

Strategic Asset Management Plan

2025-2035



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Endorsement

Mackay Regional Council is committed to providing sustainable, efficient and cost-effective services for the community. These services support the region's liveability, economy, public health and wellbeing. Council aims to strengthen service delivery through long-term planning and responsible management of community assets.

The Strategic Asset Management Plan (SAMP) demonstrates Council's commitment to managing community assets effectively so they continue to support valued services. The SAMP acts as Council's Service Strategy, connecting the high-level goals in the Planning Scheme and Corporate Plan with day-to-day asset management activities. It helps Council balance community needs, stakeholder expectations, technical capacity, growth, financial constraints and supporting business systems.

The initiatives in the SAMP help align Council's Service Strategy with the Growth Strategy, through the Local Government Infrastructure Plan, and the Financial Strategy, through the Long Term Financial Forecast. These initiatives are supported by sound business processes and appropriate resources to deliver effective, efficient and sustainable outcomes for the region.

Council supports the vision and strategies outlined in the SAMP and acknowledges the important role of Council employees, elected members and partners in implementing the plan.

The Strategic Asset Management Plan (SAMP) was formally endorsed by Council in June 2025.

List of Abbreviations

AM	Asset Management
AMIP	Asset Management Improvement Plan
AMO	Asset Management Objectives
AMP	Asset Management Plan
AMS	Asset Management System
AMSC	Asset Management Steering Committee
ELT	Executive Leadership Team
EP	Each Person
ISO 55001	ISO 55001: Asset Management – Management System - Requirements
O&M	Operation and Maintenance
LGSF	Local Government Sustainability Framework
LGIP	Local Government Infrastructure Plan
LTAMP	Long Term Asset Management Plan
LTFF	Long Term Financial Forecast
Q-CRC	Queensland Climate Resilient Councils
SAMP	Strategic Asset Management Plan
SDA	State Development Area
ToR	Terms of Reference

Document Control		Strategic Asset Management Plan (SAMP)		
Rev No	Date	Revision Details	Author	Endorsed by:
V1.0	June 2025	Redevelopment of the SAMP	Linda Roberts	Council
V2.0	August 2026	Minor amendments to asset management improvement plan and revision of the SAMP review	Sara Downes	Council

Background

Mackay Regional Council oversees a dynamic region with significant opportunities and challenges. Council's purpose is to "Create opportunities to thrive", and its vision is to become "the best region for liveability and livelihood". To support these goals, Council provides essential services including transport, water supply, wastewater treatment, waste management, community facilities and open spaces that contribute to the region's economy, lifestyle and wellbeing.

Council manages a diverse asset portfolio valued at approximately \$6.5 billion, with a written-down value of approximately \$4.35 billion. To support anticipated growth over the next 15 to 20 years, additional investment of about \$398 million is expected to be required, with a further \$300 million over 10 years allocated for new assets. Effective asset management is essential because operating, maintaining, renewing and funding these assets represents a significant proportion of Council's operating budget.

The purpose of the Strategic Asset Management Plan (SAMP) is to provide a clear roadmap for sustainable, efficient and cost-effective service delivery through effective asset management. The SAMP is informed by the international standard for asset management, ISO 55000, and aligns with Queensland's Local Government Sustainability Framework. It recognises the interests of a broad range of stakeholders, including elected members, the Executive Leadership Team, the Asset Management Steering Committee, residents, businesses, State and Federal Governments and developers.

The SAMP adopts a modern asset management approach, with service outcomes as the primary driver of decision-making. It outlines what Council aims to achieve, how services will be delivered, and how assets, costs and affordability will be considered. This approach keeps the focus on how assets support the community, rather than treating assets as an end in themselves.

The SAMP aims to support sustainable service outcomes that meet community needs through continuous improvement and effective resource management.



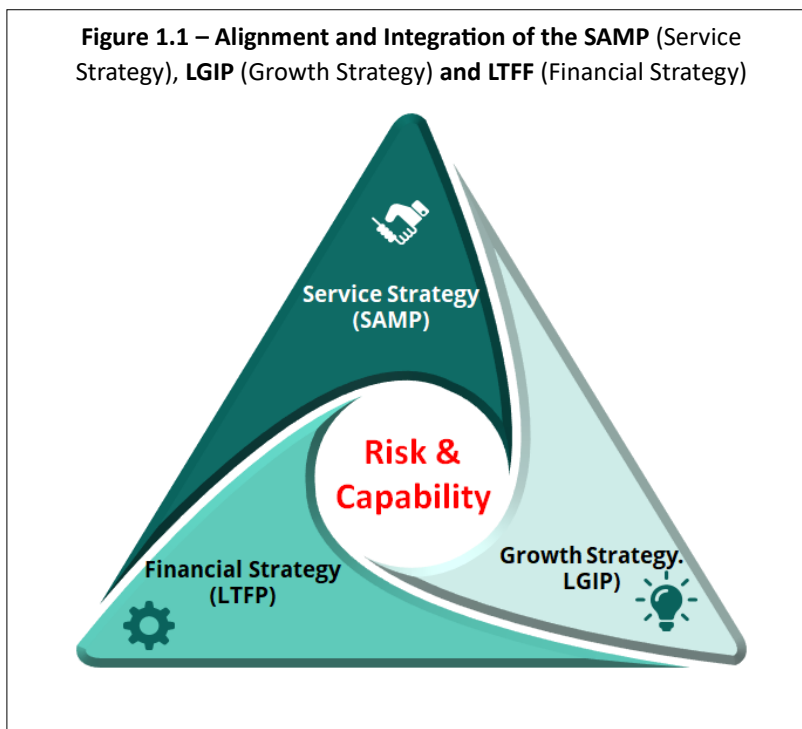
1. Scope and Role of the SAMP

The purpose of Mackay Regional Council's Strategic Asset Management Plan (SAMP) is to define and integrate Council's Service Strategy. In doing so, the SAMP positions modern asset management as a whole-of-business framework that connects Council's strategic direction with the professional and technical expertise of the organisation.

The scope of this SAMP encompasses all asset classes that are involved in the delivery of service outcomes to the community.

The **overall objectives** of the SAMP are to:

- Define Council's **Service Strategy** to meet statutory obligations, regional needs and capability;
- Ensure that this **Service Strategy** is aligned with Council's **Financial Strategy** (Long-Term Financial Forecast (LTFF)) and **Growth Strategy** (Council's Local Government Infrastructure Plan (LGIP)) (**Figure 1.1**); and
- Provide a succinct **plan for ongoing improvement** in capability and integration of operational Asset Management to optimise service outcomes.



The SAMP provides a framework for the Council to ensure that corporate outcomes (as defined in the Corporate Plan, Planning Scheme (LGIP) and Financial Strategy (LTFF)) are supported by management practice and improvement initiatives. These improvements are summarised in the *Asset Management Improvement Plan (AMIP)* and reflect opportunities for enhancing the Council's Asset Management capabilities.

The SAMP aims to break down historical silos across engineering, asset accounting, community service planning and land use planning by providing a clear and shared direction for Council. Its development has been a joint effort across Council departments.

1.1. External Drivers/ Emerging Influences

Queensland Local Government operates in a challenging business environment. Council plays a central role in facilitating the sustainable growth and development across the region as well as maintaining services that meet the needs of the community. These activities are undertaken in a highly regulated legislative framework.

To achieve its outcomes, Council must strike a balance between the needs/wants of external parties and the capacity of Council to deliver sustainable outcomes. In particular, Council needs to be cognisant of:

- **Statutory Obligations** - Understand and engage with the various needs, obligations and expectations of the State and Federal Governments and their agencies (as appropriate) on regulatory issues.
- **Community Expectations** - Understand the community's service requirements at several levels including:
 - Liveability – Provision of services (and assets) that support a high quality of life, health, and wellbeing to residents;
 - Scope of Services – Provide services that the community considers important or desirable;
 - Level of Service – Provide a level of service that meets the community's expectations;
 - Cost of Service and Ability/Willingness to Pay – Providing services that are affordable, i.e. consistent with the community's ability and willingness to pay; and
 - Sustainability - The ability of Council to sustain the services on a medium to long term basis within the limits of forecast resource capability.
- **Industry Drivers** -These include consideration of issues such as:
 - Macroeconomic factors including growth;
 - Technological changes which are reshaping many industries;
 - Environmental factors; and
 - Political factors including policy and regulatory trends.
- **Megatrends including:**
 - Climate change;
 - Information Technology (IT) and Artificial Intelligence;
 - “Leaner, cleaner, greener” means of production and provision of assets/services; and
 - An Ageing Population

1.2. Role(s) of the SAMP:

The role of the SAMP is to:

- Define Council's Service Strategy (and a pathway for improvement);
- Identify and clearly define the challenges relating to balancing risk, cost and performance;
- The outcome from this process should assist Council in defining and delivering affordable / achievable / sustainable service outcomes for the region;
- Broadly outline the management authority and autonomy for delivery of the SAMP; and
- Create a structure that is compliant with the statutory obligations for development and implementation of Council's SAMP/ LTAMP and consistent with internationally recognised standards (ISO 55000).

2. Corporate Objectives

This part of the SAMP outlines the Council's main goals which the SAMP aims to achieve. The Council's vision for the community is developed and implemented through its Corporate Plan which sets the overall goals for the region.

The Planning Scheme provides a strategic framework for growth, development, and land use across the region, showing what the area might look like in 20 years. The Financial Strategy, detailed in the Long Term Financial Forecast (LTFF), offers a 10-year plan for revenues and expenditures. The SAMP defines the Council's Service Strategy.

As shown in Figure 1.1, to achieve sustainable outcomes, the Council must balance its Growth Strategy (LGIP), Financial Strategy (LTFF), and Service Strategy (SAMP). This requires agreement on the settings that align the Council's corporate strategies, a key role for the Asset Management Steering Committee (AMSC).

Once these high-level strategies are set, the goals are translated into Asset Management Plans for each asset class. These plans are supported by detailed documents like Technical Service Levels, Business Process Manuals, and Operational and Maintenance Plans.

The success of this process is measured using the Council's integrated performance management framework which includes audits. This framework drives continuous improvement and ensures operations stay aligned with business and planning challenges.

The SAMP is designed to provide a clear connection from the broad corporate goals to asset management activities on the ground (refer to Section 3).

2.1. Strategic and Corporate Goals

This SAMP reflects and supports Council's Purpose, Vision, Mission, Goals, and Values as follows:

- **Our Purpose** is to: *Create opportunity to thrive;*
- **Our Vision** is: ***"To become the best region for liveability and livelihood"***
- **Council Values** are:
 - Safety and Wellbeing – *We all work safely and actively care for each other's wellbeing;*
 - Respect – *We embrace diversity and behave with integrity and professionalism.;*
 - Working Together – *Working together for our region and community;*
 - Service Excellence – *Understanding our client and community needs to deliver best possible outcomes; and*
 - Integrity – *We take pride in our actions by being transparent and continuously improving.*

The SAMP is crucial for delivering key policies and strategies in the Corporate Plan with over 70% of the Corporate Plan being in some shape or form reliant on Council's assets.

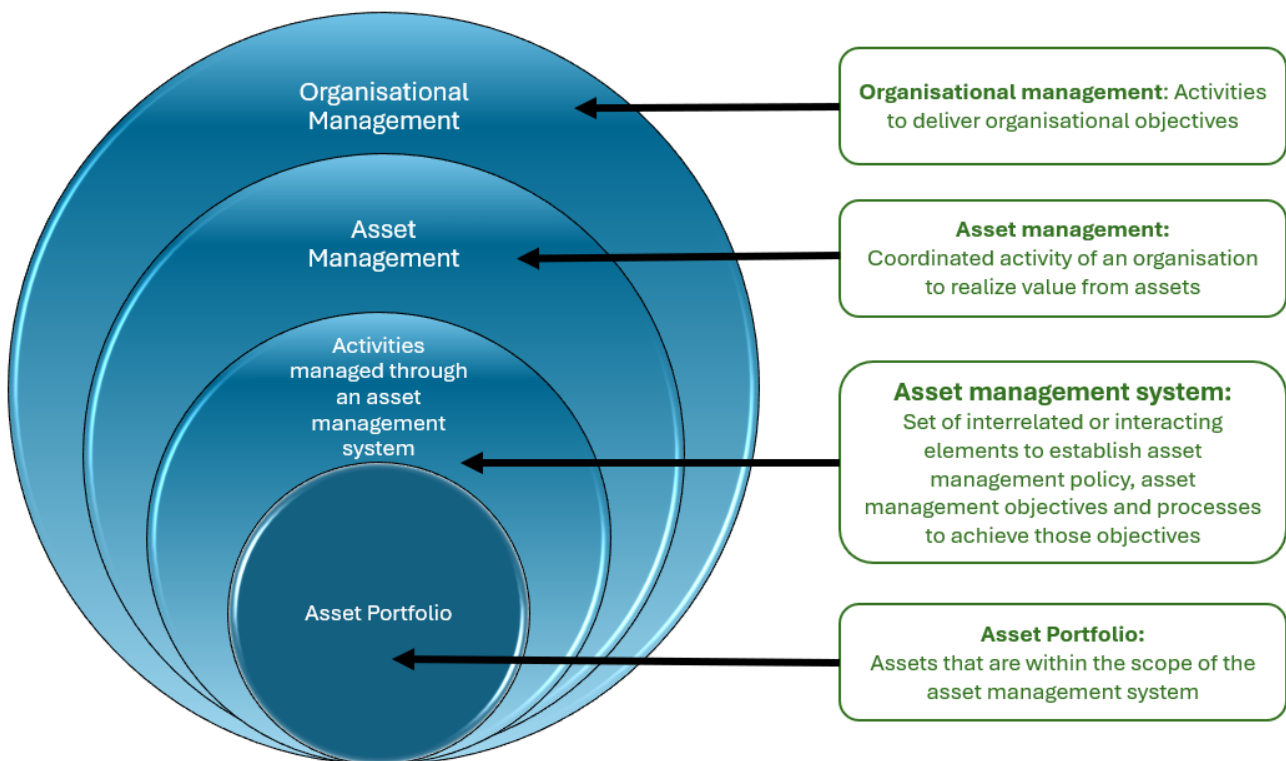
3. The Asset Management System

Council's Asset Management System (AMS) describes a 'system of management' approach that applies to all areas of the Council, focusing on achieving outcomes rather than just managing physical assets.

3.1.1.1. 3.1. International Standard for Asset Management (ISO 55000)

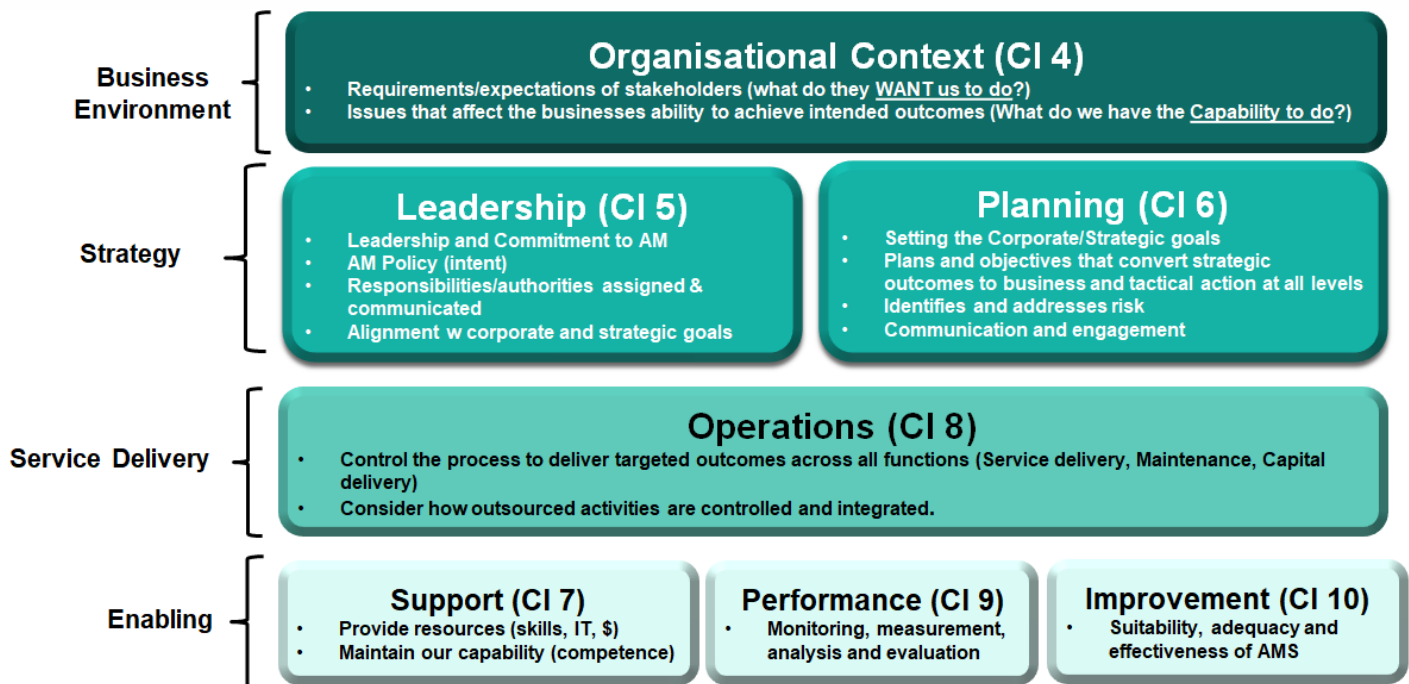
The International Standard for Asset Management (ISO 55000) defines asset management as a key part of an organisation's strategy and operations. Although not mandated, Mackay Regional Council (Council) sees ISO 55000 as a useful framework for creating a practical Strategic Asset Management Plan (SAMP). Figure 3.2 below illustrates how the main elements of ISO 55000 are interrelated.

Figure 3.1 – ISO 55000 illustration of the Asset Management System



ISO 55000 describes an Asset Management System as a business framework focused on achieving outcomes. It aims to translate organisational goals into asset-related decisions, plans, and activities using a risk-based approach. The standard emphasises understanding the business environment, including what stakeholders want and what the Council can deliver, as essential for effective leadership, planning, operations, and service delivery. These concepts are illustrated in Figure 3.2.

Figure 3.2 – Conceptual Alignment of SAMP/ISO 55000 with standard Business Practice



3.2. Alignment with the State's Sustainability Framework

The State has developed a *Local Government Sustainability Framework* (LGSF) which focusses on five key areas including assessment of:

- **Operating Environment** – i.e. the impact of the external environment on Council's capacity to respond effectively;
- **Finances** – Council's long term financial performance;
- **Assets/Services** – Council's management of assets over the long term;
- **Governance** – Council's understanding and managing of risk and embedding effective governance practices;
- **Compliance** – Council's performance in meeting legislative requirements.

The framework adopted by Council addresses these requirements.

3.3. Application to Mackay Regional Council

The balance between expectations, statutory obligations and business capacity informs **Council's Vision** which is defined in Council's;

- **Corporate Plan** which describes Council's medium-term objectives and a broad "roadmap" to achieve these goals;
- **Planning Scheme** which describes Council's long-term vision (15+ years) for the region including Council's Growth Strategy.

The outcomes from these two documents define – at a high level – Council's service scope and objectives, i.e.

- Which **outcomes** Council is focussed on delivering;
- **The standard** to which Council intends to deliver;
- A broad understanding of the **allocation of resources** to ensure that Council has the capability (existing and forecast) to deliver;
- The **cost/pricing** associated with delivering those outcomes.

With Council’s objectives (scope and level of service) broadly defined in the *Corporate Plan* and *Planning Scheme*, the focus turns to providing the necessary leadership to ensure that these objectives are achieved “in the field”. Specific elements of leadership include:

- **Policy and Strategy** to define (at a more functional level) and drive outcomes across Council;
- **Systems and Processes** that facilitate effective and efficient service delivery;
- Clear allocation of **Roles/Responsibilities** to ensure that there are clear lines of authority/autonomy to deliver outcomes;
- An organisational **Culture and Communication** that supports service excellence.

3.4. Council’s Asset Management System

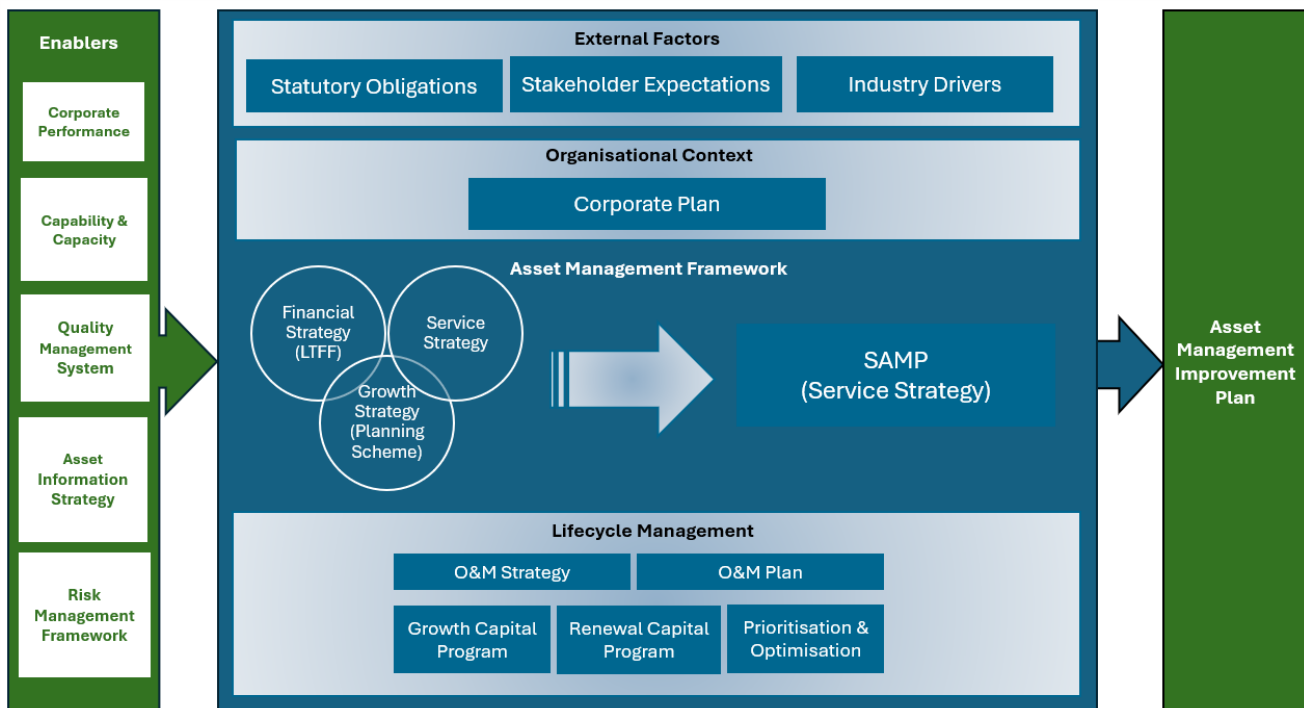
Council's Asset Management System (AMS) is structured to address several key considerations:

- **Defining Organisational Context:** This includes external factors like statutory obligations, stakeholder expectations, and industry drivers (e.g. climate change).
- **Aligning Outcomes with Capacity:** The Council's Vision and Purpose guide the goals and objectives in the Corporate Plan, ensuring targeted outcomes match the Council's capacity.
- **Service Management Focus:** This involves:
 - **Service Design:** Defining the scope and level of service outcomes, balancing stakeholder needs, strategic objectives, capacity, and cost.
 - **Service Planning:** Allocating resources to deliver services as designed, considering various delivery strategies and iterative planning.
 - **Service Delivery:** Supporting functions, risk management, and performance monitoring to ensure promised outcomes are delivered.

In this system, Service Planning comes before traditional Asset Management activities, emphasising outcomes over assets. This approach encourages innovation by focusing on desired outcomes rather than existing assets.

Council’s Asset Management System is outlined schematically in **Figure 3.3**.

Figure 3.3 – Council’s (Service Centric) Asset Management System



3.5. Asset Management Leadership and Governance

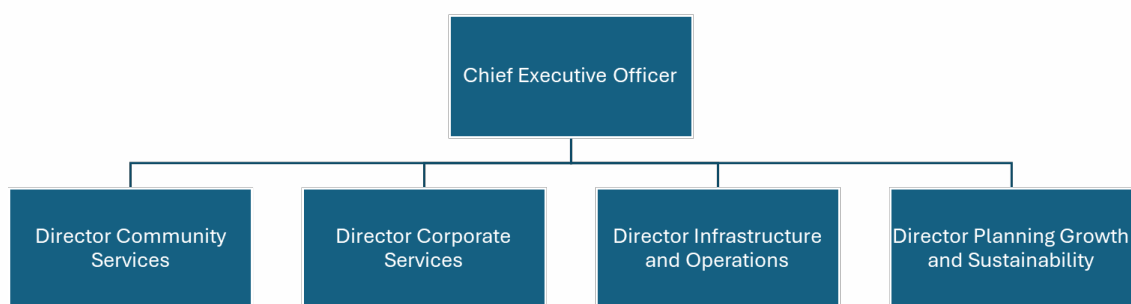
Council values effective integration with various stakeholders, both internal and external, to ensure everyone understands each other's expectations and capabilities. Key stakeholders involved in developing and implementing the Council's Asset Management (Service) Strategy are listed in Table 3.4.

Table 3.4: Key Asset Management Stakeholders

Key Stakeholder	Role in Asset Management
Mackay Regional Council's Mayor and Councillors	- Act as stewards of the infrastructure assets; - Approve the Strategic Asset Management Plan (SAMP) and supporting (service/asset class level) Asset Management Plans; - Ensure appropriate resources and funding for the SAMP/AMPs are made available; - Integrate Asset Management into the Corporate Plan; - Ensure sustainable service outcomes.
Executive Leadership Team	- Provide timely, accurate and reliable information to Council for decision making; - Manage/maintain the linkage between the Asset Management Policy, SAMP, Corporate Plan and LGIP; - Support the multi-disciplinary Asset Management Steering Committee; - Continuously review the Corporate Asset Management Policy and Strategy, ensuring adequate resources are available; - Monitor staff performance in the implementation of the Strategic Asset Management Plan; - Ensure key stakeholder inputs are integrated into the Strategic Asset Management Plan.
Director Infrastructure and Operations	Accountable for the successful execution of Council's Asset Management functions (via the Asset Management Steering Committee).
The Asset Management (AM) Steering Committee	- The Asset Management Steering Committee will develop, manage and monitor the implementation of the Council's Asset Management Improvement Plan (AMIP); and - Review, approve and operate within defined Terms of Reference (ToR).
Executive Manager Asset Management	- Responsible for delivering the Asset Management Improvement Plan (AMIP) and other initiatives as determined by the Asset Management Steering Committee; - Monitor and support the performance of staff in implementing asset management; - Encourage continuous innovation and cost-effective measures to improve asset management practices; - Operate within the agreed Terms of Reference (ToR).
Community Residents and Businesses	- Participate in the establishment of community scope, levels and cost of service through: - Community Reference Group (s); - Provide feedback; - Engage at community meetings; - Interact through interviews / surveys (online and / or mail out).
Federal and State Government Authorities and Agencies	- Ensure the relevant legislative requirements and standards are met and maintained in the implementation of the SAMP; - Provide funding and incentives to develop and maintain Council's capacity (both in terms of skills/systems/programs as well as through funding of asset provision).
Developers	Install and contribute to assets in accordance with Council's Specifications, Development Approval, and the Local Government Infrastructure Plan.

The Council and Executive Officers are responsible for leading the planning, implementation, operation, and continuous improvement of service and asset management. This includes managing the supporting processes, systems, and culture, as outlined in the Council's Organisational Structure (see Figure 3.5).

Figure 3.5 – Overview of Council's AM Organisational Structure



The Director of Infrastructure and Operations will have overall executive accountability for the Council's Asset Management function. Responsibilities will be delegated to and managed through the Asset Management Steering Committee, as detailed below.

3.6. Asset Management Steering Committee (AMSC)

The Council's Asset Management Policy mandates that a governance process be developed and approved by the Asset Management Steering Committee (AMSC). This process includes decision-making related to the Long Term Financial Forecast (LTFF).

According to the policy, the AMSC's role is to oversee the delivery of asset management services across the organisation and approve key asset management documents, including:

- The Asset Management Policy
- The Strategic Asset Management Plan (SAMP)
- Asset class-specific Asset Management Plans (AMPs)
- Asset planning documents, such as strategy and business case templates
- Capital prioritisation processes that inform the LTFF
- Asset-related risk reporting
- Asset management benchmarking and reporting

Day-to-day decisions on asset issues will be handled by the Executive Manager – Asset Management, as delegated by the AMSC.

3.7. Other Key Roles/Responsibilities

While Section 3.6 and Table 3.5 outline the main responsibilities, effective coordination of the Council's key strategies requires a clear and consistent understanding of roles and accountabilities across the Council.

- **Responsibilities:** These are task-oriented, focusing on specific activities like data collection or collation.
- **Accountabilities:** These are outcome-focused, dealing with the consequences and ownership of actions.

Although the Council has a good grasp of asset management (AM) accountabilities and responsibilities, a key action item is to conduct a detailed assessment to better define these roles.

3.8. Asset Management Principles

The key “Principles of Asset management” outlined in Council’s Asset Management Policy related to the following core areas:

- Asset Ownership
- Levels of Service
- Importance of Asset Management
- Document Hierarchy
- Decision Making
- Relationship between Risk, Cost and Service Outcomes
- Climate Change

3.9. Asset Management Objectives

As mentioned earlier, ISO 55000 defines an organisation's asset management system as a process that helps achieve objectives by considering the business's nature and purpose, operating context, financial and regulatory constraints, and the needs and expectations of stakeholders. To achieve this, it is beneficial for the organisation to identify its overall asset management objectives, which are the benefits the asset management system intends to provide.

Asset Management Objectives (AMOs) can be set at both strategic and tactical levels. Table 3.6 lists the strategic objectives that the Council believes represent the main benefits of its Asset Management System. Technical AMOs should be detailed within the individual Asset Management Plans.

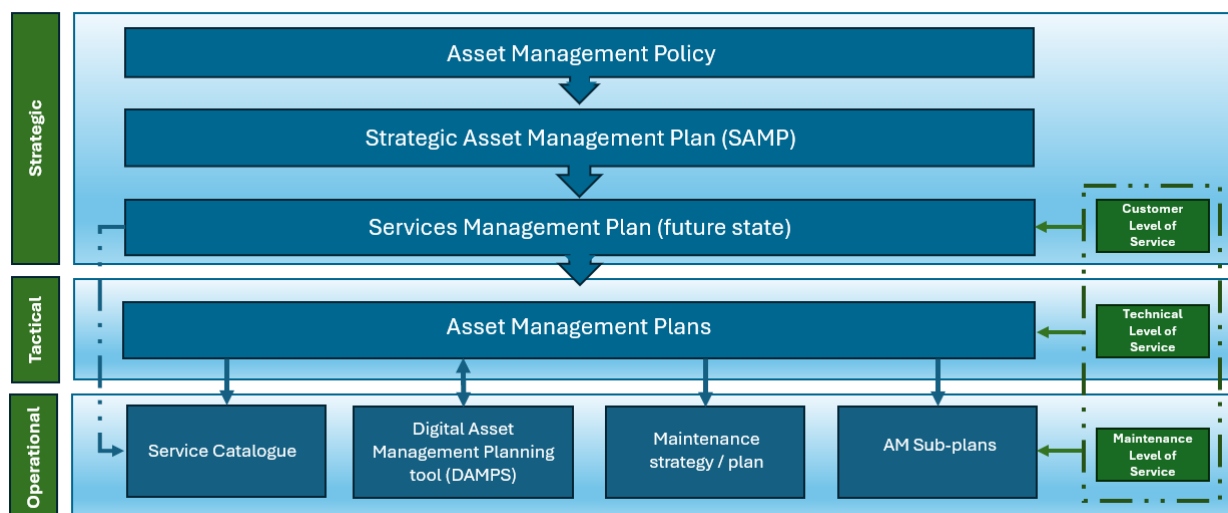
Table 3.6 – Summary of Strategic AMOs

Asset Management Objectives (AMOs)	Measure
AMO1 – Alignment of Council Service, Growth and Financial strategies	Alignment of forecasts between the Financial Strategy, LGIP and SAMP to within an acceptable variance over a 5-year forecast period
AMO2 – Service and outcomes that balance stakeholder needs, Council’s capacity, and improvement of outcomes for the community and region	Agree on a defined level of service and monitoring performance against those outcomes (e.g. Customer Service Standards; Customer Charter; LGIP Desired Standards of Service (and associated Technical Specifications)
AMO3 – Effective and Efficient Decision making that delivered effective outcomes (i.e. doing the “right” things) in an efficient manner (doing them “right”)	Taking a lifecycle approach to developing cost-effective management strategies for the long-term that meet the defined level of service
AMO4 – Consistency with Council’s obligations and relevant national/international standards and policy	Assessment of compliance with statutory obligations; alignment with national/international standards and delivery of outcomes with stated commitments (e.g. climate change)
AMO5 – Strengthen the business through a concerted program of skills development, system enhancement and data collection	Structured program of skills development, system enhancement and a measurable improvement in data management
AMO6 – Managing Council’s Risk Profile at a level that is aligned to Council's risk appetite	Identifying, assessing, and appropriately controlling risks as defined in Council’s Risk Management Framework

3.10. Asset Management Document Hierarchy

The purpose of the Asset Management Document Hierarchy is to build an understanding of how the different documents relate to one another. The figure below (3.7) illustrates this hierarchy.

Figure 3.7 Asset Management Document Hierarchy



3.11. Scope of Asset Management Plans

The above discussion provides a broad outline of the CONCEPT of Asset Management. The next step in the process is to define the scope of Asset Management Plans that are relevant to Council.

Each individual AMP should include a summary of Technical AMOs which align with these strategic AMO measures. In many cases, services/outcomes are defined within/across Council (e.g. operational outcomes may be summarised in *Customer Service Standards* or a *Customer Charter*; while *Desired Service Standards* are defined in the LGIP and include reference to both operational and construction standards).

3.12. Asset Management Related Policies

Council has several policies that influence or are influenced by the Asset Management Strategy:

- **Asset Management Policy:** Commits to providing consistent and appropriate service levels to current and future stakeholders, considering social, safety, environmental, and financial sustainability, as outlined in the Corporate Plan.
- **Community Engagement Policy:** Details the Council's commitment to engaging with the community as a key part of informed decision-making.
- **Climate Change Policy (26 October 2022):** Sets out principles and outcomes for managing climate change impacts. This is supported by the Environmental Sustainability Strategy (2017-2025), through which Council joined ICLEI – Local Governments for Sustainability. As part of the Queensland Climate Resilient Councils' (Q-CRC) Program, COUNCIL began the Climate Risk Management Framework to understand climate change risks to the region.
- **Non-Current Assets Policy:** Defines the approach to accounting for non-current assets.

4. SERVICE STRATEGY

4.1. Customer Expectations and Levels of Service

Service outcomes are the main focus of the Council's Asset Management function. For some services, like water, wastewater, and solid waste, outcomes are heavily influenced by external regulations, making customer service levels well-defined. For other services, outcomes are based on assumed needs and available funding, meaning the Council provides what the community can afford, which may not always align with community expectations.

This SAMP aims to increase consultation in setting service levels. Future updates to Asset Management Plans will include:

- Customer feedback on service levels (what the community wants)
- Costs of providing services versus willingness to pay (impact on Council rates)
- Capacity to deliver (Council's ability to meet agreed outcomes)

These initiatives will help align service levels, risks, and consequences with the community's ability and willingness to pay.

4.2. Current Practice

Council's supporting Asset Management Plans (AMPs) typically outline the current scope of services and include technical metrics to assess how well service outcomes are being met.

Customer Service Levels are usually evaluated based on:

- **Condition:** How good is the service? What is the quality or condition of the service?
- **Function:** Is the service suitable for its intended purpose? Is it the "right" service?
- **Capacity/Use:** Is the service overused or underused? Do we need more or fewer of these services/assets?

These performance measures provide information on current service delivery outcomes.

Technical Levels of Service translate customer service outcomes into operational or technical performance measures, which are often asset-specific and cover various stages of the asset lifecycle, such as:

- **Acquisition:** Activities to expand the scope or increase the level of service.
- **Operation:** Routine activities to maintain service outcomes.
- **Maintenance:** Activities to keep an asset as close as possible to an appropriate service condition.
- **Renewal:** Activities to restore an asset's service capability to its original condition.

These technical measures guide the decisions of the Council's service and asset managers on a day-to-day basis and are regularly monitored to identify changes in circumstances in real time.

Maintenance Levels of Service: Feedback from the Service Management processes will necessitate the review and update of various Asset Management Plans.

5. FUTURE DEMAND

5.1. Demand Drivers

While understanding current expectations for service scope and levels is crucial, forecasting future requirements (demand forecasting) involves considering several factors:

- **Population and Demographics:** Anticipated changes as outlined in the updated Regional Plan and the Regional Transformation Strategy, which will be implemented through the Council's Planning Scheme (specifically the LGIP).
- **Regulatory Changes:** New rules and regulations that Council must comply with.
- **Consumer Preferences:** Shifts in preferences for types and scopes of services, influenced by changes in demographics and lifestyle choices (e.g. vehicle ownership rates, environmental awareness).
- **Macro Effects:** Economic factors, technological advancements, seasonal variations, climate change, etc.
- **Technical and Technological Changes:** Innovations in how services can be delivered.
- **Supply Capacity Changes:** Limitations on resources like bulk water, necessitating demand management through measures like water restrictions.
- **Community Capability:** Changes in the community's willingness to pay, which could be affected by economic downturns, potentially reducing the community's ability to afford certain services.

5.2. Demand Forecasts

5.2.1. CURRENT Forecast (Council's LGIP)

Current projections for residential (population) and non-residential (employment) growth are contained in Table 4.2 of Council's LGIP and are replicated in **Table 5.1**

Table 5.1 – Forecast Growth in Residential (Population) and Non-Residential (Employment) Drivers

Description	Growth Assumptions					
	Base date 2021	2026	2031	2036	2041	Ultimate
Population	120,737	124,402	131,527	139,061	147,392	198,312
Employment	48,830	50,927	53,511	57,002	59,787	108,975

These residential and non-residential demand forecasts are converted to demand for trunk infrastructure using demand multipliers contained in **Table SC 3.1.3** of Council's LGIP. The TOTAL demand (by trunk infrastructure class) can be summarised in tabular format in **Table 5.2**.

Table 5.2 -Demand for Trunk Infrastructure

Asset Class	Demand Unit	Existing and Projected demand (LGIP)				
		2021	2026	2031	2036	Ultimate
Water Supply	EP	123,383	127,317	134,652	143,765	206,993
Wastewater	EP	126,184	129,121	135,385	142,678	189,618
Transport	trips	321,319	345,267	376,155	409,806	600,723
Parks and LFCP	Pop	120,741	124,405	131,528	139,060	198,312
Stormwater	Imp ha	4,174	4,817	5,488	6,263	8,206

5.2.2. The Regional Plan

The current Whitsunday Isaac Mackay Regional Plan from 2012 is outdated and does not provide current guidance for the SAMP. The more recent Regional Transformation Strategy 2024 – Greater Whitsunday, published by the Queensland Government, identifies the Mackay State Development Area but does not provide sufficient detail for the purposes of this SAMP.

An updated Regional Plan is not expected until at least 2026. Consequently, the current Regional Plan cannot be used to inform the SAMP. Instead, the review and update process of Council's LGIP will guide the SAMP.

5.3. Demand Impact and Demand Management Plan

Each of Council's asset classes includes a brief statement on the plan to meet service demands. The identification of future changes in demand allows for a long term planning horizon via strategies and master planning. Understanding the likely timing of changes in demand with related impacts need to be captured across a variety of processes and documents. For example the Asset Management Plans have a section on future demands.

The AMPs also highlight that growth forecasts in the Council's LGIP and any future Regional Plan may create a need for new assets. Providing these assets will commit the Council to ongoing operations, maintenance, and renewal costs for as long as the assets are needed.

These future costs are identified in the AMPs and are considered when developing forecasts for future operations, maintenance, and renewal costs, which are included in the Long-Term Financial Forecast.

5.4. Pathway Forward

The following matters require ongoing monitoring to ensure changes in service demand are assessed and managed appropriately:

- **New Regional Plan Development:** This will inform the Council's LGIP and the necessary trunk infrastructure to support growth (i.e. the Schedule of Works). In the meantime, forecasts will be based on the updated LGIP.
- **Service Planning Outcomes:** These will help guide demand planning activities across the Council.
- **Climate Change Assessment:** The Council's evaluation and response to climate change impacts may influence asset management strategies for key assets throughout their lifecycle.
- **Mega Trends Assessment:** The Council's evaluation and response to other significant trends, such as AI and intergenerational changes, may affect service needs and the associated assets.

6. LIFECYCLE MANAGEMENT PLAN

The discussion so far has been about what the Council wants to achieve with its assets. This part of the SAMP looks at outside factors affecting the Council's assets and services. It shows the balance between service outcomes, growth, and financial expectations.

After deciding what the Council aims to achieve (in terms of service scope and level), the next step is to ascertain how to deliver these outcomes. This involves assessing the Council's assets throughout their lifecycle.

The Council's Asset Management Policy (2023) states that the lifecycle cost of assets has the biggest impact on service delivery costs. The policy plans to use an Asset Management Framework across Council to save costs and standardise asset functions. As outlined in section 3 the Asset management System contains a framework which covers all aspects of the asset and project lifecycle.

While the structure of the AMPs generally follows a lifecycle approach, a standardised method across asset functions is still being developed. The Asset Management Improvement Plan aims to define clear Asset Management Objectives and establish a consistent approach, as required by Council's Asset Management Policy.

6.1. Defining the Asset Lifecycle

Lifecycle Asset Management is a structured process for optimising asset performance, extending asset lifespan, and reducing costs at all stages of the asset's service life. The lifecycle management detail contained within each of Council's **Asset Management Plans** (AMPs) broadly summarises an approach (and costing) for managing assets in a way that is intended to ensure sustainable delivery of agreed levels of service.

Figure 6.1 – Asset Lifecycle Management Diagram



The scope of the Asset Lifecycle considerations contained within the AMPs encompasses:

Asset and Service Planning:

- *Service Objectives* - which are the outcomes Council is trying to achieve;
- *Physical Parameters* – of the assets Council owns, their age/condition profile and the current capability;

Asset Acquisition:

- A clear forecast of the asset delivery program for each asset class, including an estimate of the investment needed for growth (as defined in the Council's LGIP), expanding services with new assets, and maintaining service capability through renewing existing assets;

Operation and Maintenance:

- A summary of the *capacity and performance* of the existing network and identification of known deficiencies;
- A broad overview of the *Operation & Maintenance Strategy* and activities intended to maintain the assets functionality;

Asset Renewal and Disposal:

- Renewal Planning - Understanding the forecast potential renewal liability for each asset class;
- Disposal Planning – Processes for disposal of assets; and

Risk and Affordability:

- Balancing cost, risk and affordability in managing service delivery.

Collectively, these elements describe a lifecycle asset management approach consistent with Council's Asset Management Policy.

6.2. Current Status of Lifecycle Asset Management

Service/Asset Planning:

Service outcomes for existing assets are broadly defined in the Council's Asset Management Framework. These objectives are usually supported by technical measures (e.g. breaks per 100km of main, road roughness, recreational accessibility, etc.).

Service outcomes for new (growth) assets are broadly defined in the Council's Local Government Infrastructure Plan (LGIP). The demand for additional assets to meet the Council's changing service objectives is typically outlined in the LGIP "Schedule of Works" and/or the Council's Long Term Financial Plan.

While the processes behind these activities are considered robust, the proposed Asset Management Objectives initiative will help the Council refine its outcomes, which will then inform the asset planning processes. The objectives define what the Council wants to achieve, which then informs the planning process designed to ensure that the target outcomes will be delivered (i.e. how these outcomes will be delivered). This includes growth, new, and renewal activities.

The target outcome from the planning process is a well-defined and agreed scope of investment in assets to ensure that the Council's service outcomes are achieved and can be sustained over time.

Asset Acquisition:

The planning process identifies what assets are needed to deliver sustainable service outcomes. The acquisition element determines how these assets will be delivered in the field. The Council's detailed policies and processes ensure an efficient and cost-effective approach for:

- Project Development
- Tendering and Assessment
- Contract Award
- Physical Delivery (e.g., construction) of Assets

Operation and Maintenance:

The Council's operational strategies ensure that essential community services (like transport, water services, parks, community services, and stormwater drainage) are run efficiently, effectively, and sustainably over the long term.

Each asset class uses performance metrics to define target service levels and measure the Council's success in delivering these outcomes. For water services and transport, these metrics follow industry standards and can be compared with other regions. The current service levels achieved by the Council are generally in line with similar regional areas. However, this comparison assumes a common standard, which may not reflect the unique preferences of the Council's residents.

These preferences will be identified in the proposed Asset Management Objectives (AMOs). Once established, these objectives should guide all aspects of the Council's Lifecycle Management Strategy, especially the operational elements.

Renewal and Disposal:

A key step in the process is to ensure the Council's strategies for asset renewal and disposal are managed appropriately. The challenge is to avoid renewing assets too soon (which is inefficient) or too late (which can impact service outcomes and increase risk).

Many of the Council's assets are "long-lived" (with a design life of over 10 years, often extending to 50+ years). These assets tend to function well for a long time, but their renewal can be disruptive and expensive if not managed correctly. Both the Council and the State are aware of the potential disruption from inefficient asset renewal. The State provides some financial measures of "asset sustainability," but these can be misleading due to broad assumptions about the timing of asset delivery.

Each of the Council's Asset Management Plans includes a projected program for asset renewal, based on current replacement costs and estimated useful lives of key assets. While this is considered "industry standard," it has limitations. Best practices in asset renewal should consider:

- **Replacement Costs:** Assuming a like-for-like replacement may not always be appropriate. For example, is the existing asset sized for current service needs? Is renewing the asset the best solution, or can the service be delivered without it?
- **Useful Life:** Standard useful life assumptions may not account for specific environments. For example:
 - Assets near marine environments may degrade faster.
 - Well-maintained assets may last longer than average. Best practices include using a degradation curve and a distributed renewal profile to recognize that assets may last longer or shorter than the standard useful life.
- **Criticality and Condition:** Standard approaches may overlook specific operational aspects. For example, a minor road may be low risk, but if it's the only access to a community, its functionality is critical. Similarly, a water main serving critical infrastructure (like hospitals) has greater consequences if it fails. Best practices include identifying asset criticality (consequence of failure) and condition (likelihood of failure).

The Asset Management Improvement Plan outlines a process to review, refine, and update the Council's policies and procedures across the asset lifecycle to ensure that service, financial, and risk objectives are sustainably delivered over the long term.

6.3. Balancing Finance and Service Outcomes

As noted earlier, Council's Long Term Financial Forecast assumes average asset expenditure of approximately \$1.5 billion over the next 10 years, including about \$700 million for asset renewal. Most renewal estimates in the Asset Management Plans use asset cost and useful life assumptions, with limited consideration of criticality or variability in asset life. To improve renewal forecasting maturity, Digital Asset Management Planning Tools will use criticality and asset health information to determine risk and support a better-informed renewal profile. Continued development of DAMPs for all asset portfolios is a key action in the AMIP.

Another measure of capital investment considers information from the recently updated Local Government Infrastructure Plan (LGIP). As discussed, it is crucial that the Strategic Asset Management Plan (SAMP) as the Service Strategy, the LTFF as the Financial Strategy, and the LGIP as the Growth Strategy are aligned.

6.4. Pathway Forward

Initiatives arising from the existing and developing Asset Management Strategy provide an opportunity to review and reconcile differences between Council's proposed 10-year capital investment in the collective AMPs, the LGIP and the LTFF.

7. RISK MANAGEMENT

The outcomes from Council's multi-billion-dollar asset portfolio are crucial for the region's growth and its environmental, economic, social, cultural, and community health responsibilities. Balancing the Growth, Service, and Financial Strategies reveals inherent tensions between the Council's various strategic objectives. Therefore, a strong framework is needed to manage, monitor, and mitigate these associated risks.

7.1. Current Status:

The Council's Enterprise Risk Management (ERM) Framework is developed according to the principles and guidelines of the International Standard ISO 31000:2018. This framework helps identify, assess, and manage strategic risks across the Council.

Council annually conducts risk assessments to review and evaluate risks, identifying control actions to mitigate them.

Council's strategic risk appetite for Assets is '***We will manage assets in a way that reflects community and budgetary obligations***'.

At the corporate level, Council has an Enterprise Risk Management (ERM) Policy and an Enterprise Risk Register that identify key risks and the strategies to manage or mitigate them. For essential services, the Council has developed specific Business Continuity and Contingency Plans, particularly for critical services and buildings.

Each of Council's Asset Management Plans (AMPs) includes a broad risk assessment specific to each asset class, focusing on current risks to service outcomes or assets. There is also a brief discussion on "Service and Risk Trade-Offs," which often relates to perceived shortfalls in capital and operating revenues.

7.2. Critical Assets

Critical assets are those whose failure would cause significant loss or reduction of service. This is different from "high risk" assets, as "criticality" is based solely on the consequence of failure, while "risk" considers both consequence and likelihood.

Asset Management Plans (AMPs) typically identify critical assets within each asset group, along with a brief description of common failure modes and their impact on service delivery. However, the identification of these assets is not always consistent, leading to some "high risk" assets being incorrectly labelled as "critical." The Council needs to develop and apply a consistent methodology to distinguish between "critical" and "high risk" assets and adjust their management accordingly. This includes identifying critical assets and failure modes to ensure that investigative activities, condition inspection programs, maintenance, and capital expenditure plans are well-targeted.

7.3. Pathway Forward

The attached Asset Management Improvement Plan (AMIP) includes several specific initiatives to help the Council improve its capabilities:

- **Consistent Approach to Risk and Criticality:** Develop a consistent method for defining "risk" and "criticality" and create different response plans across the Council and asset groups.
- **Understanding Inherent Risks:** Better understand the risks involved in decisions affecting the Council's Service Strategy (as outlined in the SAMP and supporting AMPs), Financial objectives (as defined in the capital program), and Growth (LGIP).
- **Infrastructure Resilience:** Establish a corporate approach to defining infrastructure resilience.
- **Embed Risk in AMSC Terms of Reference:** Incorporate risk management into the Asset Management Steering Committee's Terms of Reference.

8. ASSET INVESTMENT

This section of the SAMP succinctly summarises key considerations contained in Council's Long Term Financial Forecast (LTFF) and broadly outlines the implications for Council's Service and Growth Strategies. As outlined above, the Financial Strategy is Council's roadmap for managing its financial resources and processes and is aligned with the objectives and priorities of the Corporate Plan.

Council follows the financial sustainability principles in section 104(2) of the Local Government Act 2009, which states that a local government is financially sustainable if it is able to maintain its financial capital and infrastructure capital over the long term. The importance of asset management to Council's financial sustainability is reinforced by the Local Government Act 2009.

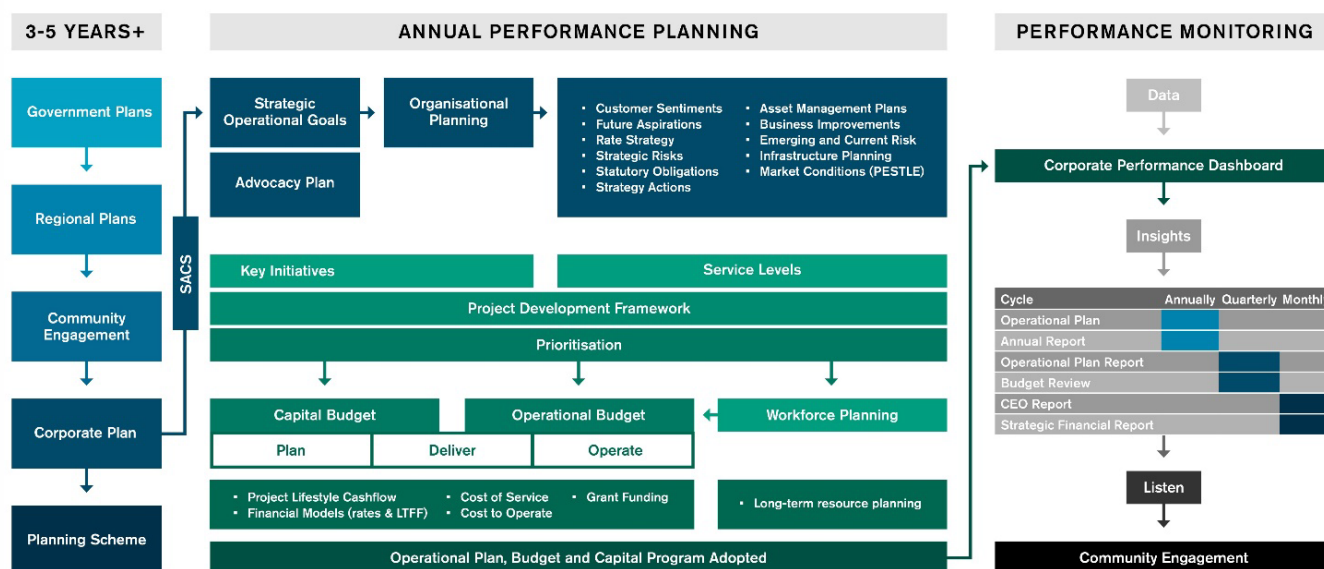
The LTFF highlights Council's long term financial sustainability including early identification of financial pressures and potential impacts and financial strategies to balance financial pressures with competing demands for services and facilities to the community.

A key outcome of the LTFF is to ensure that the Council balances the capital funding needs associated with maintaining service outcomes with Council's revenues (i.e. rates, fees, subsidies (where available) and debt).

8.1. Funding Strategy

Council's funding strategy allocates financial resources across the Council as part of the annual budgetary process. The diagram below outlines the steps in the annual process, which includes both operational and capital expenditure.

Figure 8.1 Corporate Planning and Monitoring Framework



9. PLAN IMPROVEMENT AND MONITORING

This SAMP highlights various opportunities for improvement and outlines a "pathway forward" for the Council to enhance its Asset Management capabilities. The attached Asset Management Improvement Plan (AMIP) consolidates these activities.

The Council's AMIP focuses on issues that are either:

- **Systemic:** Concerns across the entire Council that require a coordinated response.
- **Material:** Concerns within specific areas of the Council that could significantly impact its operations.

The Improvement Plan compiles a wide range of initiatives identified in various publications, particularly the Asset Management Plans (AMPs). However, some asset-specific improvement initiatives within the AMPs are not included in the SAMP AMIP.

9.1. Maturity Status of Council

Council acknowledges the need for an Asset Management (AM) maturity assessment. This review will complement the SAMP by evaluating Council's ability to implement its AM strategy across the organisation. The review may identify specific capacity limitations within the Council. This presents a challenge, as the SAMP should outline an achievable improvement plan, yet the capability assessment is proposed to occur after the strategic implications of the SAMP are assessed and endorsed.

Experience shows that defining a broad strategy first helps guide improvement planning. Understanding the goals and objectives is necessary before assessing capability, ensuring the focus remains on outcomes rather than current capacity. Over time, both the strategic and capacity aspects of the Council's AM are likely to evolve.

Given the importance of the AM strategy, the AMIP proposes that the Council conduct an updated AM maturity assessment in the first and third year of the program.

9.2. Proposed Initiatives

Assessing and reporting on "current practice" offers a snapshot of the service outcomes provided by the Council. However, this may not fully reflect the regional demand for services or the integration of the Council's Service Strategy (as outlined in this SAMP), Growth Strategy (contained in the LGIP), and Financial Strategy (LTFF).

The next stage in developing the Council's Asset Management (AM) capability will involve initiatives to enhance service planning and delivery. These initiatives are detailed in Attachment A - Asset Management Improvement Plan.

9.3. SAMP Review

The general time horizon for the SAMP is 10 years. To ensure the document remains current, it must be reviewed regularly. A comprehensive review is required at least every five years, with minor amendments considered through an annual review process. The upcoming Corporate Plan in 2027 may also trigger a further review of the SAMP.

Attachment A – Asset Management Improvement Plan (AMIP)

Action Item	Initiatives	Timelines		
		25/26	26/27	27/28
1.	Develop a Service Management Plan (SMP) - Including Service Catalogues – a list of WHAT services Council provides and the standard to which the service is provided. - The SMP should include reviewing service planning, service design and service delivery concepts. - Identification and consideration of a range of delivery options which could include the following: <u>Non-Asset Solutions</u> – what is the least capital-intensive way of delivering the target service outcomes; <u>Capital Response</u> – i.e. what do we have?; what are its capabilities (i.e. condition/performance?); What do we NEED? What can we afford? <u>Operational Responses</u> – Typically defined in O&M Strategies, Manuals and Procedures which define what we DO (and how/why) and what we COULD do; - Determine cost and “willingness to pay” (i.e. community engagement and development of an agreed “level of service” including consideration of “willingness to pay”). which considers a range of options for delivery of services and outlines a preferred pathway for how services are delivered.	☑	☑	☑
2.	Re-establish the Asset Management Steering Committee (AMSC) - Review and update/develop the ToR. - ToR must include the integration and alignment of the key strategies being the Service Strategy (SAMP), Financial Strategy (LTFF) and the Growth Strategy (LGIP). - Annual review of risk appetite and consideration of ongoing inherent risk and mitigation.	☑		
3.	Develop an Accountability Framework - Refine and review roles and responsibilities across the organisation - Align asset management function responsibilities.	☑	☑	
4.	Develop an implementation process for the agreed set of Asset Management Objectives (AMOs) embedded in the Council’s SAMP.	☑		☑
5.	Review Asset Management Plan Structure to ensure alignment with Council’s Service, Growth and Financial Strategies.	☑	☑	
6.	Establish a Capital Review Board to: - Provide strategic guidance and governance on the capital program; - Apply a cost benefit analysis to proposed projects to quantify overall project benefits.	☑		
7.	Formalise a process for Capital Project prioritisation via the Capital Review Board Application of prioritisation tool.	☑		

8.	Deliver the Centralised Maintenance Activities Project Transition Council wide maintenance activities into a centralised platform (Assetic). This will provide consistent data for analysis and decision making.	☒	☒	☒
9.	Progressively develop Digital Asset Management Planning Tools (DAMPs) for all asset portfolios.	☒	☒	
10.	Undertake a full maturity assessment to determine development of asset management across all the functions. D The recommendations from the Asset Management Maturity Assessment 2026 are to be prioritised and aligned with the ongoing improvement initiatives.	☒		☒