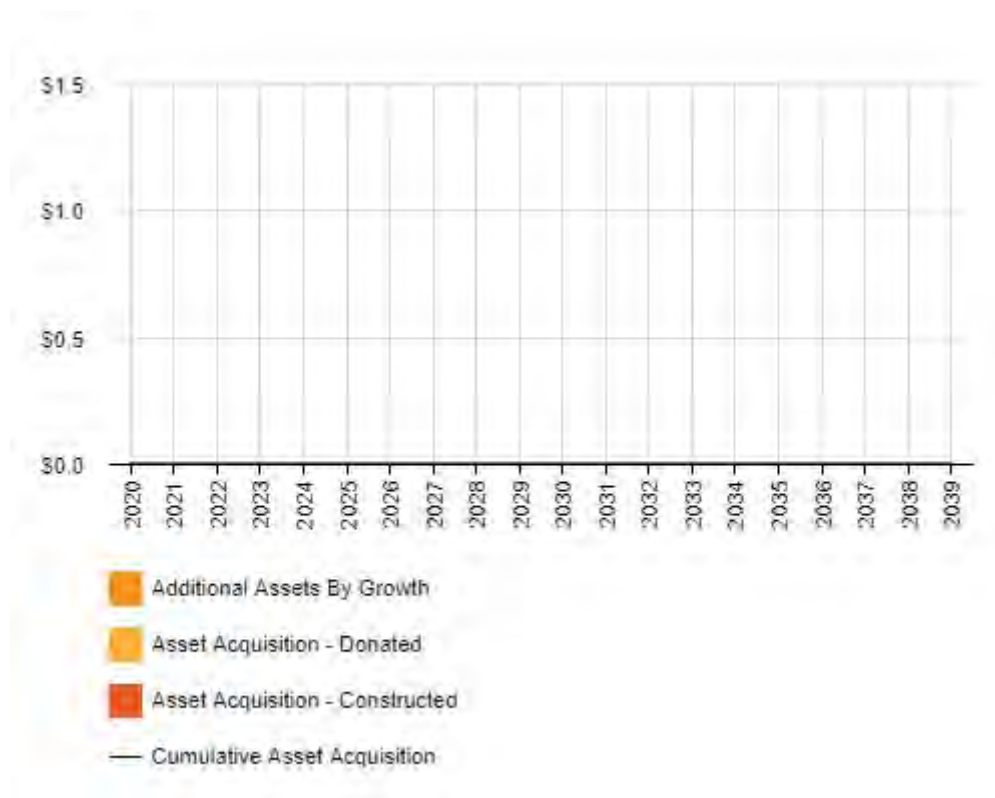
Figure 5.5.1: Acquisition (Constructed) Summary



All figure values are shown in current day dollars.

When an Entity commits to new assets, they must be prepared to fund future operations, maintenance, and renewal costs. They must also account for future depreciation when reviewing long term sustainability. When reviewing the long-term impacts of asset acquisition, it is useful to consider the cumulative value of the acquired assets being taken on by the Entity. The cumulative value of all acquisition work, including assets that are constructed and contributed shown in Figure 5.5.2.

**Figure 5.5.2: Acquisition Summary**



All figure values are shown in current dollars.

Expenditure on new assets and services in the capital works program will be accommodated in the long-term financial plan, but only to the extent that there is available funding.

## 5.6 Disposal Plan

Disposal includes any activity associated with the disposal of a decommissioned asset including sale, demolition or relocation. Assets identified for possible decommissioning and disposal are shown in Table 5.6. A summary of the disposal costs and estimated reductions in annual operations and maintenance of disposing of the assets are also outlined in Table 5.6. Any costs or revenue gained from asset disposals is included in the long-term financial plan.

**Table 5.6: Assets Identified for Disposal**

Asset	Reason for Disposal	Timing	Disposal Cost \$	Operations & Maintenance Annual Savings \$
N/A	N/A	N/A	N/A	N/A

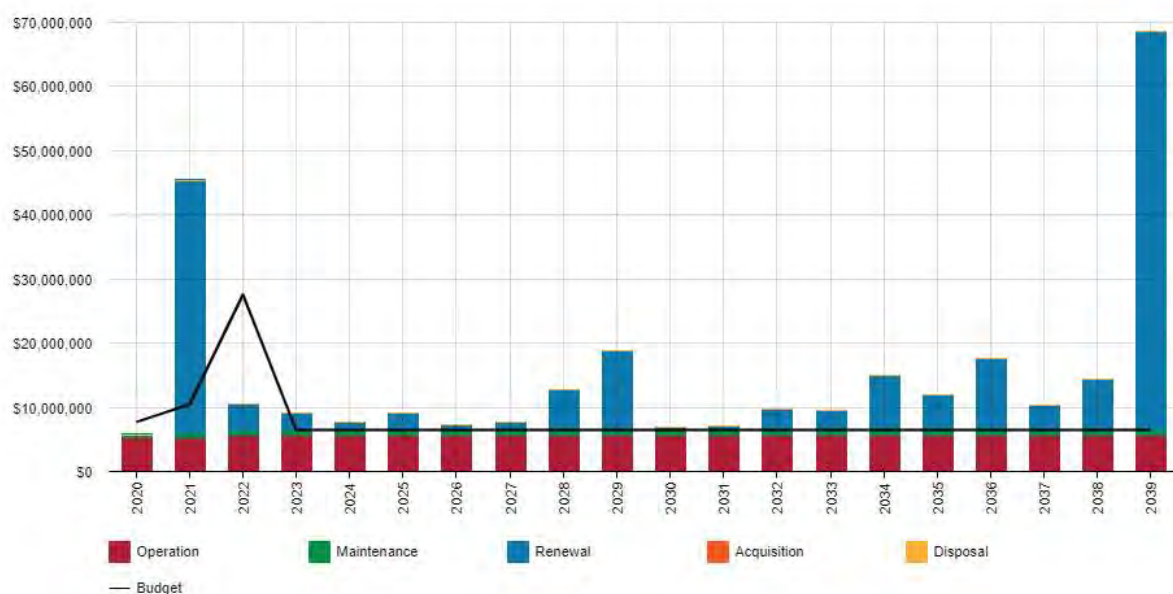
## 5.7 Summary of asset forecast costs

The financial projections from this asset plan are shown in Figure 5.7.1. These projections include forecast costs for acquisition, operation, maintenance, renewal, and disposal. These forecast costs are shown relative to the proposed budget.

The bars in the graphs represent the forecast costs needed to minimise the life cycle costs associated with the service provision. The proposed budget line indicates the estimate of available funding. The gap between the

forecast work and the proposed budget is the basis of the discussion on achieving balance between costs, levels of service and risk to achieve the best value outcome.

**Figure 5.7.1: Lifecycle Summary**



All figure values are shown in current day dollars.

With restricted funding and the future strategy still to be defined all information is currently projected based on the useful life retained in the asset register. This data will be updated as other information is clarified as the process matures.

## 6.0 RISK MANAGEMENT PLANNING

The purpose of infrastructure risk management is to document the findings and recommendations resulting from the periodic identification, assessment and treatment of risks associated with providing services from infrastructure, using the fundamentals of International Standard ISO 31000:2018 Risk management – Principles and guidelines.

Risk Management is defined in ISO 31000:2018 as: ‘coordinated activities to direct and control with regard to risk’<sup>9</sup>.

An assessment of risks<sup>10</sup> associated with service delivery will identify risks that will result in loss or reduction in service, personal injury, environmental impacts, a ‘financial shock’, reputational impacts, or other consequences. The risk assessment process identifies credible risks, the likelihood of the risk event occurring, and the consequences should the event occur. The risk assessment should also include the development of a risk rating, evaluation of the risks and development of a risk treatment plan for those risks that are deemed to be non-acceptable.

### 6.1 Critical Assets

Critical assets are defined as those which have a high consequence of failure causing significant loss or reduction of service. Critical assets have been identified and along with their typical failure mode, and the impact on service delivery, are summarised in Table 6.1. Failure modes may include physical failure, collapse or essential service interruption.

**Table 6.1 Critical Assets**

Critical Asset(s)	Failure Mode	Impact
High Chlorine Treatment Plant, Filtration, Pumping Station.	High	Loss of Drinking water
(Pumps, Pumping Station Mechanical, Operations Centre, Network Assets, Desalination.	Standard	Drinking water restricted
Above Ground Reservoir, Inground reservoir, Subterranean Pipes, Wells, Generator.	Low	Reputation reduced

By identifying critical assets and failure modes an organisation can ensure that investigative activities, condition inspection programs, maintenance and capital expenditure plans are targeted at critical assets.

### 6.2 Risk Assessment

The risk management process used is shown in Figure 6.2 below.

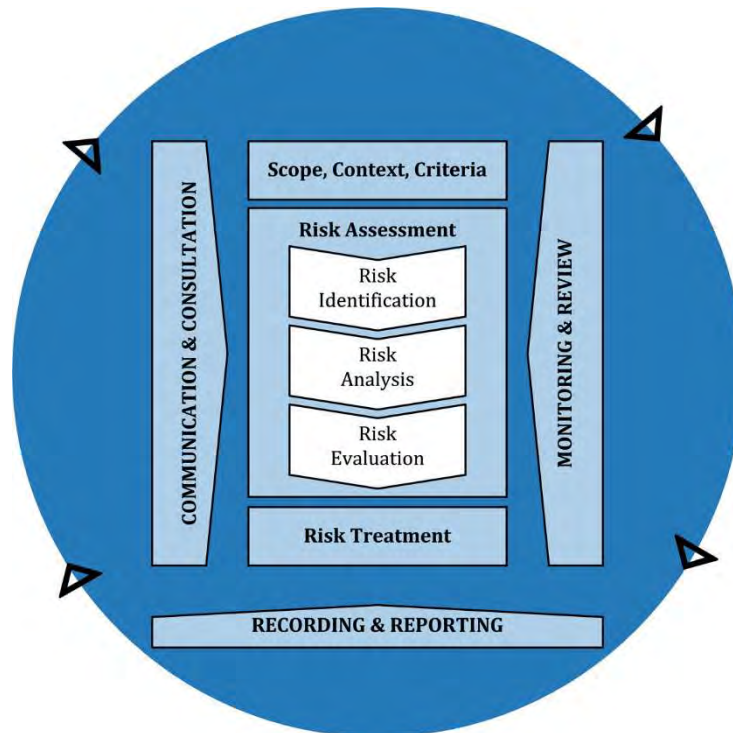
It is an analysis and problem-solving technique designed to provide a logical process for the selection of treatment plans and management actions to protect the community against unacceptable risks.

The process is based on the fundamentals of International Standard ISO 31000:2018.

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<sup>9</sup> ISO 31000:2009, p 2

<sup>10</sup> REPLACE with Reference to the Corporate or Infrastructure Risk Management Plan as the footnote



**Fig 6.2 Risk Management Process – Abridged**  
Source: ISO 31000:2018, Figure 1, p9

The risk assessment process identifies credible risks, the likelihood of the risk event occurring, the consequences should the event occur, development of a risk rating, evaluation of the risk and development of a risk treatment plan for non-acceptable risks.

An assessment of risks<sup>11</sup> associated with service delivery will identify risks that will result in loss or reduction in service, personal injury, environmental impacts, a ‘financial shock’, reputational impacts, or other consequences.

Critical risks are those assessed with ‘Very High’ (requiring immediate corrective action) and ‘High’ (requiring corrective action) risk ratings identified in the Infrastructure Risk Management Plan. The residual risk and treatment costs of implementing the selected treatment plan is shown in Table 6.2. It is essential that these critical risks and costs are reported to management and the Torres Strait Island Regional Council

**Table 6.2: Risks and Treatment Plans**

<sup>11</sup> REPLACE with Reference to the Corporate or Infrastructure Risk Management Plan as the footnote



Service or Asset at Risk	What can Happen	Risk Rating (VH, H)	Risk Treatmnt Plan	Residual Risk *	Treatment Costs \$
Water Assets	Misalignment of objectives between different authorities / governments causing inability to deliver corporate plan	H	a) Further engagement of decision makers (as opposed to pure stakeholders) b) More formalised engagement with DLG c) Reduction in green tape d) Strengthened AMP linkages (asset condition rating) to conversations with stakeholders highlighting council needs and requirements e) Quality assurance through Environment and Health (planned) f) Additional dedicated resources f) Direct control of funding	Medium	TBA
Water Assets	Inability to attract skilled employees for key positions in a timely manner	H	a) Selective in recruitment process b) Use of recruitment firms c) Training within to meet selection criteria (for TSIs) d) Advertising (internal and external)	Medium	TBA
Water Assets	Climate change (changing sea levels and rainfall)	VH	a) Land use planning allows for changes to high water marks. b) Building design for new houses (including materials). c) Raising houses. d) Temporary sea walls. e) Funding for permanent (engineered) sea walls - in progress. f) Active LDMG (local Disaster Management Group) and active plan (review and update every 6 months); stored on website. g) Disaster Management Officer in council, with Community Disaster Management Plans h) King Tide subgroup (management plan - protective and reactive mitigation). i) Drinking Water quality management plan	Medium	TBA
Water Assets	a) Wrong equipment used for jobs / processes b) Operator training c) Insufficient maintenance program	H	a) Asset management planning b) To certain extent all core equipment now known c) Continued steps towards more proactive maintenance program d) Dedicated personnel for mobile plant & equipment e) Additional reporting requirements imposed on contractors	Medium	TBA

			f) Use of appropriately licensed operators on equipment g) Use of preferred suppliers		
Water Assets	Expectation in community that TSIRC will provide additional community services	H	a) Grants policy b) Divestment of enterprises (non-core activities) c) Community engagement to set expectation regarding services TSIRC are to provide	Medium	TBA
Water Assets	a) Failure to undertake investment analysis  b) Failure to develop budget and maintenance plans		a) Formal tender process b) Ranking of capital budget c) Procurement policy and function d) Asset management plans, policies and training e) Formalised requirement for whole of life costing f) Dedicated position - manager of assets	Medium	TBA
Water Assets	a) Weather events b) Over demand for water c) System leakage	VH	a) Demand management b) Water restrictions c) Portable desal plants d) Covers on lagoons to minimise evaporation	Medium	TBA

Note \* The residual risk is the risk remaining after the selected risk treatment plan is implemented.

### 6.3 Infrastructure Resilience Approach

The resilience of our critical infrastructure is vital to the ongoing provision of services to customers. To adapt to changing conditions we need to understand our capacity to 'withstand a given level of stress or demand', and to respond to possible disruptions to ensure continuity of service.

Resilience recovery planning, financial capacity, climate change risk assessment and crisis leadership.

Our current measure of resilience is shown in Table 6.3 which includes the type of threats and hazards and the current measures that the organisation takes to ensure service delivery resilience.

**Table 6.3: Resilience Assessment**

Threat / Hazard	Assessment Method	Current Resilience Approach
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We do not currently measure our resilience in service delivery. This will be included in future iterations of the AM Plan.

### 6.4 Service and Risk Trade-Offs

The decisions made in adopting this AM Plan are based on the objective to achieve the optimum benefits from the available resources.

#### 6.4.1 What we cannot do

There are some operations and maintenance activities and capital projects that are unable to be undertaken within the next 10 years. We do not have enough funding to provide all services at the desired service levels or provide new services. Works and services that cannot be provided under present funding levels are:

- Implementation of suitable levels of maintenance to stop the rapid degradation of water assets, after years of maintenance funding restrictions.

- General maintenance to all priority water assets to bring them up to suitable operational status.
- Planned/preventative maintenance.
- Renewal program for all out of useful life water assets.

#### **6.4.2 Service trade-off**

If there is forecast work (operations, maintenance, renewal, acquisition or disposal) that cannot be undertaken due to available resources, then this will result in service consequences for users. These service consequences include:

- No forecast works scheduled at this point in time other than renewal work listed Appendix A . All work undertaken on a prioritised reactive basis to maintain services.

#### **6.4.3 Risk trade-off**

The operations and maintenance activities and capital projects that cannot be undertaken may sustain or create risk consequences. These risk consequences include:

- Increased maintenance services costs
- Increased ageing of assets and acceleration physical deterioration

These actions and expenditures are considered and included in the budget costs, and where developed, the Risk Management Plan.

## 7.0 FINANCIAL SUMMARY

This section contains the financial requirements resulting from the information presented in the previous sections of this AM Plan. The financial projections will be improved as the discussion on desired levels of service and asset performance matures.

### 7.1 Financial Sustainability and Projections

#### 7.1.1 Sustainability of service delivery

There are two key indicators of sustainable service delivery that are considered in the AM Plan for this service area. The two indicators are the:

- asset renewal funding ratio (proposed renewal budget for the next 10 years / forecast renewal costs for next 10 years), and
- medium term forecast costs/proposed budget (over 10 years of the planning period).

#### Asset Renewal Funding Ratio

Asset Renewal Funding Ratio<sup>12</sup> 38.95%

The Asset Renewal Funding Ratio is an important indicator and illustrates that over the next 10 years we expect to have 38.95% of the funds required for the optimal renewal of assets.

The forecast renewal works along with the proposed renewal budget, and the cumulative shortfall, is illustrated in Appendix D.

#### Medium term – 10-year financial planning period

This AM Plan identifies the forecast operations, maintenance and renewal costs required to provide an agreed level of service to the community over a 10 year period. This provides input into 10 year financial and funding plans aimed at providing the required services in a sustainable manner.

This forecast work can be compared to the proposed budget over the first 10 years of the planning period to identify any funding shortfall.

The forecast operations, maintenance and renewal costs over the 10 year planning period is \$13,413,056 average per year.

The proposed (budget) operations, maintenance and renewal funding is \$9,099,689 on average per year giving a 10 year funding shortfall of (\$4,313,367) per year. This indicates that 67.84% of the forecast costs needed to provide the services documented in this AM Plan are accommodated in the proposed budget. Note, these calculations exclude acquired assets.

Providing sustainable services from infrastructure requires the management of service levels, risks, forecast outlays and financing to achieve a financial indicator of approximately 1.0 for the first years of the AM Plan and ideally over the 10 year life of the Long-Term Financial Plan.

#### 7.1.2 Forecast Costs (outlays) for the long-term financial plan

Table 7.1.3 shows the forecast costs (outlays) required for consideration in the 10 year long-term financial plan.

Providing services in a financially sustainable manner requires a balance between the forecast outlays required to deliver the agreed service levels with the planned budget allocations in the long-term financial plan.

A gap between the forecast outlays and the amounts allocated in the financial plan indicates further work is required on reviewing service levels in the AM Plan (including possibly revising the long-term financial plan).

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<sup>12</sup> AIFMM, 2015, Version 1.0, Financial Sustainability Indicator 3, Sec 2.6, p 9.

We will manage the ‘gap’ by developing this AM Plan to provide guidance on future service levels and resources required to provide these services in consultation with the community.

Forecast costs are shown in 2021-dollar values.

**Table 7.1.2: Forecast Costs (Outlays) for the Long-Term Financial Plan**

Year	Acquisition \$	Operation \$	Maintenance \$	Renewal \$	Disposal \$
2020	0	5,180,323	575,000	0	0
2021	0	5,323,624	693,216	39,392,600	0
2022	0	5,565,797	897,303	4,019,400	0
2023	0	5,565,797	897,303	2,618,100	0
2024	0	5,565,797	897,303	1,279,800	0
2025	0	5,565,797	897,303	2,544,000	0
2026	0	5,565,797	897,303	904,300	0
2027	0	5,565,797	897,303	1,264,200	0
2028	0	5,565,797	897,303	6,350,100	0
2029	0	5,565,797	897,303	12,281,100	0
2030	0	5,565,797	897,303	394,133	0
2031	0	5,565,797	897,303	585,800	0
2032	0	5,565,797	897,303	3,326,400	0
2033	0	5,565,797	897,303	3,099,800	0
2034	0	5,565,797	897,303	8,559,700	0
2035	0	5,565,797	897,303	5,501,695	0
2036	0	5,565,797	897,303	11,076,800	0
2037	0	5,565,797	897,303	3,815,900	0
2038	0	5,565,797	897,303	7,976,700	0
2039	0	5,565,797	897,303	62,169,800	0

## 7.2 Funding Strategy

The proposed funding for assets is outlined in the Entity’s budget and Long-Term financial plan.

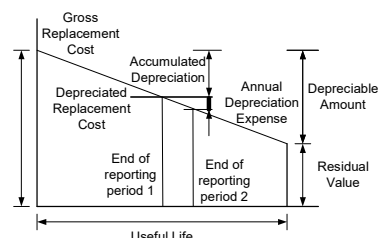
The financial strategy of the entity determines how funding will be provided, whereas the AM Plan communicates how and when this will be spent, along with the service and risk consequences of various service alternatives.

## 7.3 Valuation Forecasts

### 7.3.1 Asset valuations

The best available estimate of the value of assets included in this AM Plan are shown below. The assets are valued at fair value at cost to replace service capacity:

Replacement Cost (Current/Gross)	\$272,168,329
Depreciable Amount	\$227,657,329
Depreciated Replacement Cost <sup>13</sup>	\$105,931,784
Depreciation	\$8,523,225



### 7.3.2 Valuation forecast

Asset Values are forecast to increase as additional assets are added to the service and in line with annual revaluation reviews. Additional assets may add to the operations and maintenance needs in the longer term. Additional assets may require additional costs due to future renewals. Any additional assets will also add to future depreciation forecasts.

Asset values are forecast to increase as construction costs continue to increase in the Torres Strait. Key Assumptions Made in Financial Forecasts

In compiling this AM Plan, it was necessary to make some assumptions. This section details the key assumptions made in the development of this AM plan and should provide readers with an understanding of the level of confidence in the data behind the financial forecasts.

Key assumptions made in this AM Plan are:

- Assumptions made around the maintenance and operations budget.
- Renewals are based on the fixed asset register replacement and have a low reliability rating for renewal forecasting.
- Capital costs for renewals are based on the replacement costs developed as a part of the valuations.
- Capital funding is based on the current year funding over each year based on existing known grant funds approved.
- No Asset acquisitions and disposals are planned with the exception of renewals and adjusting disposals for those values.

## 7.4 Forecast Reliability and Confidence

The forecast costs, proposed budgets, and valuation projections in this AM Plan are based on the best available data. For effective asset and financial management, it is critical that the information is current and accurate. Data confidence is classified on an - E level scale<sup>14</sup> in accordance with Table 7.5.1.

<sup>13</sup> Also reported as Written Down Value, Carrying or Net Book Value.

<sup>14</sup> IPWEA, 2015, IIMM, Table 2.4.6, p 2|71.

**Table 7.5.1: Data Confidence Grading System**

Confidence Grade	Description
A. Very High	Data based on sound records, procedures, investigations and analysis, documented properly and agreed as the best method of assessment. Dataset is complete and estimated to be accurate $\pm 2\%$
B. High	Data based on sound records, procedures, investigations and analysis, documented properly but has minor shortcomings, for example some of the data is old, some documentation is missing and/or reliance is placed on unconfirmed reports or some extrapolation. Dataset is complete and estimated to be accurate $\pm 10\%$
C. Medium	Data based on sound records, procedures, investigations and analysis which is incomplete or unsupported, or extrapolated from a limited sample for which grade A or B data are available. Dataset is substantially complete but up to 50% is extrapolated data and accuracy estimated $\pm 25\%$
D. Low	Data is based on unconfirmed verbal reports and/or cursory inspections and analysis. Dataset may not be fully complete, and most data is estimated or extrapolated. Accuracy $\pm 40\%$
E. Very Low	None or very little data held.

The estimated confidence level for and reliability of data used in this AM Plan is shown in Table 7.5.2.

**Table 7.5.2: Data Confidence Assessment for Data used in AM Plan**

Data	Confidence Assessment	Comment
Demand drivers	Low	Addressed in improvement plan
Growth projections	Low	Addressed in improvement plan
Acquisition forecast	Low	Addressed in improvement plan
Operation forecast	Low	Addressed in improvement plan
Maintenance forecast	Low	Addressed in improvement plan
Renewal forecast		
Asset values	Low	Addressed in improvement plan
Asset useful lives	Low	Addressed in improvement plan
Condition modelling	Low	Addressed in improvement plan
Disposal forecast	Low	Addressed in improvement plan

The estimated confidence level for and reliability of data used in this AM Plan is considered to be a Low Confidence Level.

## 8.0 PLAN IMPROVEMENT AND MONITORING

### 8.1 Status of Asset Management Practices<sup>15</sup>

#### 8.1.1 Accounting and financial data sources

This AM Plan utilises accounting and financial data. The source of the data is the TechnologyOne ERP Platform and the Sustainability Matrix.

#### 8.1.2 Asset management data sources

This AM Plan also utilises asset management data. The source of the data is the TechnologyOne ERP Platform.

### 8.2 Improvement Plan

It is important that an entity recognise areas of their AM Plan and planning process that require future improvements to ensure effective asset management and informed decision making. The improvement plan generated from this AM Plan is shown in Table 8.2.

**Table 8.2: Improvement Plan**

Task	Task	Responsibility	Resources Required	Timeline
1	Forecast reliability and confidence improvement	Asset Class Manager	1 Staff	3 years (2021-2023)
2	Functional assessments of Water Supply Assets	Asset Class Manager	Two (1) Staff	3 years (2021-2023)
3	Develop & implement a risk management framework.	Risk & Ethics/Assets	Two (Staff)	2021
4	Conduct risk assessment on assets at a network level	Asset Class Manager	Two (Staff)	2021
5	Finalise desired levels of service from community consultation.	Assets	4	2021
6	Develop & implement the Sustainability Matrix.	Asset Class Manager & Heads of Departments	TBD	2021-2022
7	Reinstated the Asset Management Group (AMG) consisting of all Asset Managers.	Executive	TBD	2021-2022
8	TECH ONE Enhancement upgrade	Assets	6	2022/23
9	Data validation and Asset Register Integrity check	Assets Department and Asset Class Manager	2	2022
10	Rationalisation of Asset base.	Assets, Executive Group & Council	TBD	2023

<sup>15</sup> ISO 55000 Refers to this as the Asset Management System



### **8.3 Monitoring and Review Procedures**

This AM Plan will be reviewed during the annual budget planning process and revised to show any material changes in service levels, risks, forecast costs and proposed budgets as a result of budget decisions.

The AM Plan will be reviewed and updated annually to ensure it represents the current service level, asset values, forecast operations, maintenance, renewals, acquisition and asset disposal costs and planned budgets. These forecast costs and proposed budget are incorporated into the Long-Term Financial Plan or will be incorporated into the Long-Term Financial Plan once completed.

The AM Plan has a maximum life of 4 years and is due for complete revision and updating within 12 months of each Council election.

### **8.4 Performance Measures**

The effectiveness of this AM Plan can be measured in the following ways:

- The degree to which the required forecast costs identified in this AM Plan are incorporated into the long-term financial plan,
- The degree to which the 1–5-year detailed works programs, budgets, business plans and corporate structures consider the ‘global’ works program trends provided by the AM Plan,
- The degree to which the existing and projected service levels and service consequences, risks and residual risks are incorporated into the Strategic Planning documents and associated plans,
- The Asset Renewal Funding Ratio achieving the Organisational target (this target is often 90 – 100%).

## 9.0 REFERENCES

- IPWEA, 2006, 'International Infrastructure Management Manual', Institute of Public Works Engineering Australasia, Sydney, [www.ipwea.org/IIMM](http://www.ipwea.org/IIMM)
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- IPWEA, 2018, Practice Note 12.1, 'Climate Change Impacts on the Useful Life of Assets', Institute of Public Works Engineering Australasia, Sydney
- IPWEA, 2012, Practice Note 6 Long-Term Financial Planning, Institute of Public Works Engineering Australasia, Sydney, <https://www.ipwea.org/publications/ipweabookshop/practicenotes/pn6>
- IPWEA, 2014, Practice Note 8 – Levels of Service & Community Engagement, Institute of Public Works Engineering Australasia, Sydney, <https://www.ipwea.org/publications/ipweabookshop/practicenotes/pn8>
- ISO, 2014, ISO 55000:2014, Overview, principles, and terminology
- ISO, 2018, ISO 31000:2018, Risk management – Guidelines
- Strategic Asset Management Plan 2021-2023
- 2020 Annual Report
- Corporate Plan 2020-2025
- Operational plan 2020/21
- Deputations 2020

## Appendix A      Acquisition Forecast

### A.1 – Acquisition Forecast Assumptions and Source

There are no acquisitions currently forecast.

### A.2 – Acquisition Project Summary

The project titles included in the lifecycle forecast are included here. There are no acquisitions, but the renewal projects are listed.

### A.3 – Acquisition Forecast Summary

Recommend using NAMS+ Outputs Summary for Acquisition

**Table A3 - Acquisition Forecast Summary**

Year	Constructed \$	Donated \$	Growth \$
2020	0	0	0
2021	0	0	0
2022	0	0	0
2023	0	0	0
2024	0	0	0
2025	0	0	0
2026	0	0	0
2027	0	0	0
2028	0	0	0
2029	0	0	0
2030	0	0	0
2031	0	0	0
2032	0	0	0
2033	0	0	0
2034	0	0	0
2035	0	0	0
2036	0	0	0
2037	0	0	0
2038	0	0	0
2039	0	0	0

## Appendix B      Operation Forecast

### B.1 – Operation Forecast Assumptions and Source

- The operational forecast is aligned with the budget pending more detailed analysis

### B.2 – Operation Forecast Summary

Recommend using NAMS+ Outputs Summary for Operation as listed below

**Table B2 - Operation Forecast Summary**

Year	Operation Forecast \$	Additional Operation Forecast \$	Total Operation Forecast \$
2020	5,180,323	0	5,180,323
2021	5,323,624	0	5,323,624
2022	5,565,797	0	5,565,797
2023	5,565,797	0	5,565,797
2024	5,565,797	0	5,565,797
2025	5,565,797	0	5,565,797
2026	5,565,797	0	5,565,797
2027	5,565,797	0	5,565,797
2028	5,565,797	0	5,565,797
2029	5,565,797	0	5,565,797
2030	5,565,797	0	5,565,797
2031	5,565,797	0	5,565,797
2032	5,565,797	0	5,565,797
2033	5,565,797	0	5,565,797
2034	5,565,797	0	5,565,797
2035	5,565,797	0	5,565,797
2036	5,565,797	0	5,565,797
2037	5,565,797	0	5,565,797
2038	5,565,797	0	5,565,797
2039	5,565,797	0	5,565,797

## Appendix C Maintenance Forecast

### C.1 – Maintenance Forecast Assumptions and Source

The maintenance forecast is aligned with the budget pending more detailed analysis

### C.2 – Maintenance Forecast Summary

Recommend using NAMS+ Outputs Summary for Maintenance as listed below

**Table C2 - Maintenance Forecast Summary**

Year	Maintenance Forecast \$	Additional Maintenance Forecast \$	Total Maintenance Forecast \$
2020	575,000	0	575,000
2021	693,216	0	693,216
2022	897,303	0	897,303
2023	897,303	0	897,303
2024	897,303	0	897,303
2025	897,303	0	897,303
2026	897,303	0	897,303
2027	897,303	0	897,303
2028	897,303	0	897,303
2029	897,303	0	897,303
2030	897,303	0	897,303
2031	897,303	0	897,303
2032	897,303	0	897,303
2033	897,303	0	897,303
2034	897,303	0	897,303
2035	897,303	0	897,303
2036	897,303	0	897,303
2037	897,303	0	897,303
2038	897,303	0	897,303
2039	897,303	0	897,303

## Appendix D      Renewal Forecast Summary

### D.1 – Renewal Forecast Assumptions and Source

Renewals forecasts are based on TechOne asset register values.

### D.2 – Renewal Project Summary

The project titles included in the lifecycle forecast are based on the current asset register useful life.

Water Supply Project Details for 2021-2023			
Task	Task Description	Location	Budget
0001240	ICCIP Project Management Fees	Various	0
0001241	ICCIP #76 - Chlorine Dosing Renew - Badu	Badu	150,000
0001242	ICCIP #76 - Chlorine Dosing Renew - Boigu	Boigu	85,000
0001247	ICCIP #76 - Chlorine Dosing Renew - Masig	Masig	89,454
0001250	ICCIP #76 - Chlorine Dosing Renew - Ugar	Ugar	103,160
0001264	ICCIP #28 - Water Treatment Plant - Erub	Erub	781,250
0001265	ICCIP #66 - Water Lagoon - Saibai	Saibai	625,000
0001272	ICCIP #03 - Well 1 Refurbishment - Badu	Badu	189,863
0001274	ICCIP #05 - WTP Upgrade - Badu	Badu	962,500
0001276	ICCIP #37 - Well 3 Galleries - Hammond	Hammond	300,000
0001277	ICCIP #38 - Water Main Replace Hammond	Hammond	1,640,158
0001278	ICCIP #45 - WTP Renewal - Kubin	Kubin	1,500,000
0001279	ICCIP #54 - Wells 1 & 2 Renewal - Masig	Masig	225,000
0001283	ICCIP #68 - Lagoon Fence Renewal St Pauls	St Pauls	123,183
0001284	ICCIP #69 - Water Network Renew St Pauls	St Pauls	912,500
0001285	ICCIP #71 - Desalination Plant - Ugar	Ugar	625,000
0001292	ICCIP #20 - Reservoir Fencing - Dauan	Dauan	62,261
0001302	ICCIP #02 - Air Compressor - Badu	Badu	5,249
0001303	ICCIP #06 - Lot 152 O'Leary St Upgrade	Badu	250,000
0001304	ICCIP #09 - lamella Clarifier - Boigu	Boigu	37,751
0001305	ICCIP #12 - Replace Lagoon Cover - Boigu	Boigu	750,000
0001306	ICCIP #16 - Raw Water Intake - Boigu	Boigu	437,500
0001310	ICCIP #21 - Well upgrade 1,2,3,4 - Dauan	Dauan	1,250,000
0001311	ICCIP #22 - Reservoir Repairs - Dauan	Dauan	2,125,000
0001317	ICCIP #40 - Replace Rising Main - lama	lama	1,937,500
0001318	ICCIP #41 - Concrete Reservoir - lama	lama	250,000
0001320	ICCIP #44 - Lagoon Fence Renewal - Kubin	Kubin	137,197
0001322	ICCIP #47 - Lagoon Fencing - Mabuiag	Mabuiag	142,034
0001323	ICCIP #48 - Water PS Upgrades - Mabuiag	Mabuiag	275,000
0001325	ICCIP #53 - Replace Lagoon Cover - Masig	Masig	1,000,000
0001327	ICCIP #58 - Lagoon Cover & Lining - Mer	Mer	750,000
0001328	ICCIP #62 – Chem Dosing Equip - Poruma	Poruma	37,500
0001329	ICCIP #64 - Replace Standby Pump -Poruma	Poruma	98,750
0001331	ICCIP #72 - Lagoon Upgrades - Warraber	Warraber	625,000
0001332	ICCIP #73 - Reservoir Renewal - Warraber	Warraber	937,500

0001335	ICCIP #10 - Water Treatment Plant - Boigu	Boigu	0
0001336	ICCIP #30 - Bormeo Bore & PS - Erub	Erub	94,375
0001337	ICCIP #49 - Reservoir - Mabuiag	Mabuiag	250,000
0001338	ICCIP #51 - Mabuiag Well	Mabuiag	25,000
0001339	ICCIP #59 - Replace Lagoon Pumps - Mer	Mer	55,277
0001432	Smart Water Meters TSRA 19/20	Various	406,823
0001433	Smart Water Meters LGGSP 19/21	Various	725,826
0001494	SCADA Magflow meters lama & Mer	Various	40,000
0001496	Replacement of Water Assets	Various	80,000
0001503	Erub 80mm Water Main 190m	Erub	280,000
0001506	Leak detection equipment Mer, Badu, & St Pauls	Various	190,000
0001508	Mabuiag Town Hall Well Upgrade	Mabuiag	220,000
0001519	190KL Desalination Unit	Rotable	385,000
			\$ 21,446,785

### D.3 – Renewal Forecast Summary

Statistics are based on using NAMS+ Outputs Summary for Renewal data.

**Table D3 - Renewal Forecast Summary**

Year	Renewal Forecast \$	Renewal Budget \$
2020	0	1,965,654
2021	39,392,600	4,442,810
2022	4,019,400	5,862,834
2023	2,618,100	0
2024	1,279,800	0
2025	2,544,000	0
2026	904,300	0
2027	1,264,200	0
2028	6,350,100	0
2029	12,281,100	0
2030	394,133	0
2031	585,800	0
2032	3,326,400	0
2033	3,099,800	0
2034	8,559,700	0
2035	5,501,695	0
2036	11,076,800	0
2037	3,815,900	0
2038	7,976,700	0
2039	62,169,800	0

### D.4 –Renewal Plan

Detail output from NAMS+ Report is based on using the Asset Register Method of Replacement Cost

## Appendix 10 Year Report

These are figures to be input into the executive summary.

10 year total cost [10 yr Ops, Maint, Renewal & Acquisition Forecast]	134,130,560
10 year average forecast	13,413,056
10 year planned budget [Ops, Maint & Acquisition] (from LTFP)	90,996,888
10 year average planned budget	9,099,689
10 year AM financial indicator	67.84%
10 year average shortfall	-4,313,367



## Appendix E Disposal Summary

### E.1 – Disposal Forecast Assumptions and Source

Current information is based on using the renewal cost to apply for the disposal value

### E.2 – Disposal Project Summary

N/A

The project titles referred to in renewals are consistent for disposals.

### E.3 – Disposal Forecast Summary

Recommend using NAMS+ Outputs Summary for Disposal as is listed below.

**Table E3 – Disposal Activity Summary**

Year	Disposal Forecast \$	Disposal Budget \$
2020	0	0
2021	0	0
2022	0	0
2023	0	0
2024	0	0
2025	0	0
2026	0	0
2027	0	0
2028	0	0
2029	0	0
2030	0	0
2031	0	0
2032	0	0
2033	0	0
2034	0	0
2035	0	0
2036	0	0
2037	0	0
2038	0	0
2039	0	0

## Appendix F      Budget Summary by Lifecycle Activity

Previous assumptions listed in Appendices A-E are consistent with this Appendix.

**Table F1 – Budget Summary by Lifecycle Activity**

Year	Acquisition \$	Operation \$	Maintenance \$	Renewal \$	Disposal \$	Total \$
2020	0	5,180,323	575,000	1,965,654	0	7,720,977
2021	0	5,323,624	693,216	4,442,810	0	10,459,650
2022	0	5,565,797	897,303	21,111,464	0	27,574,564
2023	0	5,565,797	897,303	0	0	6,463,100
2024	0	5,565,797	897,303	0	0	6,463,100
2025	0	5,565,797	897,303	0	0	6,463,100
2026	0	5,565,797	897,303	0	0	6,463,100
2027	0	5,565,797	897,303	0	0	6,463,100
2028	0	5,565,797	897,303	0	0	6,463,100
2029	0	5,565,797	897,303	0	0	6,463,100
2030	0	5,565,797	897,303	0	0	6,463,100
2031	0	5,565,797	897,303	0	0	6,463,100
2032	0	5,565,797	897,303	0	0	6,463,100
2033	0	5,565,797	897,303	0	0	6,463,100
2034	0	5,565,797	897,303	0	0	6,463,100
2035	0	5,565,797	897,303	0	0	6,463,100
2036	0	5,565,797	897,303	0	0	6,463,100
2037	0	5,565,797	897,303	0	0	6,463,100
2038	0	5,565,797	897,303	0	0	6,463,100
2039	0	5,565,797	897,303	0	0	6,463,100

# TORRES STRAIT ISLAND REGIONAL COUNCIL

## AGENDA REPORT

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**ORDINARY MEETING:** August 2021  
**DATE** 17 - 18 August 2021  
**ITEM:** August Agenda Report  
**SUBJECT:** July Financial Dashboard  
**AUTHOR:** Nicola Daniels – Head of Financial Services

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### **Officer's recommendation:**

That Council receive and endorse the monthly financial statements attached to the officer's report for the 2021-22 year to date, for the period ended 31 July 2021, as required under Section 204 *Local Government Regulation 2012*.

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### **Purpose:**

This report seeks Council endorse the monthly financial statements for the 2021-22 year to date, for the period ended 31 July 2021.

### **Background:**

The 2021-22 budget was adopted in July 2021 and has taken into consideration the current COVID-19 pandemic and the expected impacts on the year ahead.

The financial report must state the progress that has been made in relation to the local government's budget for the period of the financial year up to a day as near as practicable to the end of the month before the meeting is held.

Each month, year to date financial statements are prepared to monitor actual performance against budget. Below is a summary of the financial performance for the period ended stated above. Actual amounts are compared against year-to-date Budget 2021-22 figures. (See Appendix 1 for Summary Financial Statements by Department and Appendix 2 Detailed Capital Report).

### **Resource implications:**

The actual operating result for July 2021 YTD is a \$1.2 million deficit compared to a forecasted operating deficit of \$1.2 million for the 2021-22 financial year which is in line with budget expectations.

## FINANCIAL PERFORMANCE AT A GLANCE – YTD JULY 2021

Key financial results	Annual budget	YTD budget	YTD actual	YTD variance \$	YTD variance %	Status
Recurrent revenue	56,714,687	3,653,928	2,819,275	(834,652)	(22.8%)	●
Other income	5,970,586	503,592	445,011	(58,580)	(11.6%)	●
Recurrent expenditure (excl. depreciation)	(65,946,914)	(5,311,278)	(4,423,100)	888,177	16.7%	●
<b>Operating result (excl. depreciation)</b>	<b>(3,261,641)</b>	<b>(1,153,759)</b>	<b>(1,158,814)</b>	<b>(5,055)</b>	<b>(0.4%)</b>	●
Capital revenue	35,111,725	3,606,144	1,746,316	(1,859,828)	(51.6%)	●
Capital expenses	(1,500,000)	(291,667)	0	291,667	(100.0%)	●
<b>Net result (excl. depreciation)</b>	<b>30,350,084</b>	<b>2,160,719</b>	<b>587,502</b>	<b>(1,573,217)</b>	<b>(72.8%)</b>	●
Depreciation expense	(46,507,984)	(3,875,665)	0	3,875,665	100.0%	●
<b>Net result</b>	<b>(16,157,900)</b>	<b>(1,714,946)</b>	<b>587,502</b>	<b>2,302,448</b>	<b>134.3%</b>	●

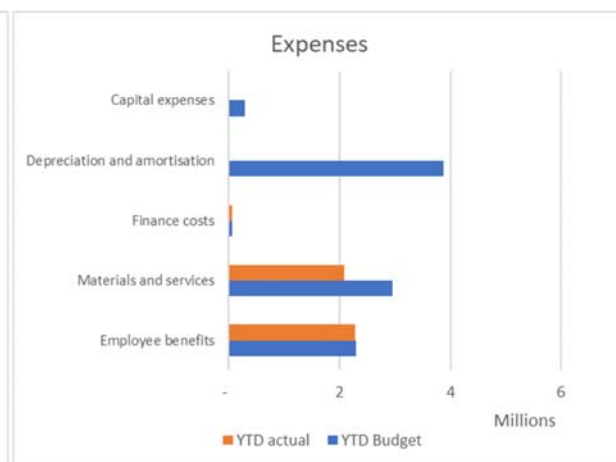
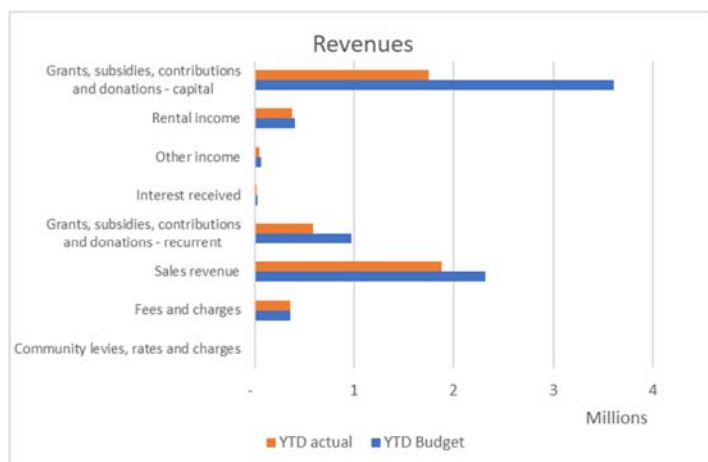
### Net Result

The YTD \$2.3M net result variance can be attributed to:

- Depreciation not posted to the ledger for July 21 due to asset module in TechOne being unable to be rolled forward into the 21/22 year until QAO sign off the 2020-2021 accounts;
- Timing receipt of capital grants.

## STATEMENT OF FINANCIAL PERFORMANCE

	Annual Budget	YTD Budget	YTD actual	YTD variance \$	YTD variance %
<b>Income</b>					
<b>Recurrent revenue</b>					
Community levies, rates and charges	1,607,282	0	0	0	0.0%
Fees and charges	4,306,577	363,224	360,563	(2,661)	(0.7%)
Sales revenue	27,780,971	2,315,081	1,874,037	(441,044)	(19.1%)
Grants, subsidies, contributions and donations	23,019,857	975,623	584,676	(390,947)	(40.1%)
	56,714,687	3,653,928	2,819,275	(834,652)	(22.8%)
<b>Capital revenue</b>					
Grants, subsidies, contributions and donations	35,111,725	3,606,144	1,746,316	(1,859,828)	(51.6%)
	35,111,725	3,606,144	1,746,316	(1,859,828)	(51.6%)
Interest received	247,236	27,373	21,265	(6,108)	(22.3%)
Other income	844,363	69,636	45,771	(23,865)	(34.3%)
Rental income	4,878,987	406,582	377,975	(28,607)	(7.0%)
<b>Total income</b>	97,796,998	7,763,664	5,010,603	(2,753,061)	(35.5%)
<b>Expenses</b>					
<b>Recurrent expenses</b>					
Employee benefits	28,871,571	2,290,708	2,283,245	7,462	0.3%
Materials and services	36,331,138	2,958,553	2,080,956	877,597	29.7%
Finance costs	744,205	62,017	58,899	3,118	5.0%
Depreciation and amortisation	46,507,984	3,875,665	0	3,875,665	100.0%
	112,454,898	9,186,943	4,423,100	4,763,843	51.9%
<b>Capital expenses</b>	1,500,000	291,667	0	(291,667)	(100.0%)
<b>Total expenses</b>	113,954,898	9,478,610	4,423,100	(5,055,509)	(53.3%)
<b>Net result</b>	(16,157,900)	(1,714,946)	587,502	2,302,448	(134.3%)

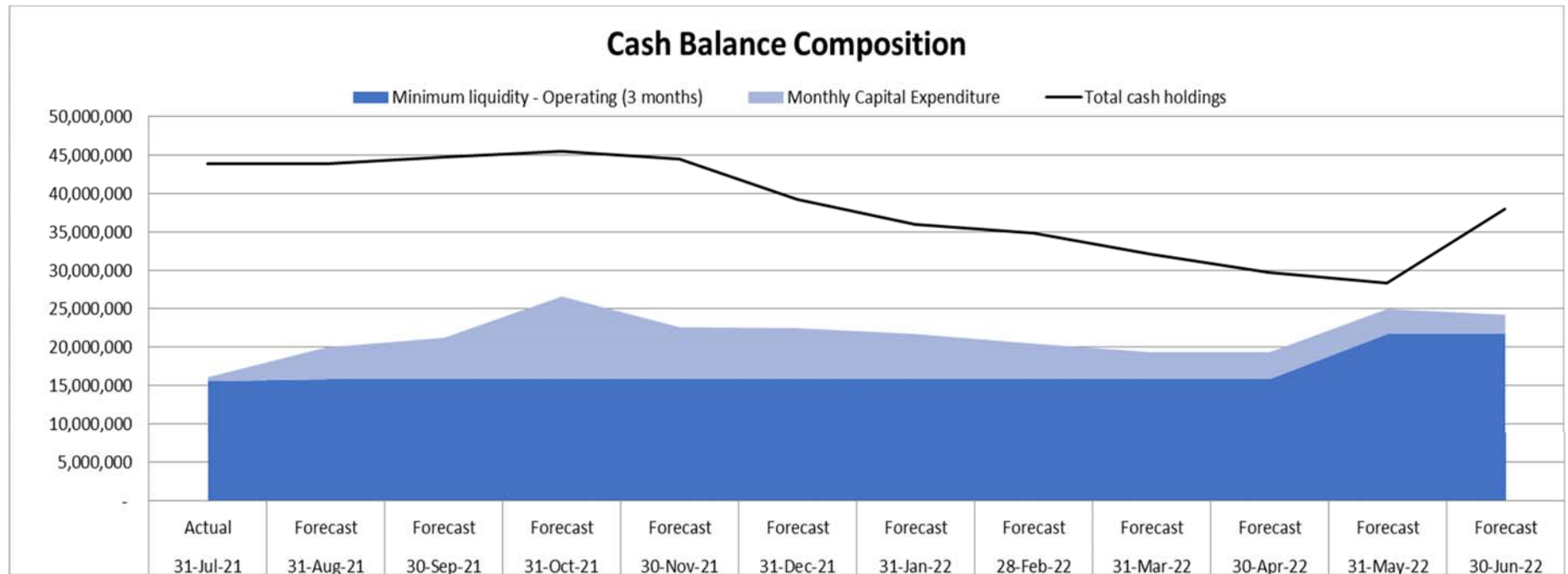


## STATEMENT OF FINANCIAL POSITION

	Current Month 2021	Prior Month 2021	variance \$	variance %
<b>Current assets</b>				
Cash and cash equivalents	40,276,873	45,179,212	(4,902,339)	(10.9%)
Short term deposits	65,374	65,374	0	0.0%
Trade and other receivables	12,182,428	8,530,100	3,652,328	42.8%
Inventories	257,841	257,841	0	0.0%
Contract assets	2,318,734	2,318,734	0	0.0%
Lease receivables	- 672,468	- 425,378	(247,090)	58.1%
<b>Total current assets</b>	<b>54,428,782</b>	<b>55,925,883</b>	<b>(1,497,101)</b>	<b>(2.7%)</b>
<b>Non-current assets</b>				
Lease receivables	14,715,268	14,715,268	(0)	(0.0%)
Property, plant and equipment	865,750,484	865,209,183	541,301	0.1%
Right of use assets	698,349	698,349	0	0.0%
Intangible assets	-	-	0	
<b>Total non-current assets</b>	<b>881,164,101</b>	<b>880,622,800</b>	<b>541,301</b>	<b>0.1%</b>
<b>Total assets</b>	<b>935,592,883</b>	<b>936,548,683</b>	<b>(955,800)</b>	<b>0.1%</b>
<b>Current liabilities</b>				
Trade and other payables	9,408,383	10,905,994	1,497,611	13.7%
Borrowings	335	109	(226)	(207.3%)
Provisions	3,331,695	3,312,396	(19,299)	(0.6%)
Contract liabilities	17,844,335	17,844,335	0	0.0%
Lease liabilities	649,789	649,789	0	0.0%
<b>Total current liabilities</b>	<b>31,234,537</b>	<b>32,712,623</b>	<b>1,478,086</b>	<b>4.5%</b>
<b>Non-current liabilities</b>				
Borrowings	36,100	36,100	0	0.0%
Provisions	3,572,417	3,567,924	(4,493)	(0.1%)
Lease liabilities	60,985	60,985	0	0.0%
<b>Total non-current liabilities</b>	<b>3,669,502</b>	<b>3,665,009</b>	<b>(4,493)</b>	<b>(0.1%)</b>
<b>Net community assets</b>	<b>900,688,844</b>	<b>900,171,051</b>	<b>517,793</b>	<b>0.1%</b>

## Cash Forecasting

The Queensland Treasury Corporation (QTC) recommends that Council maintain a minimum liquidity of three months operating cashflows. Council has based the monthly cashflow projections on the 21/22 Budget projections. Grant revenue has been forecasted on expected timing of receipt of funds as per funding agreements and Council's adopted Capital Budget has been evenly distributed over the financial year. July figures reflect actual cash balances.



## Cashflow Comments

### YTD July 2021 - \$44M

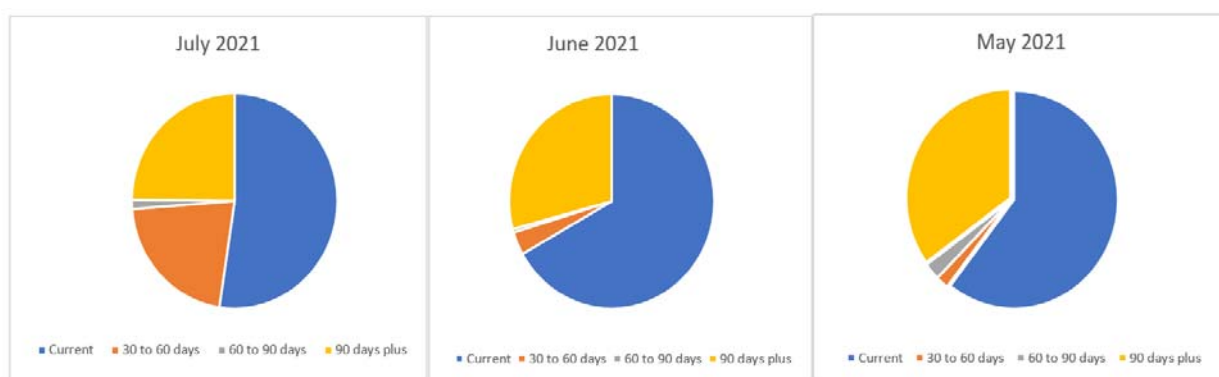
- Although cash holdings remain above QTC recommendations, a majority of this is constrained funding

## Debtor Analysis

Days outstanding	As at 30 July 2021		As at 31 June 2021		As at 31 May 2021	
	\$	%	\$	%	\$	%
Current	2,466,873	52%	2,655,064	67%	2,365,536	60%
30 to 60 days	1,008,005	21%	138,548	3%	75,457	2%
60 to 90 days	65,166	1%	19,998	1%	98,962	3%
90 days plus	1,169,071	25%	1,159,720	29%	1,370,714	35%
Total aged debtors	4,709,115	100%	3,973,330	100%	3,910,668	100%
Housing debtors (Note 1)	13,111,208		13,178,232		13,178,232	
Provision	- 14,136,051		- 14,136,051		- 14,168,801	
Net debtors (exc. Unapplied credits)	3,684,271		3,015,511		2,920,099	
Unapplied Credits	- 573,805		- 670,798		- 2,815,970	

### Notes to table:

- For housing debtors and collection rates analysis refer to monthly Housing Information Report

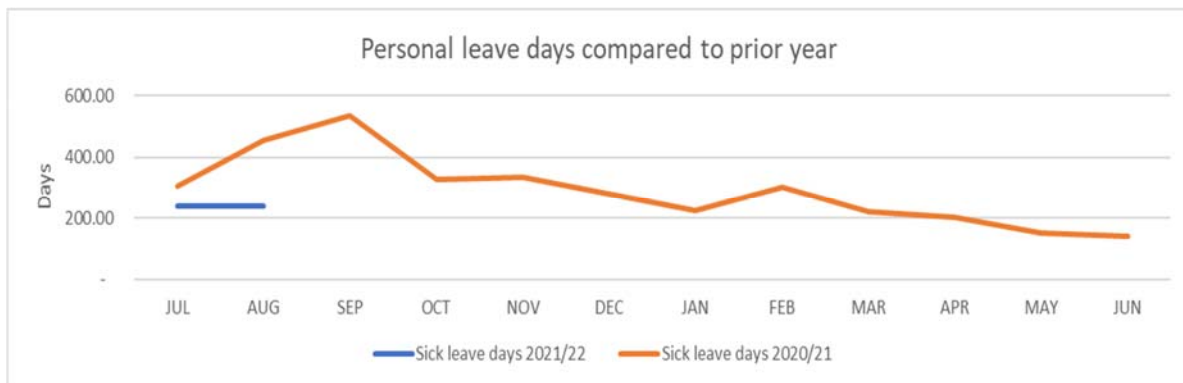
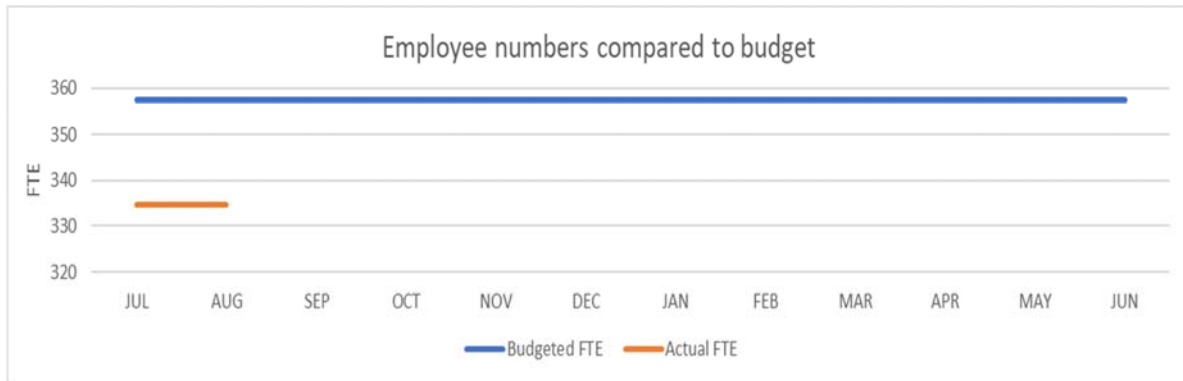


### Analysis of top five debtors in excess of 90 Days:

Debtor name	Amount outstanding in excess of 90 days	Commentary
Torres Strait Major Infrastructure and Other Projects Trust Fund	133,629.20	Relates to 2 acquittals submitted but not yet paid - last correspondence received from funder advised the documentation was with the delegates for approval. Funder will be called in July to determine why the acquittals have not been paid in line with the terms of the funding agreement.
BIF Badu Island Foundation	120,239.66	Debtor has declined to pay the invoices on the grounds that Council has outstanding lease / licence fees owing from prior years. Legal has been requested to provide confirmation.
Tagai State College	93,388.46	Debtor has previously disputed/questioned the content/property details of invoices - however investigation done by Council staff has confirmed that the debtor has been correctly charged. Debtor has been called again and have agreed to review invoices once they have been sent again. If debtor does not agree to pay recommendation on further action will be given to CEO for approval.
Ged Erub Trading Homeland Enterprise (TSI) Corporation Tavern	85,931.29	Legal team has provided a formal response regarding the debtors options in line with Council's current Revenue Statement. Response to be sent in July and debtor followed up.
Badhulgaw Kuthinaw Mudh TSI Corporation Badu Art Centre	85,615.67	Debtor has requested an exemption and has subsequently been requested to submit an official request which will be sent to management for review. Debtor to be contacted in July and if issue is not resolved a report will be sent to CEO recommending further action.



## Payroll Analysis



**Grant Analysis:**

Refer to 'Funding Acquisition Report' by Corporate Affairs

**Corporate Plan Linkage:**

Outcome: We manage Council affairs responsibly to the benefit of our communities: evolve Council's cost management and analysis reporting.

**Consultation and communication:**

Senior Executive Team  
Department Heads / Managers  
Finance Department

**Risk Management Implications:**

Risk Management emerges from Council's intent to effectively and efficiently manage risks that may have an impact on the achievement of strategic priorities, operational goals and project objectives as defined in the Corporate and Operational Plans.

**Significant Risks**

<b>Risk</b>	<b>Likelihood</b>	<b>Consequence</b>	<b>Treatment</b>	<b>Financial Impact</b>
Increase in prices & delay in receiving products	High	Delay in works and increased costs of building	Consider alternative solutions and value for Council	Negative impact to net profits
Poor weather conditions	Medium	Delay in works, and service delivery, increase in costs	Consider works schedule	Negative impact to net profits and service delivery

**Areas of Concern for Noting**

<b>Risk</b>	<b>Comment</b>
Covid-19 outbreak impact	While risk in Australia is minimal, there will be an on-flow effect from international outbreaks, seen in the shortage of the goods and labour markets. It is expected that government funding will become more restricted. Rollout of the vaccine is expected to help the recovery process however there has been a very faltering start with the rollout well behind target timeframe.

**Final Considerations:****Risk Management**

In terms of financial performance and risk, the approach taken sees the Finance Team working with the various business departments to understand and report on financial outcomes whilst also considering what those outcomes indicate for the future, particularly the requirement to deliver within budget. It is expected this forward-looking approach will allow the management team to implement timely rectification actions to emerging trends.

Council continues to be impacted by the lingering effects of COVID-19 which has affected overall operations, however business is starting to return to normal. Rollout of the vaccine should see further improvements in the economy. Management will continue to progressively adapt, monitor, and plan into the future as the COVID-19 situation and its impact evolves over the coming months. With continuing uncertainty in the economic climate and the possibility of a 'second wave' of infection, it makes future forecasting quite challenging.



**Nicola Daniels**  
**Head of Financial Services**

**Endorsed by:**



**Hollie Faithfull**  
**Chief Financial Officer**

**Approved by:**



**David Baldwin**  
**A/Chief Executive Officer**

**Executive financial performance at a glance**

Key Financial Results	Annual Budget	YTD Budget	YTD Actual	YTD Variance \$	YTD Variance %	Status
Recurrent revenue	546,200	0	0	0	0.0%	●
Other income	0	0	0	0	0.0%	●
Recurrent expenditure (excl. depreciation)	(3,260,354)	(250,402)	(226,905)	23,497	9.4%	●
<b>Operating surplus (exc. Depreciation)</b>	<b>(2,714,154)</b>	<b>(250,402)</b>	<b>(226,905)</b>	<b>23,497</b>	<b>9.4%</b>	●
Capital revenue	0	0	0	0	0.0%	●
Capital expenses	0	0	0	0	0.0%	●
<b>Net result (excl. depreciation)</b>	<b>(2,714,154)</b>	<b>(250,402)</b>	<b>(226,905)</b>	<b>23,497</b>	<b>9.4%</b>	●
Depreciation Expense	0	0	0	0	0.0%	●
<b>Net result</b>	<b>(2,714,154)</b>	<b>(250,402)</b>	<b>(226,905)</b>	<b>23,497</b>	<b>9.4%</b>	●

**Comments:**

Operational budget before depreciation has performed better than budget.

**Building Services financial performance at a glance**

Key Financial Results	Annual Budget	YTD Budget	YTD Actual	YTD Variance \$	YTD Variance %	Status
Recurrent revenue	25,098,033	2,091,503	1,640,200	(451,303)	-21.6%	●
Other income	0	0	0	0	0.0%	●
Recurrent expenditure (excl. depreciation)	(18,285,825)	(1,491,529)	(1,023,305)	468,224	31.4%	●
<b>Operating surplus (exc. Depreciation)</b>	<b>6,812,208</b>	<b>599,974</b>	<b>616,895</b>	<b>16,921</b>	<b>2.8%</b>	●
Capital revenue	2,235,207	186,267	0	(186,267)	-100.0%	●
Capital expenses	0	0	0	0	0.0%	●
<b>Net result (excl. depreciation)</b>	<b>9,047,415</b>	<b>786,241</b>	<b>616,895</b>	<b>(169,346)</b>	<b>-21.5%</b>	●
Depreciation Expense	0	0	0	0	0.0%	●
<b>Net result</b>	<b>9,047,415</b>	<b>786,241</b>	<b>616,895</b>	<b>(169,346)</b>	<b>-21.5%</b>	●

**Comments:**

The net result for July is due to the revenue target not achieved on upgrade works. This is offset by reduced expenditure.

Capital revenue is to be recognised in accordance with new accounting Standards and will occur on a monthly basis going forward.

## Appendix A

### Health and Community Services financial performance at a glance

Key Financial Results	Annual Budget	YTD Budget	YTD Actual	YTD Variance \$	YTD Variance %	Status
Recurrent revenue	12,538,110	1,700,448	1,159,216	(541,232)	-31.8%	●
Other income	574,983	47,915	43,272	(4,643)	-9.7%	●
Recurrent expenditure (excl. depreciation)	(14,886,501)	(1,216,944)	(1,245,149)	(28,206)	-2.3%	●
<b>Operating surplus (exc. Depreciation)</b>	<b>(1,773,408)</b>	<b>531,420</b>	<b>(42,661)</b>	<b>(574,080)</b>	<b>-108.0%</b>	●
Capital revenue	7,590,004	1,762,396	0	(1,762,396)	-100.0%	●
Capital expenses	0	0	0	0	0.0%	●
<b>Net result (excl. depreciation)</b>	<b>5,816,596</b>	<b>2,293,816</b>	<b>(42,661)</b>	<b>(2,336,477)</b>	<b>-101.9%</b>	●
Depreciation Expense	(23,695,219)	(1,974,602)	0	1,974,602	100.0%	●
<b>Net result</b>	<b>(17,878,624)</b>	<b>319,214</b>	<b>(42,661)</b>	<b>(361,875)</b>	<b>-113.4%</b>	●

#### Comments:

Operational income of \$415k (Aragun CC, Hammond OSHC & Health & Wellbeing) scheduled for July will be collected in August

Accommodation income is up \$35k compared to budget

Housing Income is \$30k under budget, due to 2 collection cycles for the month(some months there are 3. It depends on what day of the month the fortnight occurs). Overall, Housing remains on track with their budget.

Commercial Property Rental Income is \$144k less than budget

Contract cleaning \$27k more than budget

Materials – Chemicals - \$15k more than budget (Environmental Health)

Depreciation not posted to the ledger for July 21 due to asset module in TechOne being unable to be rolled forward onto the 21/22 year until QAO sign off the 2020-2021 accounts.

### Business Services financial performance at a glance

Key Financial Results	Annual Budget	YTD Budget	YTD Actual	YTD Variance \$	YTD Variance %	Status
Recurrent revenue	18,623,312	27,373	24,470	(2,903)	-10.6%	●
Other income	200,000	16,667	0	(16,667)	-100.0%	●
Recurrent expenditure (excl. depreciation)	(4,938,363)	(392,068)	(363,837)	28,231	7.2%	●
<b>Operating surplus (exc. Depreciation)</b>	<b>13,884,949</b>	<b>(348,029)</b>	<b>(339,367)</b>	<b>8,662</b>	<b>2.5%</b>	●
Capital revenue	1,580,070	131,673	0	(131,673)	-100.0%	●
Capital expenses	(3,500,000)	(291,667)	0	291,667	-100.0%	●
<b>Net result (excl. depreciation)</b>	<b>11,965,019</b>	<b>(508,022)</b>	<b>(339,367)</b>	<b>168,656</b>	<b>-33.2%</b>	●
Depreciation Expense	(449,100)	(37,425)	0	37,425	100.0%	●
<b>Net result</b>	<b>11,515,919</b>	<b>(545,447)</b>	<b>(339,367)</b>	<b>206,080</b>	<b>-37.8%</b>	●

#### Comments:

Overall, Operating result before depreciation is in line with budget

Depreciation not posted to the ledger for July 21 due to asset module in TechOne being unable to be rolled forward onto the 21/22 year until QAO sign off the 2020-2021 accounts.

## Appendix A

### Engineering Services financial performance at a glance

Key Financial Results	Annual Budget	YTD Budget	YTD Actual	YTD Variance \$	YTD Variance %	Status
Recurrent revenue	3,693,751	152,425	278,177	125,752	82.5%	●
Other income	0	0	0	0	0.0%	●
Recurrent expenditure (excl. depreciation)	(13,802,767)	(1,111,081)	(924,304)	186,777	16.8%	●
<b>Operating surplus (exc. Depreciation)</b>	<b>(10,109,016)</b>	<b>(958,656)</b>	<b>(646,127)</b>	<b>312,529</b>	<b>32.6%</b>	●
Capital revenue	22,352,440	1,525,808	1,746,316	220,508	14.5%	●
Capital expenses	2,000,000	0	0	0	0.0%	●
<b>Net result (excl. depreciation)</b>	<b>14,243,424</b>	<b>567,152</b>	<b>1,100,189</b>	<b>533,037</b>	<b>94.0%</b>	●
Depreciation Expense	(21,772,716)	(1,814,393)	0	1,814,393	100.0%	●
<b>Net result</b>	<b>(7,529,292)</b>	<b>(1,247,241)</b>	<b>1,100,189</b>	<b>2,347,430</b>	<b>188.2%</b>	●

#### Comments:

Small operating surplus above budget due to less contractor and M&S costs due to timing of operating works.

Capital revenue ahead of budget due to timing of claims

Depreciation not posted to the ledger for July 21 due to asset module in TechOne being unable to be rolled forward onto the 21/22 year until QAO sign off the 2020-2021 accounts.

### Corporate Services financial performance at a glance

Key Financial Results	Annual Budget	YTD Budget	YTD Actual	YTD Variance \$	YTD Variance %	Status
Recurrent revenue	24,899	6,417	7,619	1,202	18.7%	●
Other income	25,380	1,721	2,498	777	45.2%	●
Recurrent expenditure (excl. depreciation)	(4,754,456)	(374,404)	(343,318)	31,086	8.3%	●
<b>Operating surplus (exc. Depreciation)</b>	<b>(4,704,177)</b>	<b>(366,265)</b>	<b>(333,201)</b>	<b>33,065</b>	<b>-9.0%</b>	●
Capital revenue	0	0	0	0	0.0%	●
Capital expenses	0	0	0	0	0.0%	●
<b>Net result (excl. depreciation)</b>	<b>(4,704,177)</b>	<b>(366,265)</b>	<b>(333,201)</b>	<b>33,065</b>	<b>-9.0%</b>	●
Depreciation Expense	0	0	0	0	0.0%	●
<b>Net result</b>	<b>(4,704,177)</b>	<b>(366,265)</b>	<b>(333,201)</b>	<b>33,065</b>	<b>9.0%</b>	●

#### Comments:

Corporate Services is newly established department under new structure approved by Council and comprises of the areas of People & Wellbeing, Legal Services & IT Services

## Appendix A

### Corporate Affairs financial performance at a glance

Key Financial Results	Annual Budget	YTD	YTD Actual	YTD Variance \$	YTD Variance %	Status
Recurrent revenue	19,000	1,250	0	(1,250)	-100.0%	●
Other income	0	0	0	0	0.0%	●
Recurrent expenditure (excl. depreciation)	(1,471,059)	(129,418)	(110,265)	19,152	14.8%	●
<b>Operating surplus (exc. Depreciation)</b>	<b>(1,452,059)</b>	<b>(128,168)</b>	<b>(110,265)</b>	<b>17,902</b>	<b>14.0%</b>	●
Capital revenue	0	0	0	0	0.0%	●
Capital expenses	0	0	0	0	0.0%	●
<b>Net result (excl. depreciation)</b>	<b>(1,452,059)</b>	<b>(128,168)</b>	<b>(110,265)</b>	<b>17,902</b>	<b>14.0%</b>	●
Depreciation Expense	0	0	0	0	0.0%	●
<b>Net result</b>	<b>(1,452,059)</b>	<b>(128,168)</b>	<b>(110,265)</b>	<b>17,902</b>	<b>14.0%</b>	●

#### Comments:

Currently, expenditure running under budget, but will increase later in the year(within budget) due to web update and other digital programs scheduled for the year.

### Strategic Projects and Logistics financial performance at a glance

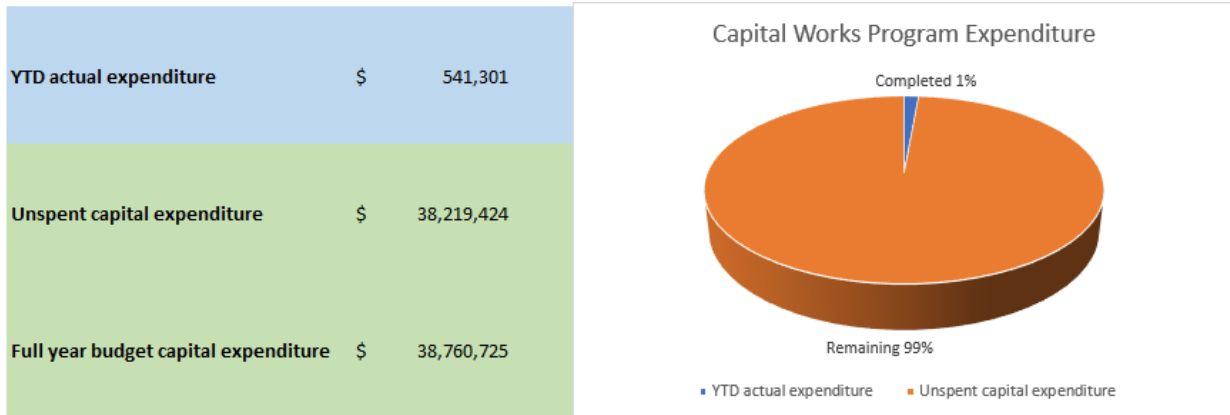
Key Financial Results	Annual Budget	YTD Budget	YTD Actual	YTD Variance \$	YTD Variance %	Status
Recurrent revenue	1,316,605	109,717	108,834	(883)	-0.8%	●
Other income	25,000	2,083	0	(2,083)	-100.0%	●
Recurrent expenditure (excl. depreciation)	(4,547,588)	(345,813)	(186,017)	159,797	46.2%	●
<b>Operating surplus (exc. Depreciation)</b>	<b>(3,205,983)</b>	<b>(234,013)</b>	<b>(77,183)</b>	<b>156,831</b>	<b>67.0%</b>	●
Capital revenue	1,354,004	0	0	0	0.0%	●
Capital expenses	0	0	0	0	0.0%	●
<b>Net result (excl. depreciation)</b>	<b>(1,851,979)</b>	<b>(234,013)</b>	<b>(77,183)</b>	<b>156,831</b>	<b>67.0%</b>	●
Depreciation Expense	(590,949)	(49,246)	0	49,246	100.0%	●
<b>Net result</b>	<b>(2,442,928)</b>	<b>(283,259)</b>	<b>(77,183)</b>	<b>206,076</b>	<b>72.8%</b>	●

#### Comments:

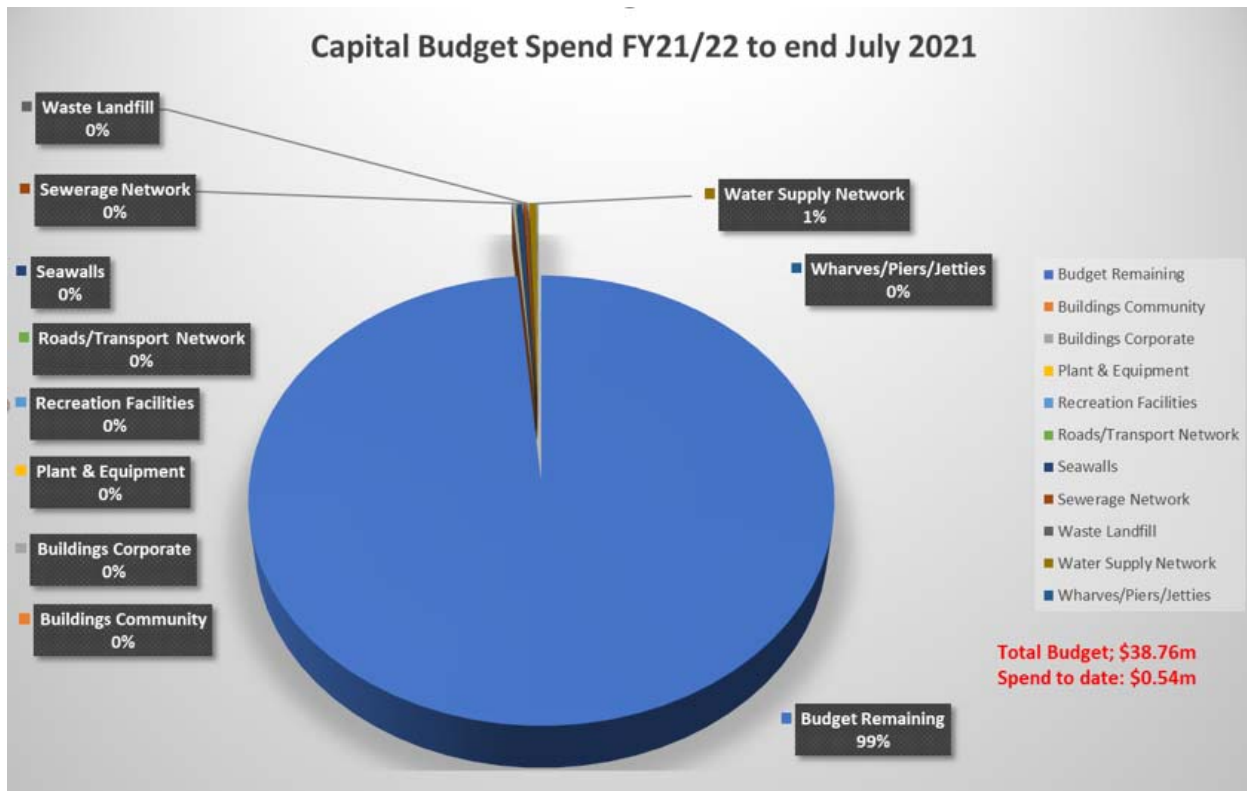
Overall, Operating result before depreciation is in line with budget

Depreciation not posted to the ledger for July 21 due to asset module in TechOne being unable to be rolled forward onto the 21/22 year until QAO sign off the 2020-2021 accounts.

## CAPITAL WORKS PROGRAM



## CAPITAL SPEND BY ASSET CLASS







# TORRES STRAIT ISLAND REGIONAL COUNCIL

## AGENDA REPORT

**ORDINARY MEETING:** August 2021

**DATE:** 17-18/08/21

**ITEM:** Agenda Item for Resolution by Council

**SUBJECT:** Community Grants Program Allocation – August 2021

**AUTHOR:** Kim Kelly, Team Leader – Service Delivery

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### Recommendation:

Council resolves to allocate Community Grants Program funding to the following applicants in accordance with the Community Grants Policy:

#### Community Grant Applications:

- Isaac Harry for the eligible amount of \$2,000.00 exclusive of GST, as per the submitted application.
- Jack Pearson for the eligible amount of \$315.00 exclusive of GST, as per the submitted application.
- Thugerr Warriors RLFC for the eligible amount of \$4,000.00 exclusive of GST, as per the submitted application.
- Annexation Celebration Group for the eligible amount of \$1,000.00 exclusive of GST, as per the submitted application.
- St Pauls Campus Tagai for the eligible amount of \$1,500.00 exclusive of GST, as per the submitted application.
- Tomisina Ahwang for the eligible amount of \$2,500.00 exclusive of GST, as per the submitted application.
- Evelyn Cowley for the eligible amount of \$2,500.00 exclusive of GST, as per the submitted application.

### Executive Summary:

In line with Council's Community Grants Policy, which was endorsed by Council at the July 2020 Ordinary Meeting, and further advice provided by MacDonnell Law, community grant applications must be decided on one occasion at any time during the month.

### Background:

For the month of July seven (7) community grant applications meeting the eligibility requirements were received.

An assessment based on eligibility criteria was conducted by Council officers in accordance with the Community Grant Policy. An acknowledgement of each application being received and assessed as compliant was issued to the applicants.

The seven (7) applications, which meet eligibility requirements, are:

Applicant	Project	Location
Isaac Harry	Contribution towards flights to participate in the Dart Competition at Badu Is.	Warraber

Jack Pearson	Contribution towards flights to participate in the Dart Competition at Badu Is.	Yorke
Thugerr Warriors RLFC	Contribution towards flights to participate in Zenadth Kes Carnival	Saibai
Annexation Celebration	Contribution towards catering for closing feasting for Annexation Celebrations	Saibai
St Pauls Campus Tagai	Contribution towards materials/resources and catering for NAIDOC Week celebrations	St Pauls
Tomisina Ahwang	Contribution towards costs associated with Community event – feasting, catering, and dancing	Hammond
Evelyn Cowley	Contribution towards costs associated with Community event – feasting, catering, and dancing	Hammond

**Links to Strategic Plans:**

These projects strategically align to specific delivery objectives under the People and Prosperity pillars of Council's Corporate Plan.

**Finance & Risk:**

No financial risk identified as the allocation is within existing Community Grants budget.

**Sustainability:**

N/A

**Statutory Requirements:**

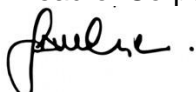
*Local Government Act 2009*

**Conclusion:**

That Council resolves to provide Community Grant support to the eligible applicant in accordance with the Community Grants policy.

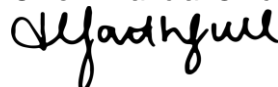
**Endorsed:**

Luke Ranga  
Head of Corporate Affairs



**Recommended:**

Hollie Faithfull  
Chief Financial Officer



**Approved:**

David Baldwin  
Acting Chief Executive Officer



**Attachment:** Fund balances

**Attachment: Fund Balances (after payment of May approved applications)**

<b>Division</b>	<b>Councillor</b>	<b>Budget</b>	<b>Less approved funding</b>	<b>Closing Balance</b>
Boigu	Cr. Toby	\$25,000.00	\$9,199.80	\$15,800.20
Hammond	Cr. Dorante	\$25,000.00	-	\$25,000.00
St Pauls	Cr. Levi	\$25,000.00	\$10,000.00	\$15,000.00
Ugar	Cr. Stephen	\$25,000.00	-	\$25,000.00
Badu	Cr. Nona	\$25,000.00	\$160.00	\$24,840.00
Dauan	Cr. Elisala	\$25,000.00	-	\$25,000.00
Erub	Cr. Gela	\$25,000.00	-	\$25,000.00
Iama	Cr. Lui	\$25,000.00	-	\$25,000.00
Kubin	Cr. Trinkoon	\$25,000.00	-	\$25,000.00
Mabuiag	Cr. Fell	\$25,000.00	-	\$25,000.00
Mer	Cr. Noah	\$25,000.00	-	\$25,000.00
Poruma	Cr. Pearson	\$25,000.00	-	\$25,000.00
Saibai	Cr. Tabuai	\$25,000.00	-	\$25,000.00
Warraber	Cr. Tamu	\$25,000.00	\$13,000.00	\$12,000.00
Yorke	Cr. Mosby	\$25,000.00	\$1,990.00	\$23,010.00
Mayor	Cr. Mosby	\$30,000.00	-	\$30,000.00
Regional Grant		\$50,000.00	-	\$50,000.00
		<b>\$455,000.00</b>	<b>\$34,349.80</b>	<b>\$457,650.20</b>

# TORRES STRAIT ISLAND REGIONAL COUNCIL

## AGENDA REPORT - Late

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### ORDINARY MEETING

**DATE:** August 2021  
**ITEM:** Agenda Report  
**SUBJECT:** Correction of Minutes of Ordinary Meeting – 21 July 2020 at Poruma.  
**AUTHOR:** Senior Executive Officer

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### RECOMMENDATION

*That Council resolves to correct the minutes of its ordinary meeting on 21 July 2020 by adding the following resolutions to the official minutes of that meeting:*

1. *That Council resolves to:*  
*Adopt the amended organisational structure as presented.*  
*And*  
*Delegate authority to the Chief Executive Officer to implement the adopted organisational structure.*  
*Moved: Cr. Stephen                      Second: Cr. Noah*
2. *It is resolved that Council notes the results of the interim report from the Queensland Audit Office for the 2019/2020 financial year*  
*Moved: Cr. Trinkoon                      Second: Cr. Levi*
3. *That Council resolve to:*  
*Delegate authority to the Chief Executive Officer in accordance with the Local Government Act 2009 to enter into contracts, negotiate, finalise and execute any and all matters in relation to a possible extension of three months to the current contract for provision of freight services and fuel supply*  
*And*  
*Increase the Chief Executive Officer's Financial and Contractual delegation in accordance with the Local Government Act 2009 from \$200,000 to \$1,000,000 to enter into contracts, negotiate, finalise and execute any and all matters in relation to the provision of freight services and fuel supply for a three-month period, expiring 31 October 2020, subject to relevant legislation and in accordance with Council's Procurement Policy and Procedure and submission of monthly Purchase Order reporting to each Ordinary Meeting.*

## **PURPOSE**

The purpose of the report is to seek council endorsement to correct the error in the minutes of the Council Ordinary meeting on 21 July 2020 (Attachment 1) by adding the missing resolutions.

## **BACKGROUND**

A check of the official minutes of the 21 July 2020 meeting on Poruma which is on Council's website picked up an omission regarding the following agenda items (Attachment 2):

Agenda Item 14: OCEO – CB – Corporate Structure

Agenda item 15: Business Services – CB – Audit – Interim Management Report

Agenda item 16: Corporate – CB – Extension of Contract for Freight

## **OFFICER COMMENT**

A check of the official minutes of the 21 July 2020 meeting found that the above-mentioned resolutions were not included in the minutes.

An agenda report was prepared and presented at the July 2020 Ordinary meeting for the 3 agenda items by the Chief Financial Officer and Head of Corporate Services and Engagement. (Attachment 3).

Senior Legal Counsel and Head of Corporate Affairs and Engagement also made a handwritten record of the proceedings (Attachment 4) noted that the above resolutions were made and recorded the mover and the seconder. Senior Legal Counsel noted there was an amendment to Agenda Report 16 and Head of Corporate Affairs and Engagement has minuted the change to original resolution (Attachment 5).

To ensure that the official minutes are a correct record of the meeting and of decisions made by council it is recommended that the correction be made.

The secretariat and legal assist in recording the minutes and reviewing the draft minutes to ensure accuracy. Unfortunately, the Senior Legal Officer was on leave for most of August so was not able to check the July draft minutes before they were sent to Councils August Ordinary Meeting for confirmation.

## **CONSULTATION**

Acting Chief Executive Officer

Chief Financial Officer

Manager Legal Services

## **LINKS WITH STRATEGIC PLANS**

Governance

## **STATUTORY REQUIREMENTS**

*Local Government Act 2009 (Qld)*

*Local Government Regulation 2012 (Qld)*

## **FINANCE AND RISK**

Nil

## **CONCLUSION**

As presented.



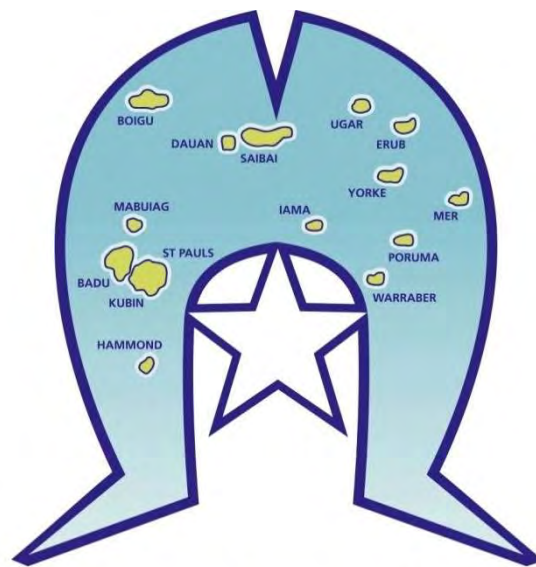
Ursula Nai  
**Senior Executive Officer**



David Baldwin  
**A/CEO**

**Attachment:**

- 1. Minutes of Ordinary meeting of 21 July 2020.**
- 2. Agenda for the Ordinary Meeting of 21 July 2020.**
- 3. Agenda Reports for Corporate Structure, Interim Management Report and Extension of Contract for Freight**
- 4. Handwritten notes of Senior Legal Counsel recording the minutes of the Ordinary meeting of 21 July 2020 and noting the missing resolutions.**
- 5. Handwritten notes of Head of Corporate Affairs and Engagement recording the amended resolution of Agenda Item 16.**



# **Torres Strait Island**

## **REGIONAL COUNCIL**

**JULY 2020**

**MINUTES**

**ORDINARY MEETING**

Tuesday 21 July 2020 09:03am – 5:13pm

Wednesday 22 July 2020 09:23am – 5:04pm

Olandi Pearson Memorial Hall  
PORUMA – Division 11



**Tuesday 21 July 2020**

**Present**

Cr Phillemon Mosby, Mayor  
Cr Dimas Toby, Division 1 – Boigu  
Cr Torenzo Elisala, Division 2 – Dauan  
Cr Conwell Tabuai, Division 3 – Saibai  
Cr Keith Fell, Division 4 – Mabuiag  
Cr Lama Trinkoon, Division 6 – Kubin, Mua Island  
Cr John Levi, Division 7 – St Pauls, Mua Island  
Cr Seriako Dorante, Division 8 – Kiririri  
Cr Getano Lui Jnr, Division 9 – Iama  
Cr Kabay Tamu, Division 10 – Warraber  
Cr Francis Pearson, Division 11 – Poruma  
Cr Hilda Mosby, Division 12 – Masig  
Cr Rocky Stephen, Division 13 – Ugar  
Cr Boggo Gela, Division 14 – Erub  
Cr Aven Noah, Division 15 – Mer  
Ms Hollie Faithfull, Chief Financial Officer (Acting CEO)  
Mr Ilario Sabatino, Chief Operating Officer (COO)  
Mr David Baldwin, Head of Engineering (HOE)  
Mr Peter Krebs, Manager Legal Services (MLS)  
Mr Luke Ranga, Head of Corporate Affairs (HCA)  
Ms Rachel Pierce, Head of Community Services (HOCS)  
Mrs Kathy Cochran, Senior Executive Assistant (SEA)  
Ms Naila Nomoa – Secretariat Officer (Acting SO)  
Ms Mette Nordling – Manager Governance and Compliance (via telephone)

**Apologies**

Cr Laurie Nona, Division 5 – Badu

**1. 9:03am – 9:07am Opening Prayer and Welcome**

Mayor Mosby did a roll call of Councillors and staff present and informed Council he received an apology from Cr Nona due to recent sorry business in his community.

Mayor acknowledged and paid respect to:

- Papa God
- The traditional owners, Elders, Leaders, Past, Present and Emerging
- Your Elders Leaders in your respective communities and your people.
- Respect to the families in sorry business
- Councillors and Congratulating the new Councillors
- Acting Chief Executive Officer Hollie Faithfull and Staff
- Welcome back David Baldwin
- We are in it together; we need each other at all levels and all accounts to make and reach the best decision and outcome possible for our people in our region.

Mayor invited Cr Pearson to open the meeting in prayer and a observe minute silence for families mourning the loss of their loved ones.

**2. 9:07am – 9:08am Apologies**

- Cr Laurie Nona – Division 5 – Badu
- Cr Tabuai – In Transit

**RESOLUTION**

*Moved:* Cr Elisala; *Second:* Cr Tamu

**That Council accepts the apology from Cr Nona for his absence at this meeting.**

**MOTION CARRIED**

**3. 10:08am – 10:10am Confirmation of June 2020 Ordinary Meeting Minutes**

**RESOLUTION**

*Moved:* Cr Trinkoon *Second:* Cr Mosby

**That the minutes of the Council Ordinary Meeting held in June 2020, be adopted as a true and accurate record of that meeting.**

**MOTION CARRIED**

4. Action Items were moved to later in the day.

**5. 10:10am – 10:16AM COUNCIL MOVE INTO CLOSED BUSINESS**

**RESOLUTION:**

*Moved:* Cr Pearson; *Second:* Cr Tamu;

**That in accordance with section 275 (1) of the *Local Government Regulation 2012* (Qld) it is resolved for the meeting to go into closed session to discuss matters of the following nature:**

**e) Contracts proposed to be made by Council.**

**h) Business for which public discussion would be likely to prejudice the interests of Council or someone else or enable a person to gain a financial advantage.**

**MOTION CARRIED**

- |    |                          |   |
|----|--------------------------|---|
| 6. | <u>10:17am – 10:28am</u> | <u>BUILDING SERVICES – CB - Contract Matter – 157 Lowatta Road Masig</u>  |
| 7. | <u>10:28am – 10:30am</u> | <u>BUILDING SERVICES – CB - Contract Matter – Badu Childcare Centre</u>   |
| 8. | <u>10:30am – 10:48am</u> | <u>BUILDING SERVICES – CB - Contract Matter – 76 Airport Drive Saibai</u> |
| 9. | <u>10:48am – 10:48am</u> | <u>BUILDING SERVICES – CB - Contract Matter – 43 Aikurur Street</u>       |
|    | <u>Warraber</u>          |   |

10:48am – 11:07am – Morning Tea

- |     |                          |   |
|-----|--------------------------|---|
| 10. | <u>11:07am – 11:10am</u> | <u>OFFICE OF THE CHIEF EXECUTIVE OFFICER – CB – Corporate</u>     |
|     |                          | <u>Structure</u>  |
| 11. | <u>11:10am – 11:25am</u> | <u>BUSINESS SERVICES – CB – Audit – Interim Management Report</u> |
| 12. | <u>11:25am – 12:00pm</u> | <u>CORPORATE – CB – Extension of Contract for Freight</u>         |

- |     |                          |  |
|-----|--------------------------|--|
| 13. | <u>12:00pm – 12:00pm</u> | <u>COUNCIL MOVE OUT OF CLOSED BUSINESS</u> |
|-----|--------------------------|--|

**RESOLUTION:**

*Moved:* Cr Tamu; *Second:* Cr Gela

**That Council move out of Closed Business**

**MOTION CARRIED**

- |     |  |
|-----|--|
| 14. | <u>BUILDING SERVICES – CB - Contract Matter – 157 Lowatta Road Masig</u> |
|-----|--|

**RESOLUTION:**

*Moved:* Cr Mosby; *Second:* Cr Stephen

**Council resolves to:**

1. **Submit a tender to the Queensland State Government through the Department of Housing and Public Works to carry out various upgrade works at 157 Lowatta Road, Yorke Island (WS150559) with a tender price of 285,462.68 excl of GST.**

**And**

2. **Delegate to the Chief Executive Officer's submit the tender, enter into contracts, negotiate, finalise and execute any all matters in relation to this tender.**

**MOTION CARRIED**

**15. BUILDING SERVICES – CB - Contract Matter – Badu Childcare Centre**

**RESOLUTION:**

*Moved; Cr Toby; Second: Cr Trinkoon*

**Council resolves to:**

1. **Submit a tender to Community Services to carry out various upgrade works at Badu Childcare Centre, Badu island (quote request from Mary Gela) with a price of \$239,999.28 excl of GST**

**And**

2. **Delegate to the Chief Executive Officer's submit the tender, enter into contracts, negotiate, finalise, and execute any and all matters in relation to this quote.**

**16. BUILDING SERVICES – CB - Contract Matter – 76 Airport Drive Saibai**

**RESOLUTION:**

*Moved; Cr Noah; Second: Cr Gela*

**Council resolves to:**

1. **Submit a tender to the Queensland State government through the Department of Housing and Public Works to carry out various upgrade works at 76 Airport Drive, Saibai island**

**And**

2. **Delegate to the Chief Executive Officer's endorsement for Council to tender for this work with QBuild.**

**17. BUILDING SERVICES – CB - Contract Matter – 43 Aikurur Street, Warraber**

**RESOLUTION:**

*Moved; Cr Tamu; Second: Cr Trinkoon*

**Council resolves to:**

1. **Submit a tender to the Queensland State Government through the Department of Housing and Public Works to carry out various upgrade works at 43 Aikuru Street, Warraber Island (WS150450) with a tender price of \$319,204.93 excl of GST**

**And**

2. **Delegate to the Chief Executive Officer's submit the tender, enter into contracts, negotiate finalise and execute any and all matters in relation to this tender.**

**12:08pm - 12:59pm – Lunch Break**

Mayor welcomed Cr Tabuai to the July Ordinary meeting.

Cr Tabuai responded that he was honoured and privileged to be on Poruma for the first time.

**18. 1:05pm – 1:09pm     CORPORATE – FY21 Operational Plan**

Head of Corporate Affairs spoke to this report.

**RESOLUTION:**

*Moved: Cr Stephen; Second: Cr Pearson*

**That Council resolves to endorse the Operational Plan for the 2021 financial year, in accordance with Section 174 of the Local Government Regulation 2012.**

**MOTION CARRIED**

**19. 1:09pm – 1:23pm BUSINESS SERVICES – FY21 Budget**

Acting Chief Executive Officer spoke to this report.

Cr Toby asked Acting Chief Executive Officer to elaborate on the graph for Building Communities in the report.

**RESOLUTION:**

*Moved:* Cr Levi; *Second:* Cr Pearson

**Council resolves to adopt:**

**1 Council's Budget for the 2020/2021 financial year, pursuant to section 170A of the Local Government Act 2009 and sections 169 and 170 of the Local Government Regulation 2012, incorporating**

- (i) The statements of financial position;
- (ii) The statements of cashflow;
- (iii) The statements of income and expenditure;
- (iv) The statements of changes in equity;
- (v) The long-term financial forecast;
- (vi) The revenue statement;
- (vii) The revenue policy (adopted by Council resolution on 23 June 2020;
- (viii) The relevant measures of financial sustainability; and
- (ix) The total value of the change, expressed as a percentage, in the rates and utility charges levied for the financial year compared with the rates and utility charges levied in the previous budget, as tabled.

**And**

**2 The Register of Fees and Charges for the 2020/2021 financial year, pursuant to section 98 of the Local Government Act 2009.**

**MOTION CARRIED**

**20. 1:23pm – 1:29pm BUSINESS SERVICES - 19/20 Estimated Position**

Acting Chief Executive Officer spoke to this report.

**RESOLUTION:**

*Moved:* Cr Nona; *Second:* Cr Tabuai

**It is resolved that Council adopts the Estimated Statement of Financial Position in accordance with section 202 of the *Local Government Regulation 2012*.**

**MOTION CARRIED**

21. 1:29pm – 1:34pm CORPORATE – Council Deputation Priority Areas

Head of Corporate Affairs spoke to report.

**RESOLUTION:**

*Moved:* Cr Tamu; *Second:* Cr Elisala

**Council resolves to endorse the 2020 deputation priority areas for publication and dialogue with applicable State and Federal representatives, and State election candidates.**

**MOTION CARRIED**

22. 1:34pm – 2:00pm CORPORATE – Community Grant Program

Head of Corporate Affairs spoke to report.

Cr Stephen spoke to report.

- Ensure that when applying for community grants that persons applying have to show proof that they haven't received funds from other entity.

Cr Fell expressed his concerns about changing the community grants.

- One entity applying for grants but different events.

Mayor Mosby encouraged community members to apply for funeral insurances.

**RESOLUTION:**

*Moved:* Cr Tamu; *Second:* Cr Tabuai Against; Cr Elisala

**Council resolves to**

- **adopt the proposed Community Grant Program**

**and**

- **adopt the Community Grant Policy;**

**and**

- **delegate authority to the Chief Executive Officer in accordance with the *Local Government Act 2009* to determine applications and distribute grants for funeral and emergency circumstances and to make further minor administrative amendments as they arise.**

**MOTION CARRIED**

23. 1:34pm – 2:00pm OFFICE OF THE CHIEF EXECUTIVE OFFICER – People and Wellbeing Policy

Acting Chief Executive Officer spoke to report.

Cr Lui spoke to the report

- Compatible with Our People
- Ensure our people are being appointed

Cr Tabuai spoke to the report

- Professional development for staff
- Mentor people who is wanting to experience the position

Cr Toby spoke to report.

- TAP (Transitional Action Plan)

Chief Operating Officer referred to the Indigenous employment policy

**ACTION:** Head of People and Wellbeing to draft an Indigenous employee policy for endorsement.

**RESOLUTION:**

*Moved:* Cr Tabuai ; *Second:* Cr Pearson

**Council resolves to adopt the People and Wellbeing Policy and delegate authority to the Chief Executive Officer in accordance with the *Local Government Act 2009* to make further minor Administrative amendments as they arise.**

**MOTION CARRIED**

**24. 1:34pm – 2:00pm      CORPORATE – Policy Matter – Risk Management Policy**

Head of Corporate Affairs spoke to report.

**RESOLUTION:**

*Moved:* Cr Fell; *Second:* Cr Noah

**Council resolves to:**

- 1. Adopt the Risk Management Policy as endorsed by the Audit Committee and**
- 2. Delegate authority to the Chief Executive Officer in accordance with the *Local Government Act 2009* to make further minor administrative amendments as they arise.**

**MOTION CARRIED**

**25. 1:34pm – 2:00pm      CORPORATE – Councillors Committees**

**RESOLUTION:**

*Moved:* Cr Tabuai; *Second:* Cr Tamu

**That Council resolves to;**

- **establish the Cultural Arts and Heritage Committee as a standing committee under section 264 of the Local Government Regulation 2012**
- and
- **adopt the Terms of Reference for the Cultural Arts and Heritage Committee**
- and
- appoint Cr Elisala as a member of the Council's Cultural Arts and Heritage Committee
- appoint Cr Noah as a member of the Council's Cultural Arts and Heritage Committee
- appoint Cr Nona as a member of the Council's Cultural Arts and Heritage Committee
- and
- appoint Cr Noah as the chair of the Cultural Arts and Heritage Committee

**RESOLUTION:**

*Moved:* Cr Tabuai; *Second:* Cr Tamu

**That Council resolves to;**

- **establish the Governance and Leadership Committee as a standing committee under section 264 of the Local Government Regulation 2012**
- and
- **adopt the Terms of Reference for the Governance and Leadership Committee**
- and
- appoint Cr Lui as a member of the Council's Governance and Leadership Committee
- appoint Cr Trinkoon as a member of the Council's Governance and Leadership Committee
- appoint Cr Toby as a member of the Council's Governance and Leadership Committee
- and
- appoint Cr Lui as the chair of the Governance and Leadership Committee

## **RESOLUTION**

*Moved:* Cr Tabuai; *Second:* Cr Tamu

**That Council resolves to;**

**establish the Economic Growth Committee as a standing committee under section 264 of the Local Government Regulation 2012**

and

- **adopt the Terms of Reference for the Economic Growth Committee**

and

- appoint Cr Stephen as a member of the Council's Economic Growth Committee
- appoint Cr Tabuai as a member of the Council's Economic Growth Committee
- appoint Cr Gela as a member of the Council's Economic Growth Committee

and

- appoint Cr Stephen as the chair of the Economic Growth Committee

## **RESOLUTION:**

*Moved:* Cr Gela *Second:* Cr Tabuai

**That Council resolves to**

- **establish the Safe and Healthy Communities Committee as a standing committee under section 264 of the Local Government Regulation 2012**

and

- **adopt the Terms of Reference for the Safe and Healthy Communities Committee**

and

- appoint Cr Fell as a member of the Council's Safe and Healthy Communities Committee
- appoint Cr Levi as a member of the Council's Safe and Healthy Communities Committee
- appoint Cr Pearson as a member of the Council's Safe and Healthy Communities Committee

and

- appoint Cr Fell as the chair of the Safe and Healthy Communities Committee

**That Council resolves to;**

- **establish the Climate Change Adaption and Environment Committee as a standing committee under section 264 of the Local Government Regulation 2012**

and

- **adopt the Terms of Reference for the Climate Change Adaption and Environment Committee**

and

- appoint Cr Mosby as a member of the Council's Climate Change Adaption and Environment Committee
- appoint Cr Tamu as a member of the Council's Climate Change Adaption and Environment Committee
- appoint Cr Dorante as a member of the Council's Climate Change Adaption and Environment Committee

and

- appoint Cr Mosby as the chair of the Climate Change Adaption and Environment Committee

## **RESOLUTION:**

*Moved:* Cr Trinkoon *Second:* Cr Tamu

**That Council resolves to;**

- **establish the Strategic Advisory Reference Group Committee as a standing committee under section 264 of the Local Government Regulation 2012**

and

- **adopt the Terms of Reference for the Strategic Advisory Reference Group Committee**

and

- appoint Cr Noah, Chair of the Cultural Arts and Heritage Committee, as a member of the Council's Strategic Advisory Reference Group Committee



- appoint Cr Lui, Chair of the Governance and Leadership Committee, as a member of the Council's Strategic Advisory Reference Group Committee
  - appoint Cr Stephen, Chair of the Economic Growth Committee, as a member of the Council's Strategic Advisory Reference Group Committee
  - appoint Cr Fell, Chair of the Safe and Healthy Committees Committee, as a member of the Council's Strategic Advisory Reference Group Committee
  - appoint Cr Mosby, Chair of the Climate Change Adaption and Environment Committee, as a member of the Council's Strategic Advisory Reference Group Committee
  - appoint Cr Elisala, as an alternative member of the Council's Strategic Advisory Reference Group Committee
- and
- appoint Mayor Mosby as the chair of the Strategic Advisory Reference Group Committee

**26. 4:35pm – 5:00pm    Closing Prayer**

Mayor Mosby invited Cr Stephen to close the meeting in prayer.

**Present**

Cr Phillemon Mosby, Mayor  
Cr Dimas Toby, Division 1 – Boigu  
Cr Torenzo Elisala, Division 2 – Dauan  
Cr Conwell Tabuai, Division 3 – Saibai  
Cr Keith Fell, Division 4 – Mabuiag  
Cr Lama Trinkoon, Division 6 – Kubin, Mua Island  
Cr John Levi, Division 7 – St Pauls, Mua Island  
Cr Seriako Dorante, Division 8 – Kiririri  
Cr Getano Lui Jnr, Division 9 – Iama  
Cr Kabay Tamu, Division 10 – Warraber  
Cr Francis Pearson, Division 11 – Poruma  
Cr Hilda Mosby, Division 12 – Masig  
Cr Rocky Stephen, Division 13 – Ugar  
Cr Boggo Gela, Division 14 – Erub  
Cr Aven Noah, Division 15 – Mer  
Ms Hollie Faithfull, Chief Financial Officer (ACEO)  
Mr Ilario Sabatino, Chief Operating Officer (COO)  
Mr David Baldwin, Head of Engineering (HOE)  
Mr Peter Krebs, Manager Legal Services (MLS)  
Mr Luke Ranga, Head of Corporate Affairs and Engagement (HCAE)  
Ms Rachel Pierce, Head of Community Services (HOCS)  
Mrs Kathy Cochran – Senior Executive Assistant (SEA)  
Ms Naila Nomoa – Secretariat Officer (Acting SO)  
Ms Mette Nordling –Manager Governance and Compliance (via Telephone)

**Apologies**

Cr Laurie Nona, Division 5 – Badu

**27. 9:10am -9:11 Welcome and opening Prayer**

Mayor invited Cr Noah to open with Hymn and TSRA Chair Mr Pedro Stephen prayer.

Mayor acknowledged

- TSRA Chair Mr Pedro Stephen
- Councillors
- Chief Executive Officer for TSRA
- Leadership

**28. 9:14am – 10:01am Presentation 1: Mick Jeffery, Director and Mr Michel Zitha Manager - Far Northern Biosecurity Department of Agriculture and Fisheries – Invasive species – Torres Strait.**

Manager of Environmental Health Mr Ewan Gunn joined the meeting on VMR 8.

**29. 10:01am – 10:59am Presentation 2: Mr Pedro Stephen – Chairperson, Torres Strait Regional Authority.**

**30. 11:20am- 11:36am TSRA/TSIRC – Memorandum of Understanding – Consultative Session**

**12:00pm – 1:53pm – LUNCH**

**31. 1:53pm – 1:53pm COUNCIL MOVE INTO CLOSED BUSINESS**

**RESOLUTION:**

*Moved:* Cr Elisala; *Second:* Cr Tamu

**That in accordance with section 275 (1) of the *Local Government Regulation 2012* (Qld) it is resolved for the meeting to go into closed session to discuss matters of the following nature:**

**h) Business for which public discussion would be likely to prejudice the interests of Council or someone else or enable a person to gain a financial advantage.**

**MOTION CARRIED**

**32. 1:53pm – 2:47pm CORPORATE – CB – Council Name Change**

**33. 2:47pm – 2:47pm COUNCIL MOVE OUT OF CLOSED BUSINESS**

**RESOLUTION:**

*Moved:* Cr Tabuai; *Second:* Cr Trinkoon

**That Council move out of Closed Business**

**MOTION CARRIED**

## **CORPORATE – CB – Council Name Change**

### **RESOLUTION:**

*Moved:* Cr Fell; *Second:* Cr Elisala

**That Council resolves to;**

**- write to the Minister of Local Government, Racing & Multicultural Affairs requesting Council's name change from the "Torres Strait Island Regional Council" to the "Zenadth Kes Regional Council".**

**and**

**- write to the applicable State Minister(s) requesting that the "Torres Strait" Local Government Area be renamed to "Zenadth Kes".**

**and**

**- write to the applicable Federal Minister(s) requesting that the "Torres Strait" Local Government Area be renamed to "Zenadth Kes".**

### **34.     2:47pm – 2:51pm                     CORPORATE – Communication Guidelines**

Head of Corporate affairs spoke to report - new legislation has been passed and will come into effect on 12 October 2020. Communications Guideline will be updated and presented for endorsement in due course.

### **35.     2:51pm – 3:12pm                     CORPORATE –Update on Fuel Bowser – Noting Paper**

- Murray Island
- Stephen Island

### **36.     3:12pm – 3:18pm                     CORPORATE – CB – Councillor Top 5 Priorities**

Postponed – Four councillors to send in priority listing for their division.

- Cr Lui – Yam Island
- Cr Nona – Badu island
- Cr Toby – Boigu Island
- Cr Dorante – Hammond Island

**ACTION:** Four Councillors to send top priorities.

### **37.     3:18pm – 4:08pm                     Business Arising from Information Reports**

Information Reports for August 2020.

- Indigenous Knowledge Centre
- Healthy Lifestyle Officers

Cr Stephen - Ugar

- Ugar Access
- Helipad work
- Water

**ACTION:** Head of Engineering to take offline with Cr Stephen and Head of Corporate Affairs.

Community Disaster

- Head of Engineering to send out Disaster Management Plan for the Region.

Cr Tabuai - Saibai

- Police and Boarder force to retain presence in the region.

Manager of Legal Services and Head of Corporate Affairs drafted up resolutions for matters raised.

**RESOLUTION:**

*Moved; Cr Tabuai Second; Cr Toby*

**“The Australian Border Force and other Federal and State authorities to take immediate and appropriate action to remove PNG overstayers from Saibai”**

**RESOLUTION:**

*Moved; Cr Toby Second; Cr Noah*

**“That the Commonwealth and State agencies responsible for patrolling the PNG border remain on high alert, and maintain a strong presence in the region to prevent any unauthorised arrivals into the Torres Strait until the end of the calendar year”**

38. 4:08pm – 11:49am

39. 4:09pm– 5:03pm

Next Meeting Scheduled – 18 & 19 August 2020 – VC

Strategic Matters

Page 6 – Capital works funding

- Ugar all tide access

Chief Engineer gave explanation to Cr Stephen.

- Cr Stephen asked if we can change the dredging

Cr Fell

- Funding opportunities to become a reality

Cr Pearson – Hinterland Aviation plane

**ACTION:** Cr Lui to call Chair Torres and Cape Hospital and Health Services.

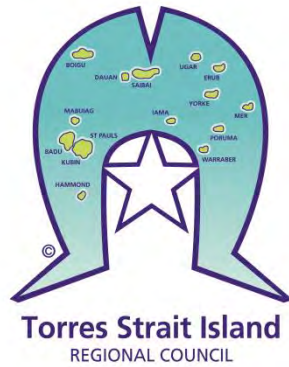
40. 5:03pm – 5:04pm

Closing Remarks

**Meeting Closed at 5:04 - Prayer by Cr Tabuai**

.....  
**Hollie Faithfull**  
**Acting Chief Executive Officer**  
**Torres Strait Island Regional Council**

.....  
**Phillemon Mosby**  
**Mayor**  
**Torres Strait Island Regional Council**



# AGENDA

TORRES STRAIT ISLAND REGIONAL COUNCIL

JULY 2020

Tuesday 21<sup>st</sup> July 2020, 9:00am – 5:00pm

Wednesday 22<sup>nd</sup> July 2020, 9:00am – 5:00pm

Olandi Pearson Memorial Hall

PORUMA – Division 11

## **COUNCIL ORDINARY MEETING**

**Tuesday 21<sup>st</sup> July 2020**

### **Agenda Items**

- |   |                                 |  |
|---|---------------------------------|--|
| 1.  | <b><u>9:40am - 9:45am</u></b>   | <u>Welcome and Opening Remarks</u>   |
| 2.  | <b><u>9:45am – 9:50am</u></b>   | <u>Apologies</u>   |
| 3.  | <b><u>9:50am – 9:55am</u></b>   | <u>Declaration of Conflict of Interest (COI) / Material Person Interest (MPI)</u>  |
| 4.  | <b><u>9:55am- 10:00am</u></b>   | <u>Confirmation of Meeting Minutes and Special Meeting Minutes</u> <ul style="list-style-type: none"><li>• June 2020 Ordinary Meeting</li><li>• Special Meeting – 29<sup>th</sup> June 2020</li></ul>  |
| 5.  | <b><u>10:00am – 10:15am</u></b> | <u>Outstanding Ordinary Meeting Action Items</u>   |
| 6.  | <b><u>10:15am – 10:20am</u></b> | <u>LEGAL SERVICES – DA – Lot 20 Warraber ROL</u>   |
| 7.  | <b><u>10:20am – 10:25am</u></b> | <u>LEGAL SERVICES – DA – Lot 24 Warraber ROL</u>   |
| 8.  | <b><u>10:25am – 10:30am</u></b> | <u>LEGAL SERVICES – DA – Erub Church ROL</u>   |
| <br><b><u>10:30am – 10:45am - MORNING TEA</u></b> |                                 |  |
| 9.  | <b><u>10:45am – 10:45am</u></b> | <u>COUNCIL MOVE INTO CLOSED BUSINESS</u>   |
| 10.   | <b><u>10:45am – 10:50am</u></b> | <u>BUILDING SERVICES - CB - Contract Matter- Badu Childcare Centre</u>   |
| 11.   | <b><u>10:50am – 10:55am</u></b> | <u>BUILDING SERVICES - CB - Contract Matter- 157 Lowatta Road Masig</u>  |
| 12.   | <b><u>10:55am – 11:00am</u></b> | <u>BUILDING SERVICES - CB- 76 Airport Drive Saibai</u>   |
| 13.   | <b><u>11:00am – 11:05am</u></b> | <u>BUILDING SERVICES - CB - 43 Aikurur Street Warraber</u>   |
| 14.   | <b><u>11:05am – 11:20am</u></b> | <u>OFFICE OF THE CEO – CB - Corporate Structure</u>  |
| 15.   | <b><u>11:20am – 11:30am</u></b> | <u>BUSINESS SERVICES – CB – Audit – Interim Management Report</u>  |
| 16.   | <b><u>11:30am – 12:00pm</u></b> | <u>CORPORATE – CB – Extension of Contract for Freight – late report</u>  |
| 17.   | <b><u>12:00pm – 12:00pm</u></b> | <u>COUNCIL MOVE OUT OF CLOSED BUSINESS</u>   |
| <br><b><u>12:00noon – 1:00pm – LUNCH</u></b>      |                                 |  |
| 18.   | <b><u>1:00pm – 1:20pm</u></b>   | <u>CORPORATE – FY21 Operational Plan – late report</u>   |
| 19.   | <b><u>1:20pm – 1:40pm</u></b>   | <u>BUSINESS SERVICES – FY21 Budget</u>   |
| 20.   | <b><u>1:40pm – 1:55pm</u></b>   | <u>BUSINESS SERVICES – 19/20 Estimated Position</u>  |
| 21.   | <b><u>1:55pm – 2:15pm</u></b>   | <u>CORPORATE – Council Deputation Priority Areas – late report</u>   |
| 22.   | <b><u>2:15pm – 3:00pm</u></b>   | <u>CORPORATE – Community Grant Program</u>   |
| <br><b><u>3:00pm – 3:30pm – AFTERNOON TEA</u></b> |                                 |  |
| 23.   | <b><u>3:30pm - 3:40pm</u></b>   | <u>OFFICE OF THE CEO – People and Wellbeing Policy</u>   |
| 24.   | <b><u>3:40pm – 3:50pm</u></b>   | <u>CORPORATE – Policy Matter – Risk Management Policy</u>  |
| 25.   | <b><u>3:40pm – 4:55pm</u></b>   | <u>CORPORATE – Councillors Committees</u> <ul style="list-style-type: none"><li>• Cultural Arts and Heritage Committee</li><li>• Governance and Leadership Committee</li><li>• Economic Growth Committee</li><li>• Safe and Healthy Communities Committee</li><li>• Climate Change Adaptation and Environment Committee</li><li>• Strategic Advisory Reference Group Committee</li></ul> |
| 26.   | <b><u>4:55pm – 5:00pm</u></b>   | <u>Closing Remarks and Prayer</u>  |

**Wednesday 22<sup>nd</sup> July 2020**  
**Agenda Items**

27.     **9:00am – 9:05am**                     Welcome and opening prayer
28.     **9:05am – 10:05am**                     **PRESENTATION 1:**   **Mick Jeffery**, Director – Far Northern Biosecurity  
Department of Agriculture and Fisheries – Invasive species – Torres  
Strait.
- 10:05am – 10:20am – MORNING TEA**
29.     **10:20am – 11:20am**                     **PRESENTATION 2:**   **Mr Pedro Stephen** – Chairperson, Torres Strait  
Regional Authority.
30.     **11:20am – 12:00pm**                     TSRA/TSIRC – Memorandum of Understanding – Consultative Session
- 12:00pm – 1:00pm – LUNCH**
31.     **1:10pm – 1:10pm**                     COUNCIL MOVE INTO CLOSED BUSINESS
32.     **1:10pm – 1:40pm**                     CORPORATE – CB – Council Name Change
33.     **1:40pm – 1:40pm**                     COUNCIL MOVE OUT OF CLOSED BUSINESS
34.     **1:40pm – 2:10pm**                     CORPORATE – Communication Guidelines
35.     **2:10pm – 2:30pm**                     CORPORATE – Update on Fuel Bowser – Noting Paper – late report
36.     **2:30pm – 3:30pm**                     CORPORATE – Councillor Top 5 Priorities - late report
- 3:30pm – 3:45pm – Afternoon Tea**
37.     **3:45pm – 4:00pm**                     Business Arising from Information Reports
38.     **4:00pm – 4:05pm**                     Next Meeting Scheduled – 18 & 19 August 2020 - VC
39.     **4:05pm – 4:55pm**                     Strategic Matters
40.     **4:55pm – 5:00pm**                     Closing Remarks and Prayer

**Meeting Closed – 5:00pm**



**WORKSHOP**  
**Agenda Items**  
**Thursday 23<sup>rd</sup> July 2020**

**9:00am – 9:05am**

Welcome and opening prayer

**9:05am – 10:30am**

Regional Governance / One Boat

**10:30am – 10:45am - MORNING TEA**

**10:45am – 11:45am**

Financial Policies

**11:45am – 12:30pm**

Overview of Tagai Project

**12:30pm – 1:30pm – LUNCH**

**1:30pm – 2:30pm**

Council Brand Guidelines

**2:30pm – 3:00pm**

Housing Services Update

- Housing Authority Update
- TCICA \$2.4m Housing Allocation Update
- DATSIP – Katter Lease Update

**3:00pm – 3:30pm**

Closing Remarks and Prayer

**Meeting Closed – 3:30pm**



# TORRES STRAIT ISLAND REGIONAL COUNCIL

## CLOSED SESSION - AGENDA REPORT

<b>ORDINARY MEETING:</b>	July 2020
<b>DATE:</b>	21/07/2020
<b>ITEM:</b>	Agenda Item for Resolution by Council
<b>SUBJECT:</b>	Closed Session - Functional Review - Organisational Structure
<b>AUTHOR:</b>	Terri Jacklin, Head of People and Wellbeing

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### Resolution:

Council resolves to:

1. adopt the amended organisational structure as presented.
- and
2. delegate authority to the Chief Executive Officer to implement the adopted organisational structure.

### Purpose:

This paper recommends and seeks approval for a new organisational structure to be adopted by Council in accordance with the provisions of section 196(1) of the *Local Government Act 2009*.

### Background:

A review has been undertaken by the leadership team of the operational functions; this review took into consideration the future needs and priorities of Council to support the implementation of its Corporate and Operational plans.

### Change of Reporting Lines:

1. *Corporate Affairs:*
  - a. In the current organisational structure, the Corporate Affairs Department reports to the Chief Operating Officer (COO).
  - b. The review concluded that due to the governance, procurement and funding functional responsibilities within the Corporate Affairs department, a more appropriate operational alignment was within the Chief Financial Officer's (CFO) portfolio.
2. *Strategic Projects & Logistics:*
  - a. In the current organisational structure, the Strategic Projects & Logistics Department reports to the Chief Operating Officer (COO) this could be a (potential, perceived and/or actual) conflict of interest. There is a higher risk of a conflict of interest where a position includes authority to make decisions, such as for the Executive level role, for transparency it is therefore proposed the Manager, Strategic Projects & Logistics reports directly to the Chief Executive Officer (CEO).

- b. The Logistics function is also a key functional area to Council and the importance of this area is another reason to propose this functional department to be overseen directly by the Chief Executive Officer (CEO).

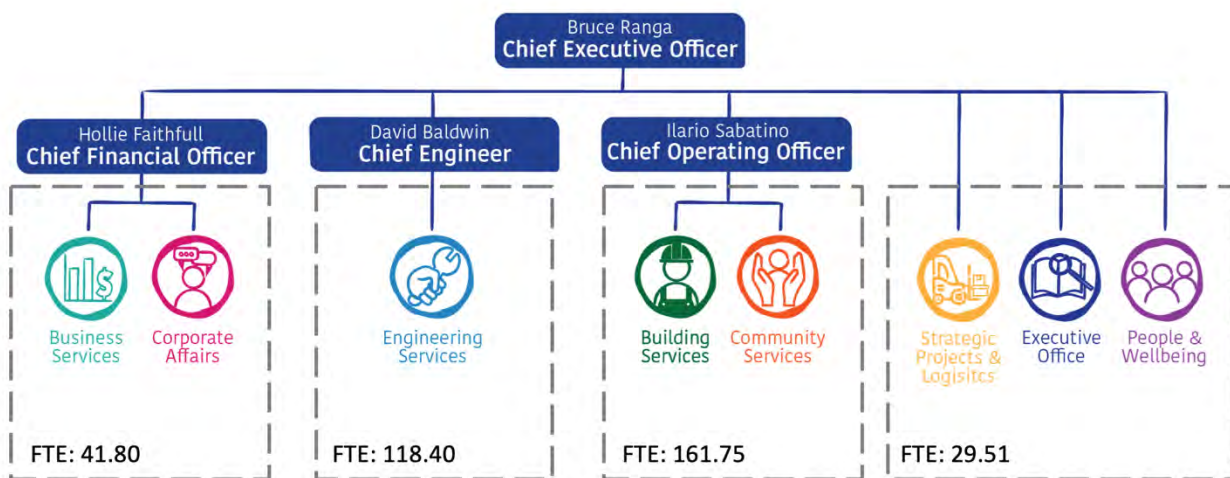
Following implementation there will be no direct impact on employees of the altered reporting line for the Corporate Affairs and Strategic Projects & Logistics departments.

Following adoption of the new organisational structure, as part of the normal continual improvement and change processes, future changes may be proposed in functional areas to meet operational and strategic priorities.

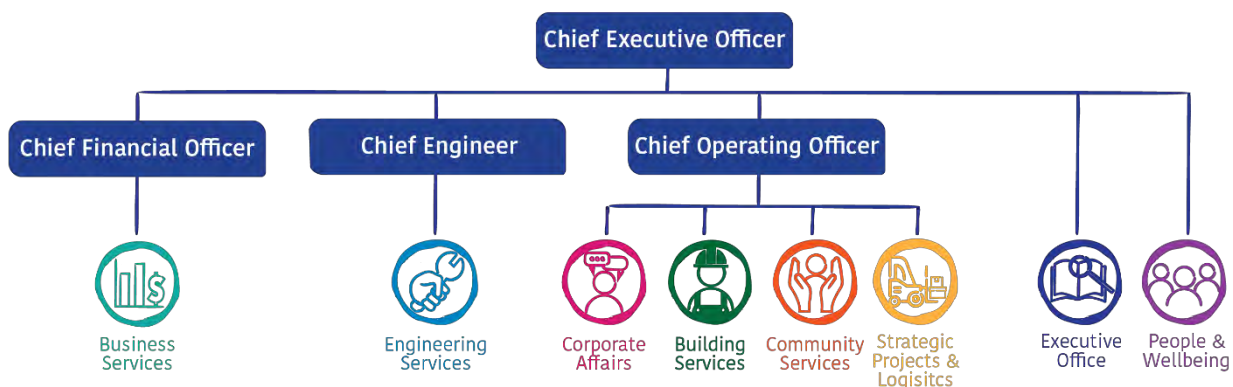
### Supporting Information:

Below is the organisational structure for Torres Strait Island Regional Council proposed for adoption by Council.

#### Proposed Organisational Structure:



#### Current Organisational Structure:



### Links with Strategic Plans:

The proposed organisational structure facilitates strategic delivery of Council's Corporate Plan (2020-2025) and Operational Plan (FY21).

The adoption of the proposed changes to the TSIRC Organisational Structure supports the implementation of the Transitional Action Plan.

**Statutory Requirements:**

- *Local Government Act 2009*

**Finance and Risk:**

No substantial risks are associated with this matter.

**Sustainability:**

N/A

**Recommendation:**

It is recommended that Council adopts the proposed organisation structure and delegate to the Chief Executive Officer to implement this structure.

Recommended  
Terri Jacklin  
**Head of People and Wellbeing**

Handwritten signature of Terri Jacklin in black ink.

Endorsed  
Hollie Faithfull  
**Acting Chief Executive Officer**

Handwritten signature of Hollie Faithfull in black ink.



# TORRES STRAIT ISLAND REGIONAL COUNCIL

## CLOSED BUSINESS AGENDA REPORT

<b>ORDINARY MEETING:</b>	July 2020
<b>DATE:</b>	21-22 July 2020
<b>ITEM:</b>	Closed Session - Agenda Item for Resolution by Council
<b>SUBJECT:</b>	Closed Session – Interim Audit Report
<b>AUTHOR:</b>	Hollie Faithfull, Acting Chief Executive Officer

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### **Resolution:**

It is resolved that Council notes the results of the interim report from the Queensland Audit Office for the 2019/2020 financial year.

### **Purpose:**

The purpose of this report is to present to Council the results from the interim audit work performed by the Queensland Audit Office (QAO).

### **Background:**











Each financial year Council's financial statements must be audited per section 212 of the *Local Government Regulation 2012*. The purpose of the audit is to express opinions on the financial statements and the current year financial sustainability statement.

Section 54 of the *Auditor-General Act 2009* enables the QAO to prepare an audit report containing observations and suggestions about anything arising out of the audit. Per section 213 of the *Local Government Regulation 2012* this report must be presented at the next ordinary meeting of the Council.

### **Officer Comment:**

The interim audit report details the results of the interim work performed to 1 May 2020. In this phase QAO assesses the design and implementation of certain internal controls, and whether they are operating effectively. To date the work undertaken by QAO representatives has not identified any significant deficiencies in Council's internal controls.

The following table summarises QAO's reporting on Council's internal control environment deficiencies.

		Number of significant deficiencies		Number of deficiencies		Rating
		Current year issues	Prior year unresolved issues	Current year issues	Prior year unresolved issues	
	<b>Control environment</b> Structures, policies, attitudes and values that influence daily operations	-	-	-	1	
	<b>Risk assessment</b> Processes for identifying, assessing and managing risk	-	-	-	-	
	<b>Control activities</b> Implementation of policies and procedures to prevent or detect errors and safeguard assets	-	-	-	-	
	<b>Information and communication</b> Systems to capture and communicate information to achieve reliable financial reporting	-	-	1	-	
	<b>Monitoring activities</b> Oversight of internal controls for existence and effectiveness	-	-	-	-	



#### Effective

No significant deficiencies identified.



#### Generally effective

One significant deficiency identified.



#### Ineffective

More than one significant deficiency identified.

Section 3 and 4 of the interim audit report details the deficiencies, QAO's recommendation and Management's responses for each of the issues identified.

The interim audit report was presented to Council's Audit Committee on 2<sup>nd</sup> July 2020 and was noted by the Committee.

#### Links to Strategic Plans:

Corporate Plan 2020-2025

- Sustainability

#### Statutory Requirements:

Local Government Act 2009

Local Government Regulation 2012

**Recommendation:**

It is recommended that Council resolves to note the interim audit report.

**Endorsed:**

Hollie Faithfull  
Acting Chief Executive Officer

A handwritten signature in black ink, appearing to read 'H Faithfull', written in a cursive style.**ATTACHMENTS:**

***Torres Strait Island Regional Council 2020 Interim Report to the Mayor, 15 May 2020***





# **Torres Strait Island Regional Council**

**2020 Interim report to the  
Mayor**

**15 May 2020**

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## SENSITIVE

15 May 2020

Mr Phillemon Mosby  
Mayor  
Torres Strait Island Regional Council  
PO Box 7336  
Cairns QLD 4870

Dear Mr Mosby

### 2020 Interim report

We present to you our interim report for Torres Strait Island Regional Council for the financial year ending 30 June 2020. This report details the results of our interim work performed to 1 May 2020. In this phase we assess the design and implementation of certain internal controls, and whether they are operating effectively. To date our work has not identified any significant deficiencies in your internal controls.

This report also includes our assessment of your internal control framework; and a summary of control deficiencies, financial reporting and other matters identified to date. As per section 213 of the Local Government Regulation, you must present this report at the next ordinary meeting of the Council.

COVID-19 is testing the resilience and agility of entities as they tackle multiple challenges, such as looking after their staff, the community, changes to their internal controls and managing sustainable operations.

Council should continue to assess the impact of COVID-19 on its financial results and internal control environment. Key areas that the Council should consider, if not already assessed, are highlighted in our report in Section 2.

The *Auditor-General Act 2009* requires the auditor-general to report to parliament on any issues raised during an audit if he considers it to be significant.

If you have any questions or would like to discuss the audit report, please contact Edan Clark or me on 40468885.

Yours sincerely



Graham Coonan  
Partner

Enc.

cc. Chair of the Audit Committee  
Chief Executive Officer

# 1. Summary



## Audit progress

Emerging risk - COVID-19	Issues identified / Action required
--------------------------	-------------------------------------

COVID-19 poses several risks and challenges to entities globally and the Queensland public sector is no different. It is hard to determine the longevity of this pandemic, or the financial impact this may have. In Section 2 Emerging Risks we have provided a summary of what these challenges may be for your organisation and what this means for your financial statements and the statutory deadlines.

Internal control assessment and issues	On track
--	----------

- Testing of internal controls is completed for payroll and expenditure systems for the period 1 July to 31 March.
- Testing of internal controls is in progress for revenue controls for the period 1 July to 31 March.
- Testing of internal controls for capital assets will be performed following the conclusion of Council's asset valuation process and finalisation of the asset register.
- We have also assessed the elements of your internal control environment, as well as the progress made towards resolving prior year issues.
- One deficiency has been identified during these interim procedures.

Based on the results of our testing completed to date, we have assessed your internal control environment as Effective, meaning the environment does support an audit strategy that can rely upon these controls to the extent we have completed our testing.

We will continue to complete our remaining control testing over the coming months and report to the Committee if the results of this subsequent testing dictate a significant change in audit strategy.

Financial reporting issues and other matters	On track
--	----------

There are no financial reporting issues.

Areas of audit significance	On track
-----------------------------	----------

Valuation and depreciation of assets – As noted above, controls and substantive testing have yet to be commenced. These will be completed during June and during our final site visit after year end.

Revenue and receivables – We have commenced testing of the design and implementation and the operating effectiveness of key controls. We will continue to test the controls as well as perform test of detail procedures over significant revenue streams. Remaining procedures will be completed over the coming months and during our final site visit.

Financial sustainability – Procedures are planned for the final visit and our findings will be updated in our closing report at the conclusion of the final audit testing.

Milestones - financial reporting and audit deliverables	On track
---	----------

The next milestone is the provision of shell financial statements and accounting papers on known accounting issues by 15 May 2020 for Audit to review followed by management completing the asset valuation process by 5 June 2020.



## 2. Emerging risks



COVID-19 is testing QAO and our clients as we all adapt to working remotely. We are endeavouring to find solutions with and for you. COVID-19 challenges will continue for months, so our aim is to do what we can now, without putting undue pressure on you.

The effect of COVID-19 has evolved to become a major economic crisis and has impacted many entities' financial results and internal control environment. The table below summarises what these risks and challenges may be for your Council.

Area of concerns and associated risk	What to consider
<b>Financial sustainability</b>  A council's financial statements are prepared assuming it will remain a 'going concern'. Accordingly, we must understand your council's future financial state as part of our audit. Issues of medium to longer term financial sustainability are therefore important audit considerations.	<p>Consider any changes made to revenue and expenditure policies of the Council due to COVID-19 and the communication of these changes to external audit.</p> <p>Consider the treatment of any relief or community support packages that the Council is proposing or has initiated and informing external audit of these arrangements.</p> <p>Short, medium and long term cash flow modelling will likely need to be performed to determine the impact that the above changes may have for the Council.</p>
<b>'Everyday' internal controls</b>  Most entities have expanded to working from home to support social distancing. With any change in working arrangements comes an increased risk of controls failing, particularly manual controls and where controls previously operated with a high level of management oversight within an office environment.	<p>You should remain vigilant with your monitoring of internal controls during this time. This could mean new controls may need to be implemented or current controls need to be revised to accommodate the new work environment. Where changes in controls are sanctioned, this should be documented.</p> <p>We have recently issued a blog on impact of operational controls under new working arrangements. Please visit our <a href="#">website</a> for a copy of this blog.</p>
<b>Valuation of property, plant and equipment</b>  Economic uncertainty and physical access restrictions may impact the ability of valuers or your staff to accurately perform comprehensive valuations and meet the fair value measurement requirements of AASB 13.	<p>A number of factors may need to be considered depending on whether the fair value is determined using current replacement cost.</p> <p>We have recently issued a blog on the impact of COVID-19 on valuation considerations. Please visit our <a href="#">website</a> for a copy of this blog and fact sheet.</p>
<b>Impairment of receivables</b>  There is an increased likelihood that debtors may take longer to pay and, in some instances, not be able to pay their obligations at all.	<p>Based on reasonable and supportable information, you should reassess whether there has been a change in the risk of default by the debtor. If it is deemed that the risk of default does exist, determine the probability of default and the loss that is likely to arise.</p>



## 2. Emerging risks (continued)



Area of concerns and associated risk	What to consider
<b>Financial statement disclosure</b> Impact on disclosures in the financial statements	<ul style="list-style-type: none"><li>• Consider disclosures in relation to the types of relief measures and community support provided and the projected impact of these on the operation of the Council.</li><li>• Consider the appropriateness of the classification of debts between current and non-current.</li><li>• Consider disclosing additional information about significant judgements and estimates.</li></ul>
<b>Information technology and cyber security</b> Entities' exposure to cyber security risks increases in vulnerable and uncertain times as their resources are focused on being re-deployed to address critical matters. There is also a risk that identifying cyberattacks may be potentially delayed causing financial and/or reputational risks.	<p>Entities will need to periodically remind everyone of the increased cyber security risks in these times so their staff remain vigilant.</p> <p>Multi-factor authentication, if not already in place, should be activated immediately.</p> <p>Information technology staff should maintain visibility across the network. This will allow entities to proactively monitor the cyber environment and respond quickly if a potential attack is in progress.</p>











Some of these risks also heighten the risk of fraud. Management should enhance the controls in place to detect any fraudulent activities that entities may be exposed to. As auditors, we consider fraud risk to be pervasive to the financial statements and will increase our professional scepticism in carrying out the audit of the financial statements of Torres Strait Island Regional Council.



### 3. Internal control issues



The following table summarises our reporting on deficiencies in internal controls.

	Number of significant deficiencies		Number of deficiencies		Rating
	Current year issues	Prior year unresolved issues	Current year issues	Prior year unresolved issues	
 <b>Control environment</b> Structures, policies, attitudes and values that influence daily operations	-	-	-	1	
 <b>Risk assessment</b> Processes for identifying, assessing and managing risk	-	-	-	-	
 <b>Control activities</b> Implementation of policies and procedures to prevent or detect errors and safeguard assets	-	-	-	-	
 <b>Information and communication</b> Systems to capture and communicate information to achieve reliable financial reporting	-	-	1	-	
 <b>Monitoring activities</b> Oversight of internal controls for existence and effectiveness	-	-	-	-	



#### Effective

No significant deficiencies identified.



#### Generally effective

One significant deficiency identified.



#### Ineffective

More than one significant deficiency identified.



### 3. Internal control issues (continued)



#### Significant deficiencies and deficiencies

The following table details deficiencies identified from testing of controls as at 24 April 2020. It includes a response from management.

Our risk ratings are as follows—refer to [Our rating definitions](#) for more detail.



**Significant deficiency**



**Deficiency**



**Other matters**



#### Deficiencies

#### [201R-1] Large contract listing disclosure

##### COSO component – Information and communication

Per s237 of the *Local Government Regulation 2012* Council is required to publish to its website all contracts worth \$200,000 or more (exclusive of GST). This must occur as soon as is practicable after entering into the contractual arrangement. Council hasn't updated its website since November 2019.

##### QAO recommendation

Management should ensure the list of contractual arrangements on its website is brought up to date. Further, processes should be implemented to ensure the website is updated when future contractual arrangements exceeding \$200,000 are entered into.

##### Management response

Management is in the process of bringing Council's website up to date with all contracts worth \$200,000 or more. Procedures/controls have been implemented to ensure the website is updated on a monthly basis moving forward.

Responsible officer: Manager – Governance and Compliance

Status: Work in progress

Action date: 31 May 2020



## 4. Prior year issues



### Status

The following table summarises the status of issues and other matters reported by audit in prior years.

Reference	Rating	Issue	Status
Internal control issues			
19FR-1		<b>Asset management plans out of date</b> 1. From a review of the asset management plans it was identified that these plans have not been updated since 2016 and as a result do not contain the latest asset conditions, valuation data, maintenance inspection dates. Further, the plans are not being updated/ reviewed as documented in the asset management plans on an annual basis. Having asset management plans which are not up to date limits their usefulness. 2. Some of the asset management plans document plans to engage the community however there is no evidence of community engagement in the plan. 3. It was also noted that the asset management reports do not detail considerations regarding asset rationalisation.	Work in progress  Asset management plans will be updated using information from current valuation process. Expected to still achieve original action date.  Original action date: 30 June 2020
19FR-2		<b>Internal audit review of valuations</b> Having Internal Audit involved in reviewing the results of the year end asset valuations is a useful process to help ensure the accuracy and appropriateness of the valuations. Whilst Internal Audit did perform a review of the draft valuation report, there was no evidence of subsequent follow up on the resolution of the matters raised or a review of the revised final report. There was also limited review/workings regarding the indexation assessment.	Resolved  Review of comprehensive asset valuation included in Internal Audit Plan. Review by Internal Audit was conducted during April/May 2020.  Original action date: 30 June 2020
Other matters			
		<b>Portable and attractive assets policy</b> The Portable and Attractive Assets Policy is currently still in draft, no progress having been made in finalising this policy since our interim audit visit.	Resolved  This has now been completed.  Original action date: 31 December 2019

## 5. Appendix A—Our rating definitions



### Internal rating definitions

	Definition	Prioritisation of remedial action
<b>Significant deficiency</b> 	<p>A significant deficiency is a deficiency, or combination of deficiencies, in internal control that requires immediate remedial action. Also, we increase the rating from a deficiency to a significant deficiency based on:</p> <ul style="list-style-type: none"> <li>the risk of material misstatement in the financial statements</li> <li>the risk to reputation</li> <li>the significance of non-compliance with policies and applicable laws and regulations</li> <li>the potential to cause financial loss including fraud, or</li> <li>where management has not taken appropriate timely action to resolve the deficiency.</li> </ul>	<p>This requires immediate management action to resolve.</p>
<b>Deficiency</b> 	<p>A deficiency arises when internal controls are ineffective or missing, and are unable to prevent, or detect and correct, misstatements in the financial statements. A deficiency may also result in non-compliance with policies and applicable laws and regulations and/or inappropriate use of public resources.</p>	<p>We expect management action will be taken in a timely manner to resolve deficiencies.</p>
<b>Other matter</b> 	<p>An other matter is expected to improve the efficiency and/or effectiveness of internal controls, but does not constitute a deficiency in internal controls. If an other matter is not resolved, we do not consider that it will result in a misstatement in the financial statements or non-compliance with legislative requirements.</p>	<p>Our recommendation may be implemented at management's discretion.</p>

### Financial reporting issues

	Potential effect on the financial statements	Prioritisation of remedial action
<b>High</b> 	<p>We assess that there is a high likelihood of this causing a material misstatement in one or more components (transactions, balances and disclosures) of the financial statements, or there is the potential for financial loss including fraud.</p>	<p>This requires immediate management action to resolve.</p>
<b>Medium</b> 	<p>We assess that there is a medium likelihood of this causing a material misstatement in one or more components of the financial statements.</p>	<p>We expect management action will be taken in a timely manner.</p>
<b>Low</b> 	<p>We assess that there is a low likelihood of this causing a material misstatement in one or more components of the financial statements.</p>	<p>We recommend management action to resolve; however, a decision on whether any action is taken is at management's discretion.</p>





## 6. Appendix B—Information on internal controls



### What is internal control?

'Internal control' is the processes, systems, records and activities that your entity designs, implements and maintains to provide you with reasonable assurance about the achievement of organisational objectives regarding:

- reliability of financial reporting
- effectiveness and efficiency of operations
- compliance with applicable laws and regulations.

Your governing body and executive management collectively are responsible for preparing reliable financial statements in accordance with generally accepted accounting principles. They are similarly responsible for maintaining effective internal control over financial reporting.

### Our assessments of your internal control framework

The auditing standards that we must comply with require us to understand and assess those aspects of your internal control that relate to our financial statement audit objectives. In the planning phase of our audit, we sought to understand and evaluate how controls are designed and implemented. We communicated to you the results of our analysis in our external audit plan.

If we decide that we can rely on your controls, we must then test them to confirm they operated effectively. The results of our testing may highlight deficiencies in your internal controls. We assess whether any identified deficiencies in internal control constitute, individually or in combination, a significant deficiency in internal control.

### Limitations of our reporting on internal control deficiencies

No system of internal control can provide absolute assurance about the absence of error or compliance. Even in the absence of identified control weaknesses, inherent limitations in your internal controls over financial reporting may not prevent or detect material misstatements.



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 **Queensland  
Audit Office**  
*Better public services*



**ORDINARY MEETING:** July 2020

**DATE:** 21/07/2020

**ITEM:** Agenda Item for Resolution by Council

**SUBJECT:** Closed Session - Contractual Matter – Freight Services

**AUTHOR:** Mette Nordling, Manager of Governance and Compliance

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**Resolution:**

Council resolves to

1. Delegate authority to the Chief Executive Officer in accordance with the *Local Government Act 2009* to enter into contracts, negotiate, finalise and execute any and all matters in relation to a possible extension of three months to the current contract for provision of freight services and fuel supply

and

2. Increase the Chief Executive Officer's Financial and Contractual delegation in accordance with the *Local Government Act 2009* from \$200,000 to \$1,000,000 to enter into contracts, negotiate, finalise and execute any and all matters in relation to the provision of freight services and fuel supply for a three-month period, expiring 31 October 2020, subject to relevant legislation and in accordance with Council's Procurement Policy and Procedure.

**Executive Summary:**

Council's current contract for freight is expiring on 31 July 2020. Testing of the sea freight market commenced in March 2020 but was not able to be fully conducted due to restrictions imposed by Commonwealth and State Governments in response to the COVID-19 pandemic.

This report seeks approval to negotiate and enter into a contract extension with Sea Swift for a three-month period to conduct further market research and conduct a public tender process. The aim is to run the public tender process over the coming three months and be able to award a new contract for provision of sea freight service and fuel supply.

**Background:**

Council entered into a contract with Sea Swift Pty Ltd for sea freight and fuel supply in late 2017. This contract was for a two-year period expiring 30 November 2019 with an extension option for a further two-year period. The current contract for freight services and fuel supply was endorsed by Council at the 21/22 November 2017 ordinary meeting. Council delegated authority to the Chief Executive Officer to negotiate, finalise and execute any and all matters in relation to this contract.

Council entered into negotiations with Sea Swift in late 2019 in relation to a possible extension of the contract. Negotiations have been ongoing but appear to come to a halt over whether Council are able to test the sea freight market during the extension period.

Council and Sea Swift came to an agreement in January 2020 regarding the extension and the contract was extended until 31 July 2020 for Council to test the sea freight market.

**Officer Comment:**

In March 2020 when Council commenced the market testing restrictions were introduced to stop the spread of the COVID-19 virus. This meant that the market testing could not be conducted as planned

and resources had to be allocated to other areas to respond to the pandemic and the impact on the Council and the region.

Due to the market testing not being conducted to its full potential Council has been unable to ascertain whether any other businesses are able to provide the required freight services to Council.

It is therefore sought to extend the current contract for a further 3 months to continue the market testing and conduct a procurement process through a public tender to get a new contract in place.

If this contract is not extended and with no new contractual arrangement in place Council will be utilising standard procurement procedures to ensure the continued provision of freight services and supply of fuel. As the CEO's current financial delegation is \$200,000 and the current monthly average spend on sea freight and fuel supply is above \$200,000 each, it is necessary to increase the CEO's delegation to ensure continued supply. This will also allow the testing of the market to continue and the CEO to be able to sign off on any shipments during the testing.

Section 226 of the *Local Government Regulation 2012* requires Council to conduct a public tender process for any large-sized contractual arrangements, unless there is an exception.

Section 224 of the *Local Government Regulation 2012* defines a large-sized contractual arrangement as an arrangement with a supplier that is expected to be worth, \$200,000 excl GST or more in a financial year, or over the proposed term of the contractual arrangement.

An exception to the public tender process is utilising a supplier on a Register of Pre-qualified Suppliers or on an LGA arrangement ie Localbuy.

**Statutory Requirements:**

- *Local Government Act 2009* (Qld)
- *Local Government Regulation 2012* (Qld)

**Finance & Risk:**

There is a risk to Council that the current contractual arrangement with Sea Swift Pty Ltd is terminated and that no other contractual arrangement is in place to ensure continuity of freight services and fuel supply to Council's Communities. This risk is mitigated by the utilisation of suppliers currently on Council's Register of Pre-qualifies Suppliers. If the current contract is not extended the freight will be conducted at 'rack-rates' at a significant higher cost to Council.

The process is compliant with the local government legislation and in line with Council's Procurement Policy.

**Sustainability:**

It is Council's strategic aspiration to reduce operational expenditure and achieve fiscal sustainability. The continued market testing and extension of the current contract supports these aspirations

**Corporate and Operational Plans:**

The extension of the contract to conduct further market testing and commencement of the public tender process is aligned with Council's Corporate Plan 2020-2025;

- Outcome 4 – People: "We are a transparent, open and engaging council".
- Outcome 5 – Sustainability: "We plan effectively for the future of our individual communities and region".
- Outcome 10 – Prosperity: "We advocate and foster regional prosperity through enterprise development".

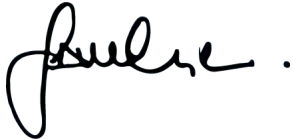
**Consultation:**

- Chief Executive Officer
- Chief Financial Officer
- Strategic Projects & Logistic

**Recommendation:**

It is recommended that Council resolves to delegate authority to the Chief Executive Officer to enter into contracts, negotiate, finalise and execute any and all matters in relation to a possible extension of three months to the current contract for provision of freight services and fuel supply, increase the CEO's financial and contractual delegation to \$1,000,000 to enter into contracts, negotiate, finalise and execute any and all matters in relation to the provision of freight services and fuel supply for a three-month period, expiring 31 October 2020

Luke Ranga  
**Head of Corporate Affairs**

A handwritten signature in black ink, appearing to read 'Luke Ranga', followed by a period.

Hollie Faithfull  
**Acting Chief Executive Officer**

A handwritten signature in black ink, appearing to read 'Hollie Faithfull'.

Day 1

3/3

2d 7 20

Bedu Childcare Cncl  
Ilario read report.

Mand: Taly  
2nd: Trintan.  
CARRIED

10:30.

76 Airport Rd Seba  
Ilario read report

Mand: Cr Noah  
2nd: Cr Gela  
CARRIED

10:33

43 A. kurur St Warraber  
Ilario read report.

Mand: Cr Tenu  
2nd: Cr Trintan  
CARRIED

### Morning Tea

11:05 - Organized Structure  
Hollie

Mand ~~Trintan~~ <sup>Steph</sup>  
2nd ~~Trintan~~ <sup>Noah</sup>  
CARRIED

Interim Aud. & Report  
Hollie

Mand Trintan  
2nd Levi  
CARRIED

11:30 - Freight Services  
Luka

Mand: Fall  
2nd: Taly  
CARRIED

12:00 Resolution amended.

OUT of Chel  
Business

Mand Tenu  
2nd Gela  
CARRIED





# TORRES STRAIT ISLAND REGIONAL COUNCIL

## CLOSED SESSION - COUNCIL REPORT

**ORDINARY MEETING:** July 2020

**DATE:** 21/07/2020

**ITEM:** Agenda Item for Resolution by Council

**SUBJECT:** Closed Session - Contractual Matter – Freight Services

**AUTHOR:** Mette Nordling, Manager of Governance and Compliance

### Resolution:

Council resolves to

1. Delegate authority to the Chief Executive Officer in accordance with the *Local Government Act 2009* to enter into contracts, negotiate, finalise and execute any and all matters in relation to a possible extension of three months to the current contract for provision of freight services and fuel supply

and

2. Increase the Chief Executive Officer's Financial and Contractual delegation in accordance with the *Local Government Act 2009* from \$200,000 to \$1,000,000 to enter into contracts, negotiate, finalise and execute any and all matters in relation to the provision of freight services and fuel supply for a three-month period, expiring 31 October 2020, subject to relevant legislation and in accordance with Council's Procurement Policy and Procedure,

*am the Sub-committee of marketing purchase order relating to each item.*

### Executive Summary:

Council's current contract for freight is expiring on 31 July 2020. Testing of the sea freight market commenced in March 2020 but was not able to be fully conducted due to restrictions imposed by Commonwealth and State Governments in response to the COVID-19 pandemic.

This report seeks approval to negotiate and enter into a contract extension with Sea Swift for a three-month period to conduct further market research and conduct a public tender process. The aim is to run the public tender process over the coming three months and be able to award a new contract for provision of sea freight service and fuel supply.

### Background:

Council entered into a contract with Sea Swift Pty Ltd for sea freight and fuel supply in late 2017. This contract was for a two-year period expiring 30 November 2019 with an extension option for a further two-year period.

The current contract for freight services and fuel supply was endorsed by Council at the 21/22 November 2017 ordinary meeting. Council delegated authority to the Chief Executive Officer to negotiate, finalise and execute any and all matters in relation to this contract.



# TORRES STRAIT ISLAND REGIONAL COUNCIL

## AGENDA REPORT – OPEN BUSINESS

<b>ORDINARY MEETING:</b>	August 2021
<b>DATE</b>	17 August 2021
<b>ITEM:</b>	Agenda Item for <u>Resolution</u> by Council
<b>SUBJECT:</b>	Award of Contract - ICCIP Project #45 & #69 – Kubin & St Pauls Weirs Renewal, Tender No. TSIRC2019-207
<b>AUTHOR:</b>	Daniel Harrington – Senior Project Engineer

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### Recommendation:

That;

Council resolves to delegate power to the Chief Executive Officer, pursuant to section 257 of the *Local Government Act 2009* to:

- Award Tender No. TSIRC2019-207 ICCIP Project #45 & #69 – Kubin & St Pauls Weirs Renewal Project to Northern Water Ltd Pty for the amount of \$1,353,505.00 excl. GST;
- Negotiate, finalise, and execute any and all matters associated with or in relation to this project and contract including without limitation any options and/or variations as per Council's procurement policy.

### Purpose:

The purpose of this Agenda Report is to provide Council with a recommendation to award Contract No. TSIRC2019-207, ICCIP Project #45 & #69 – Kubin & St Pauls Weirs Renewal to Northern Water Ltd Pty for the value of \$1,353,505.00 excl. GST.

### Background:

The project is funded by the Queensland Government through the Indigenous Critical Communities Infrastructure Program (ICCIP). ICCIP is a one-off funding program, administered by the Queensland Government Department of Local Government, Racing and Multicultural Affairs (DLGRMA). The Grantee for the lama Rising Main Renewal is the Torres Strait Island Regional Council (TSIRC).

The Kubin & St Pauls Weirs Renewal involves reconstructing the weir at St Pauls and refurbishment of the Kubin weir. Both existing weirs are in poor condition and have required ongoing temporary maintenance in recent years to keep them running. These weirs are the main source of water supply to both Divisions, it is critical that they operate during the wet season to fill the covered lagoons.

### Works Scope:

The scope of works includes the supply of plant, materials and labour to renew the weirs at Kubin and St Pauls. The works include but are not limited to;

- Mobilisation to site
- Decommissioning and removal of the existing pipework, pit (at St Pauls), switchboards, valving and pumps.
- Construct new pit at St Pauls. Install new fencing, pipework, valves, pumps, switchboards and telemetry at both sites.
- Disposal of all redundant equipment and material offsite;
- QA testing;



- As constructed survey; and
- Demobilisation from site.

### Funding

The ICCIP funding deadline is 30<sup>th</sup> June 2022. Based on the project scope it is anticipated that the works will be completed by November 2021. Based on the Northern Water tendered price there is a sufficient budget available through ICCIP for the project.

The anticipated project schedule is not inclusive of any unknown delays associated with impacts due to Covid 19. Potential impacts could be the supply of equipment, as well as site access to complete the scope of works. Any delays will be communicated to the funding body and managed by TSIRCs Project Manager accordingly.

### Procurement Process:

In accordance with Council's procurement and ethical sourcing policy, and the Local Government regulations 2012, an open tender process was initiated for Tender No TSIRC 2019-207. A site visit was not performed.

Table 1 below outlines the Tendering process undertaken for Tender No. TSIRC 2019-207

Description	Details
Advertising	LG Tender Box & Council Website
Advertised Date	17 <sup>th</sup> December 2019
Tender Site Inspection	22 <sup>nd</sup> January 2020
Tenders Due	7 <sup>th</sup> February 2020
Tender Period	7 weeks
Tenders received	Two (2) tenders were received by TSIRC.

**Table 1 – Details of the tendering and procurement process**

At the close of the public tender process on 7<sup>th</sup> February 2020, Council received two (2) conforming submissions from the following companies:

- Koppens Development Pty Ltd
- LDI Construction Civil Pty Ltd

The two (2) submissions were deemed to exceed funding limits. Northern Water was approached on 28<sup>th</sup> June 2021 to provide an alternative methodology and associated pricing.

As per Council's Procurement and Ethical Sourcing Policy, exemptions to procurement guidelines are provided for under sections 229-235 of the Local Government Regulation 2012. Northern Water are pre-qualified with Council under the Trade Services RoPS 2029-208.

Table 2 below shows Northern Waters Tendered price.

Tenderer	Amount of tender ( Excl. GST)
Northern Water	\$1,353,505.00

**Table 2**

A value-based assessment was undertaken for the 3 tenders, the tenders were assessed by:

- Daniel Harrington – Snr Project Engineer (TSIRC)
- Michael Lancini – Senior Engineer (MAL Engineers Pty Ltd)
- Luke La Spina – Engineer (MAL Engineering Pty Ltd)

Note that while the tender validity of the two tenders had expired, all three tenders were assessed for comparison.

The tender assessment was completed in accordance with the predefined tender evaluation criteria weighting as per the table below.

Criteria	Weighting
Value for Money	40%
Relevant Experience/Technical Skills	15%
Demonstrated Understanding	10%
Quality Management	10%
Project Experience in the Torres Strait	15%
Health, Safety and Environment	10%

**Table 3 – tender assessment criteria and weighting**

Following scoring and evaluation, Northern Water were the highest-ranked tender submission (see Table 4 below).

Tenderer	Tender Score (out of 10)
Koppen Development Pty Ltd	7.94
LDI Constructions Civil Pty Ltd	6.39
Northern Water	8.25

**Table 4 – Evaluation Results**

At the completion of the assessment, the evaluation panel considered the offer from Northern Water was the best value for money submission. Northern Water's previous experience on similar water and wastewater projects in the Torres Strait region favourably addressed the requirements of the project, and their submission was significantly lower in cost than the other two submissions.

This tender value results in the following Indigenous Economic Opportunities.

Core Requirement	Requirement
Apprentices/Trainees (new entrants)	244 hrs
Other Workforce	162 hrs
Total Deemed Hours	406 hrs
Local Indigenous Business Supply and/or Subcontractor	\$20,303

## **Considerations**

### Risk Management

Schedule risk - delaying approval of this variation at the August 2021 Council Ordinary Meeting will directly impact the commissioning schedule.

### Council Finance

The project is fully funded by ICCIP.

A provision of costs not attributed to the scope proposed to be award to Northern Water is allocated for under the project funding.

### **Consultation:**

- Councillors as appropriate
- Funding Body

### **Statutory Requirements:**

*Local Government Act 2009*

*Local Government Regulation 2012*

## **Conclusion**

Based on the Tender Assessment, it is recommended that Council:

- Award Tender No. TSIRC2019-207 to Northern Water for the amount of; and
- Delegate authority to the Chief Executive Officer in accordance with the Local Government Act 2009 to enter into a contract, negotiate, finalise and execute any and all matters associated in relation to this project, subject to Council's procurement policies and practices.



**Author:**

Daniel Harrington  
Senior Project Engineer



**Recommended:**

Adeah Kabai  
Acting Chief Engineer



**Approved:**

David Baldwin  
Acting Chief Executive Officer