



SPECIAL MEETING (BUDGET ADOPTION)

AGENDA

27 JUNE 2017



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<p style="text-align: center;">SPECIAL MEETING (BUDGET ADOPTION) AGENDA 27 JUNE 2017</p>

1. MEETING OPENED

2. LEAVE OF ABSENCE

No Leave Of Absence

3. DECLARATION OF ANY MATERIAL PERSONAL INTERESTS/CONFLICTS OF INTEREST BY COUNCILLORS AND SENIOR COUNCIL OFFICERS

3.1 Declaration of Material Personal Interest on any Item of Business

Pursuant to Section 172 of the *Local Government Act 2009*, a councillor who has a material personal interest in an issue to be considered at a meeting of the local government, or any of its committees must –

- (a) inform the meeting of the councillor's material personal interest in the matter; and
- (b) leave the meeting room (including any area set aside for the public), and stay out of the meeting room while the matter is being discussed and voted on.

3.2 Declaration of Conflict of Interest on any Item of Business

Pursuant to Section 173 of the *Local Government Act 2009*, a councillor who has a real or perceived conflict of interest in a matter to be considered at a meeting of the local government, or any of its committees must inform the meeting about the councillor's personal interest in the matter and if the councillor participates in the meeting in relation to the matter, how the councillor intends to deal with the real or perceived conflict of interest.

4. MAYORAL MINUTE

No Mayoral Minute



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5. CORPORATE AND COMMUNITY SERVICES REPORTS

5.1 Service Management Strategy and the Accompanying Service Management Plans

Date: 05 June 2017

Author: John Keen, Manager Infrastructure Support Services

Responsible Officer: Myles Fairbairn, Executive Manager Infrastructure Works & Services

Summary:

The Service Management Strategy and Service Management Plans are key documents that outline the considerations that Council will make in relation to the provision and maintenance of infrastructure and other assets to provide services to the community.

These documents will help Council to achieve the strategic directions from the Corporate Plan 2017-22, in particular:

- *“Develop an asset management improvement plan that establishes minimum core level of asset maturity and competence”.*

Officer’s Recommendation:

THAT Council adopts the Service Management Strategy and the Service Management Plans for Buildings and Facilities, Disaster Management, Fleet, Information and Communication Technology, Parks and Gardens and Transport.

Report

1. Introduction

The Service Management Strategy is a document that defines how Lockyer Valley Regional Council will review and improve the provision of services through either infrastructure or other assets as a means of continuous improvement. The subordinate service management plans provide the detail of what assets Council stewards and the necessary funding streams required over the planning period to provide defined levels of service. The service management plans document service levels, projected growth and risk profiles to assist with decision making.

In this report (and attached documentation) the term ‘service’ is used to replace ‘asset’, which is viewed as a more mature approach in the delivery of services to the community, noting that Council’s assets exist in order to provide a desired service.

2. Background

Council has invested significant time and resources into understanding the asset inventory that Council stewards on behalf of the community and the services provided through those assets. The creation of a Service Management Strategy and Service Management Plans are seen as a positive step towards effective stewardship of the community’s assets by the Council in a sustainable manner.

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3. Report

The preparation of the Service Management Plans has followed a defined process that consists of the following:

- Assessing the levels of service through reviewing what has historically been provided;
- Identifying the risks associated with ownership and management of assets;
- Defining the operating parameters of the assets and services;
- Noting the operations and maintenance demands;
- Planning for renewal and replacement of the assets within the available funding envelopes;
- Considering future demand for the asset portfolios.

4. Policy and Legal Implications

The Local Government Act 2009, Chapter 4, Part 5, Section 104 requires Council to maintain various financial management, planning and accountability documents. These financial planning documents include but are not limited to:

- (i) a five-year corporate plan that incorporates community engagement;
- (ii) a long-term asset management plan;
- (iii) a long-term financial forecast;
- (iv) an annual budget including revenue statement;
- (v) an annual operational plan

The Service Management Plans (asset management plans) provide the structure for Council to manage its assets in a sustainable manner showing that it has planned, taken a long term view, been financially prudent, and is meeting the legislative requirements of the Local Government Act 2009.

5. Financial and Resource Implications

The financial implications for Council are understood at this point based on current levels of service and what is understood of growth projections and risk profiles and documented in the Service Management Plans.

6. Delegations/Authorisations

Authorise the Chief Executive Officer to take all necessary actions to enact the resolution of Council on this matter.

7. Communication

The plans will be made available on the Council's website.

8. Conclusion

The adoption of the Service Management Strategy and Service Management Plans will recognise the importance of the assets and the function they perform in relation to the ability of Council to deliver services to the community across all asset classes in a sustainable manner.



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Attachments

1View	Service Management Strategy	20 Pages
2View	SMP Building & Facilities	108 Pages
3View	SMP Disaster Management	14 Pages
4View	SMP Fleet	49 Pages
5View	SMP ICT	12 Pages
6View	SMP Parks	46 Pages
7View	SMP Transport	68 Pages



Service Management Strategy (2017 – 2020)

Document Control					
Rev no.	Date	Stage	Author	Reviewer	
1	22 Nov 2016	Initial draft	MDF		
2	28 Dec 2016	Primary data entry	MdeH	MDF	
3	16 Jan 2017	Population of sections	MdeH	MDF	
4	21 Feb 2017	Finalisation of document	JK	MDF	
5	27 April 2017	Incorporation of feedback from LVRC Managers	JK	MDF	

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Executive Summary

This Service Management Strategy has been prepared to assist Lockyer Valley Regional Council (Council) to improve the way it delivers services from its assets including roads, bridges, footpaths, stormwater drainage, parks, gardens and cemeteries, waste facilities, carparks, buildings and fleet. Council's assets have a replacement value of \$624,772,213 as at 30 June 2016.

The service management strategy is to enable Council to show:

- How its asset portfolio will meet the service delivery needs of its community into the future
- Enable Council's asset management policies to be achieved, and
- Ensure the integration of Council's asset management with its long term strategic plan.

Adopting this Service Management Strategy will assist council in meeting the requirements of the national sustainability frameworks, the Local Government Act 2009 (QLD) and regulations by providing services needed by the community in a financially sustainable manner.

The service management strategy is prepared following a review of the council's service delivery practices, financial sustainability indicators, and asset management maturity to fit with council's vision for the future outlined in Council's Corporate Plan 2012-2017, the updated Corporate Plan 2017-2021 is currently in draft form. The strategy outlines an asset management improvement plan detailing a program of tasks to be completed that is required to bring council to a minimum 'core' level of asset management maturity and competence.

In relation to our Service Management Strategy, the focus will need to be directed at the following:

- Decision making – making the right decisions for the greater good of the region
- Information – accurate and timely, giving our decision makers accurate and credible information on which to make decisions. Providing a central repository for all planned infrastructure projects to allow a global understanding of what needs to be achieved
- Standards – appropriate and affordable in line with community expectations
- Levels of Service – consulted, defined and agreed upon to provide an appropriate and affordable level of service that is applied equitably throughout the region
- Skills – upskilling the organisation in service delivery, customer service and infrastructure management
- Sustainability – creating a sustainable and customer centric organisation meeting the needs of our ratepayers and stakeholders.

In relation to our infrastructure that we manage on behalf of the community we need to take the stewardship of our assets seriously and ensure we provide services at the lowest possible unit cost, this will be achieved through:

- Renewing existing assets before investing too much in new or upgraded assets, and in principle aiming to fund renewals through own source funding and seeking external funding opportunities for upgrades and new infrastructure
- Understanding the nexus between service delivery and infrastructure and the opportunity for exploring other non-asset based solutions for assisting service delivery
- Continuously reviewing maintenance practices and outcomes to look for 'better outcomes' to ensure our infrastructure life is maximised at the lowest possible cost and risk is mitigated
- Being innovative when looking at the renewal or provision of assets, are there new methods or technologies that can provide the service at a reduced 'whole of life cost'? In some instances crystal balling to see where the opportunities or threats may come from may be appropriate
- Ensuring that all infrastructure whether own source or developer contributed is built to the appropriate current engineering standards to provide positive legacies for the region.

1 INTRODUCTION

1.1 BACKGROUND TO SERVICE MANAGEMENT

For Lockyer Valley Regional Council (Council), a key issue facing the organisation is the sustainable financial management of ageing assets in need of renewal and replacement. Council's assets exist to enable the delivery of important public services to the community. Changes to the amount and type of services that the Council delivers to the community has a direct correlation to the way Council needs to plan for and provide infrastructure to either provide a service or assist the delivery of the service. A legitimate decision for Council is how to provide the service, the delivery of services through infrastructure is just one mechanism and at times the delivery of a service through non-asset based solutions is an appropriate, responsible outcome.

This Service Management Strategy (SMS) has been produced to enable Council to show:

- How it will achieve compliance with regulatory requirements
- How the asset portfolio will meet the service delivery needs of the community
- How Council's asset management policies are to be achieved, and
- The integration of Council's service and asset management with the long-term strategic plan.

Infrastructure assets such as public buildings, roads, drains, and bridges present particular asset management challenges because their condition and longevity can be difficult to accurately determine. Financing needs for these assets can be large, requiring planning for large peaks and troughs in expenditure for asset renewal and replacement. The demand for new and improved services adds to the planning and financing complexity of asset management.

Councils can at times fail to accurately quantify the ongoing operations and maintenance costs and renewal costs when making the initial capital investment decision. The creation of new assets presents challenges in quantifying and funding the ongoing operating and replacement costs necessary to provide the needed service over the asset's full life cycle.

The national frameworks on asset planning, asset management, financial planning and reporting endorsed by the Local Government and Planning Ministers' Council (LGPMC) require councils to adopt a longer-term approach to service delivery and funding comprising:

A strategic longer-term plan covering, as a minimum, for the term of office of the councillors:

- Service management plans linked to the long term financial plans,

Demonstrating how council intends to;

- Resource the plan, and
- Consult with communities on the plan
- Budget annually that funds the strategic objectives, and

the production of an Annual report with;

- Explanation to the community on variations between the budget and actual results
- Any impact of such variances on the strategic longer-term plan
- Report of operations with review on the performance of the council against strategic objectives.

Framework 2 of the LGPMC, Asset Planning and Management, has seven elements to assist in highlighting key management issues, promote prudent, transparent and accountable management of local government assets and introduce a strategic approach to meet current and emerging challenges.

The seven elements are:

1. An asset management policy
2. Strategy and planning that includes;
 - a. service management strategy
 - b. service management plans
3. Governance and management arrangements
4. Defined levels of service
5. Data and systems
6. Skills and processes, and
7. Evaluation.

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The goal of service management is to ensure that services are provided:

- In the most cost effective manner
- Through the creation, acquisition, maintenance, operation, rehabilitation and disposal of assets,
- or through non asset based solutions
- For present and future consumers in an equitable manner

The objective of this SMS is to define a framework to guide Council's planning, construction, maintenance and operation of infrastructure and other assets essential for Council to provide the appropriate services to the community.

1.2 FORECASTING LONG-TERM SUSTAINABILITY OF LOCAL GOVERNMENT

Across Australia there are concerns about the ability of Councils to generate sufficient revenue (a significant portion of which comes from state and federal government grants and subsidies) to cover capital, maintenance and operating costs for the assets under their stewardship. In October 2016, the Queensland Audit Office (QAO) report, *'Forecasting long-term sustainability of local government'*, was tabled in parliament. The QAO examined all of the state's 77 councils, with several councils being more closely examined. The broad intention of the audit was to find out how well the council sector balances its revenue sources and expenditure demands in order to form a sustainable long-term financial model for its respective council area. In part, the audit found that *"most councils plan poorly for the long term. Their long-term financial forecasts and service management plans lack substance and rigour"*. The QAO recommended Queensland councils improve the quality of their long-term forecasts and financial planning by:

1. Maintaining complete and accurate asset condition data and service management plans
2. Implementing a scalable project decision making framework for all infrastructure asset investments
3. Engaging directly with their communities on future service levels
4. Developing financial plans to explain their financial forecasts and how they intend to financially manage the council and its long-life assets

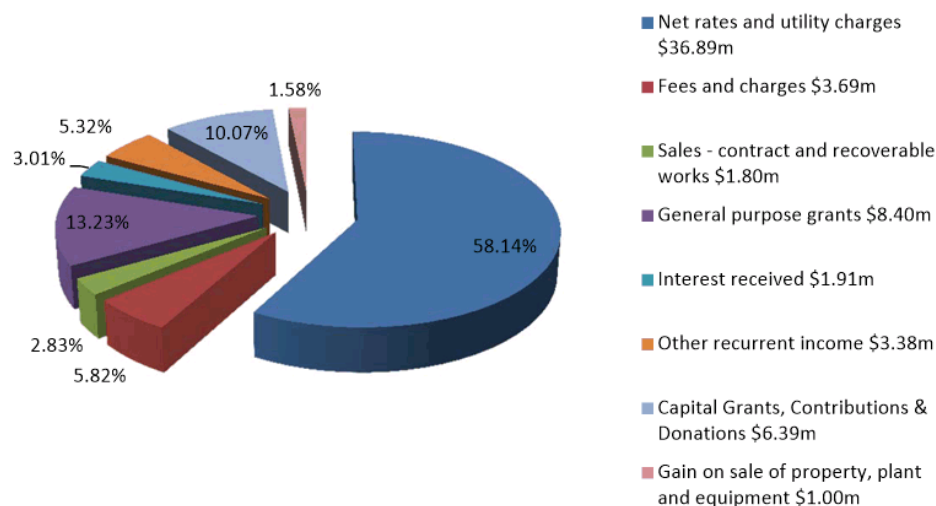
In recent times, Lockyer Valley Regional Council has made significant progress in the updating of service management plans (renamed from asset management plans to provide a greater focus on the delivery of services) to better reflect the affordable service level requirements and future investment demands. In addition, there is now a greater focus across the organisation on the timely renewal of assets rather than an over emphasis on the provision of new assets.

1.2.1 SOURCES OF REVENUE

Council operates in a fiscally constrained environment with the ability to raise revenue limited by:

- ratepayer ability and willingness to pay for services
- amount of grants and subsidies available from various levels of governments
- council's own ability to attract revenue through other means
- appetite of the community for the sale of assets that are deemed no longer required.

Figure 1. Revenue by Source, 2016-17 Financial Year



Approximately 13% of revenue for the Lockyer Valley Regional Council has been supplied through general purpose government grants. This high reliance on external funding streams makes it imperative for Council to manage the balance between services, assets and controlling operational expenditure to achieve long term sustainability.

1.3 COUNCIL'S CORPORATE PLAN

Council's 2012-2017 Corporate Plan has minimal detail in relation to asset management, providing the following text under the *Lockyer Planned* theme "Council will develop and operationalise the 10 year asset management plan for all council infrastructure".

It is recognised that this situation must be improved for an organisation with governance over assets with a current replacement cost in the vicinity of \$625 million. The production of this Service Management Strategy document and the updating of the subordinate service management plans is a significant step forward for the cultural journey of Council in the field of asset management and service provision.

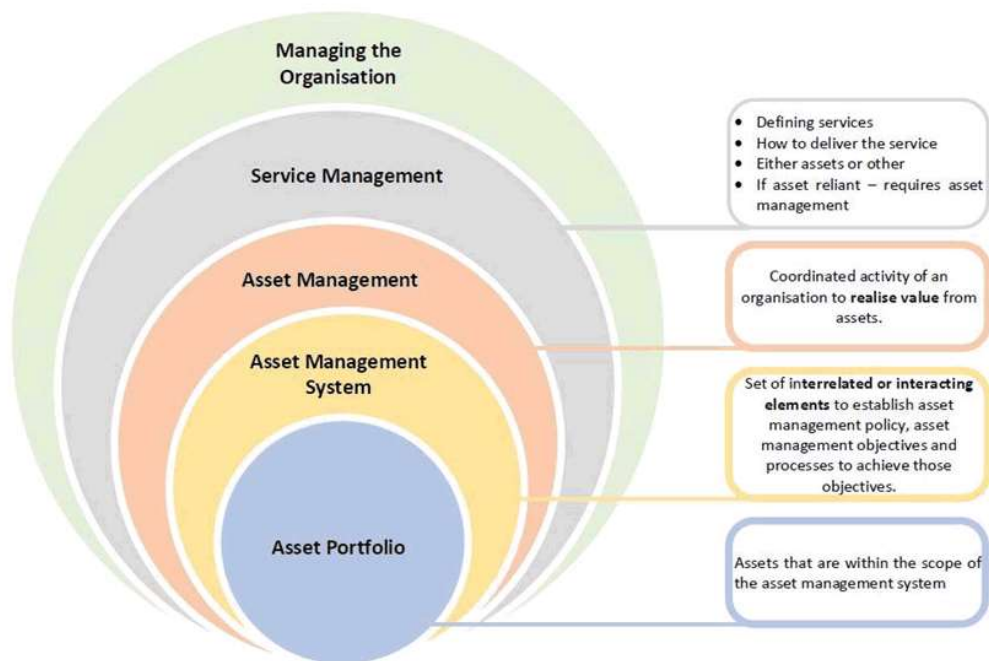
1.4 SERVICE MANAGEMENT PLANNING PROCESS

Service management planning is a comprehensive process to ensure that assets are managed and maintained in a way that enables affordable services from infrastructure to be provided in an economically optimal way. Service management planning commences with defining stakeholders, legal and service requirements and balancing needs vs. 'nice to haves'. These quantified needs flow into the organisations strategic planning processes. They help to define inputs and outputs of service management and operational plans, that link through to a long-term financial plan that identifies revenue sources balanced to financing needs to ensure that Council can remain sustainable whilst delivering appropriate services to the community.

1.4.1 SERVICE MANAGEMENT VS. ASSET MANAGEMENT

Service Management involves the defining of services that the Council provides to the community. This is based on providing services that are either regulated (must be provided by Council, dictated by legislative or regulatory requirements) or are determined by Council as a service that the community either needs or wants and is willing to pay for which can be sustained over the longer term. Asset Management comes into play where the Council has decided to provide a service through the provision of infrastructure and involves managing the assets in the most cost effective way over the assets whole of life. The interrelationship between services and assets is shown pictorially in the diagram below.

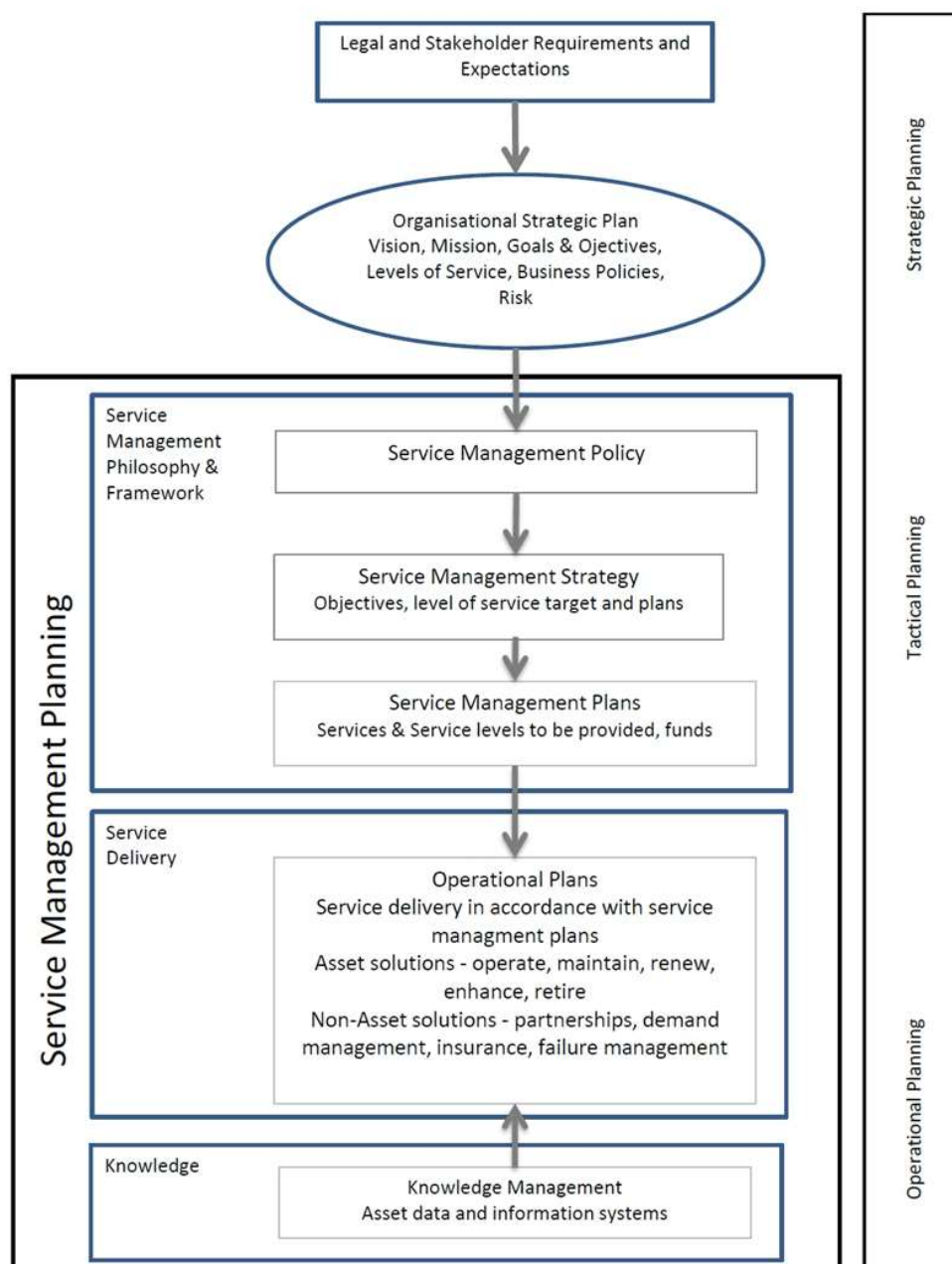
Figure 2. Relationship between Service Management and Asset Management



Source: adapted from <http://www.assetivity.com.au/images/%20the%20org.png>

The following diagram depicts the service management planning process in relation to delivering services to the community through assets. Each stage requires an organisational commitment to service management planning and providing value for money for our ratepayers and stakeholders.

Figure 3. Service Management Planning Process (Providing services through infrastructure)



Source: Adapted from Figure 4. *Asset Management Planning Process*, Australian Infrastructure Financial Management Guidelines, pg. 5, Edition 1.0 – 2009, Institute of Public Works Engineering, Australia.

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2 WHAT ASSETS DOES COUNCIL MANAGE ON BEHALF OF THE COMMUNITY?

Council provides services to the community through the provision of assets that either deliver a service or enable the delivery of the service. The list below is not exhaustive and will need to be expanded upon once a greater understanding of the full suite of services that the Council delivers is fully defined. The range of assets and the services provided from the assets is shown in Table 1.

TABLE 1. ASSETS USED FOR PROVIDING OR ENABLING SERVICES

Asset Type	Description	Services Provided
Buildings and Facilities	Various corporate and community buildings	Administration, libraries, depots, cultural centres, community halls, pools and other facilities that enhance the liveability of the LVRC region and provide corporate accommodation for the service delivery units.
Bores	Water bores and other water infrastructure	Water bores support the operations of Council particularly in the Parks & Open Spaces, Infrastructure Delivery and Disaster Management areas.
Plant and Equipment	Motor vehicles, trucks, earthmoving equipment, vegetation control equipment and ancillary equipment.	Supports corporate and operational areas of Council as well as the SES, to enable the Council to deliver services throughout the region.
Roads, Crash barriers, Carparks and Traffic Management	Formation, pavement and seals and other road infrastructure that make up the road network throughout the region.	Roads provide accessibility for the community and visitors to engage in commercial, educational, medical and social activities throughout the region.
Bridges, Culverts and Floodways	Traffic and pedestrian bridges and concrete floodway's.	Provide the ability for the community to cross water courses located within the road reserves and parks and open spaces throughout the region.
Kerb and Channel	Various types of kerb and channel and crossovers in predominately urban areas.	Kerb and channel allows the movement of surface runoff from rain events to be moved in an efficient manner from the road surface to drainage lines. It limits the opportunity for rainfall runoff to enter private properties.
Stormwater Drainage	Various pipes and pits in a network to take rainfall runoff and transport it to natural drainage lines i.e. creeks, gullies etc.	Stormwater assets remove surface runoff to appropriate disposal locations to protect community and private infrastructure from inundation.
Parks Assets	Various playgrounds, seats, waste receptacles, structures, and landscaped areas.	Various parks embellishments to allow the enjoyment of parks and open spaces for the pursuit of cultural and recreational opportunities.
Waste Management	Landfill, and supporting infrastructure	Various infrastructure for the disposal of waste to meet legislative and environmental compliance and provide security for Council assets located at the facilities.

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Asset Type	Description	Services Provided
Disaster Management	Various assets to assist with the planning and response to disaster events.	Flood warning Disaster preparedness Community education Disaster support and response Provision of information
Information, Communication and Technology	Various hard and soft assets that support the operation of the business through the provision of computers and other technologies that allow efficient communications and information processing.	Management of Councils suite of computers, printers and business technologies to allow the provision of services to the community across the region in an efficient manner.

2.1 HOW OUR ASSETS REALISE VALUE

Throughout the region, we have thousands of physical objects and many kilometres of linear assets. In financial terms these assets are often referred to as fixed assets because unlike liquid assets, such as cash, their potential value is locked and realised over time. In the case of some assets, such as roads, bridges and buildings, this can be 50 to 100 years or more. The key focus of service management is to realise value for the significant investment that the community makes in these assets.

2.2 STATE OF THE ASSETS

The financial status of the regions assets is shown in Table 2 below.

TABLE 2. FINANCIAL STATUS OF THE REGIONS ASSETS

Type	Current Replacement Cost	Accumulated Depreciation	Depreciated Replacement Cost	% Consumed of Asset Class
Buildings and Facilities	90,396,444	33,009,480	57,386,965	36.52%
Bores	1,278,399	987,962	290,438	77.28%
Bridges	23,330,498	5,645,531	17,684,967	24.20%
Crash Barriers	1,487,722	313,843	1,173,879	21.10%
Car Parks	2,300,810	660,073	1,640,737	28.69%
Culverts	20,886,095	7,997,873	12,888,222	38.29%
Formation	79,283,070	0	79,283,070	0.00%
Pavements	221,438,403	42,583,185	178,855,217	19.23%
Seals	63,376,803	12,460,807	50,915,995	19.66%
Stormwater (Urban)	38,527,071	9,593,893	28,933,179	24.90%
Floodways	23,231,937	6,480,530	16,751,407	27.89%
Footpaths	7,657,305	2,750,743	16,751,407	35.92%
Kerb & Channel	17,413,286	6,111,296	11,301,990	35.10%
Traffic Islands	1,326,917	496,456	830,461	37.41%
Parks Related	8,799,906	2,566,381	6,233,525	29.16%
Plant & Fleet	17,370,527	7,350,551	10,019,975	42.32%
Waste Management	6,667,020	994,746	5,672,274	14.92%
Total	\$624,772,213	\$140,003,349	\$484,768,863	

FIGURE 4. CURRENT REPLACEMENT COST OF THE REGIONS ASSETS BY PROPORTION

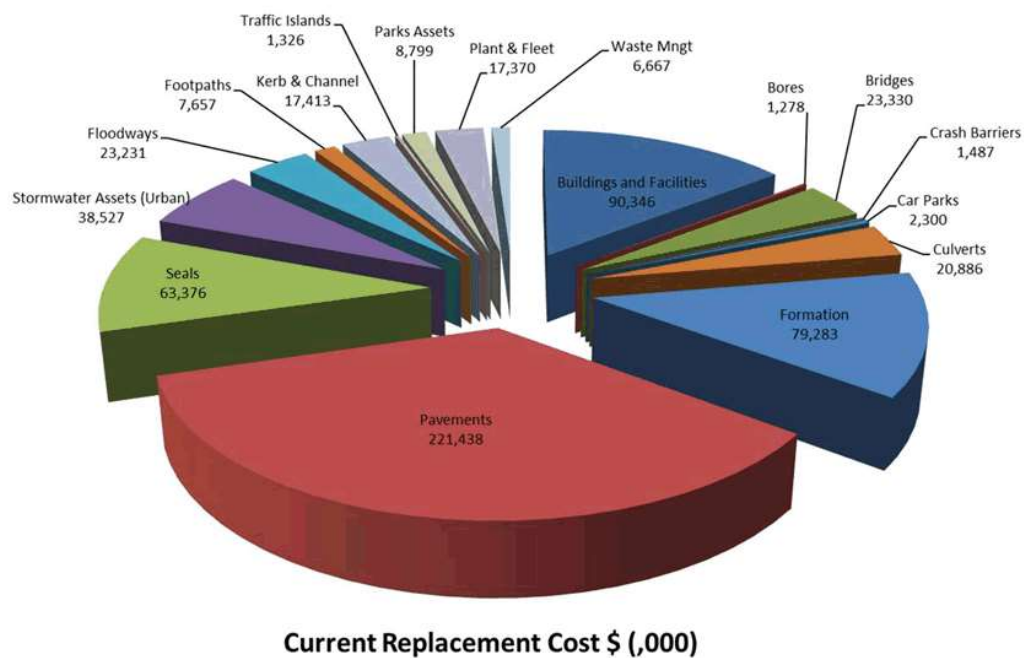
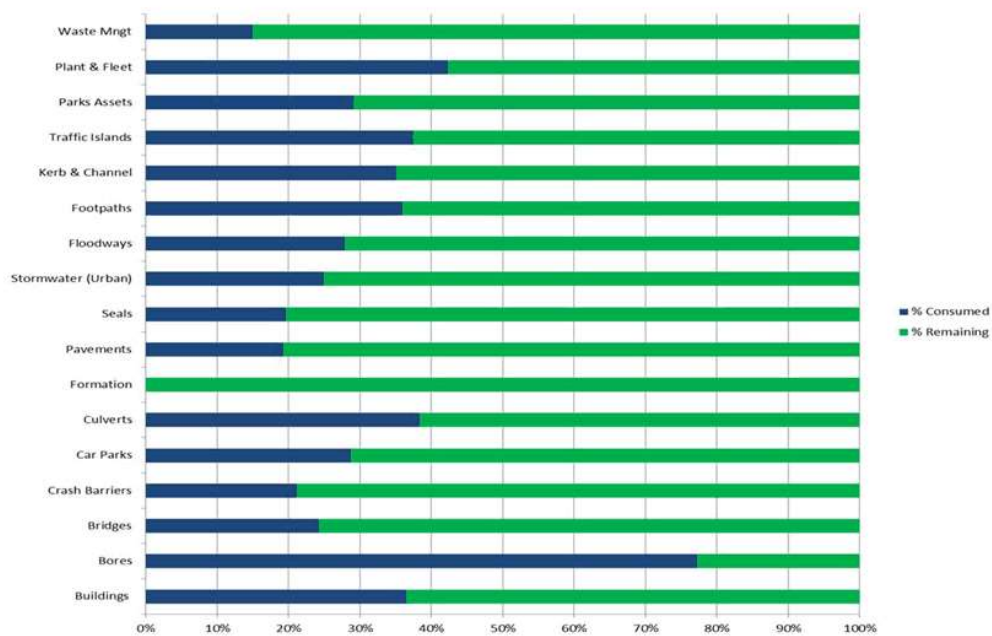


FIGURE 5. ASSET TYPE BY PERCENTAGE CONSUMED



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2.3 SERVICE MANAGEMENT PLAN SUMMARIES

2.3.1 BUILDING AND FACILITIES

Lockyer Valley Regional Council is in the process of reviewing the accuracy of the Buildings and Facilities asset inventory, condition and service requirements throughout the region. The projected population growth for the Lockyer Valley is unlikely to require an increase in buildings and facilities assets into the foreseeable future due to the significant number of buildings and facilities that are currently maintained. However, the projected growth in the Plainland and Hattonvale areas may require a review of the distribution of current buildings and facilities assets as the residents of these areas seek access to equitable Council services.

The SMP shows that assets are generally being maintained at acceptable levels and that capital expenditure is in line with current requirements. One major concern is the current investment level in renewals, meaning that although the level of investment is appropriate the split between providing new assets and renewing current assets may be out of alignment. Council will need to improve the asset information on the buildings and facilities assets so that informed decisions can be made in the provision of services provided by the buildings and facilities assets across the region. Councils significant holding of water bores will be included in future iterations of this plan

2.3.2 DISASTER MANAGEMENT

The Disaster Management Service Management Plan is based on Councils field based flood warning infrastructure, The Local Disaster Coordination Centre equipment (LDCC) and minor assets allocated to the Lockyer Valley State Emergency Service (SES).

All infrastructure covered under the plan is related to disaster management operations which directly impact the Lockyer Valley Regional Councils ability to maintain effective response capability for disaster events as well as planning and maintaining preparedness for future events. There is a risk attached to not upgrading equipment as this will ultimately lead to failure or inability to integrate with other systems which have been modernised over time.

2.3.3 FLEET MANAGEMENT

Council currently operates and maintains a significant fleet with a current depreciated replacement cost of \$9.8 m. To replace this fleet in current costs would require an investment of over \$20m. In 2011 devastating floods impacted the Lockyer Valley and Council kept the fleet inventory at the levels at the time to assist with the recovery effort. Since 2016 Council has embarked on a review of its fleet and has worked on a 'right sizing' of the fleet to meet service delivery requirements and remain within affordability constraints. The fleet 'right sizing' has been undertaken and largely completed during the 2016/17 financial year. The current fleet holdings are deemed appropriate to the levels of service that are delivered across the region. Within the Fleet SMP fleet requirements have been defined and a replacement program developed for the 10 year planning period. The SMP will be reviewed each year to ensure that it remains relevant to the organisation.

2.3.4 INFORMATION, COMMUNICATION AND TECHNOLOGY

The Information Communication & Technology (ICT) Service Management Plan covers the ICT assets that serve the Lockyer Valley Regional Council. ICT assets are provided to enable the capture, organisation, sharing and use of information to meet our strategic objectives, including supporting the organisation in the delivery of services to the community. These assets have an approximate value of \$7.5M and include ICT applications/software, Desktops and notebooks (laptops), Mobile Devices, Network Equipment, Servers, Data Storage, Uninterruptable Power Supplies (UPS), Wireless Access Points (WAP), ICT Security Appliances, CCTV, Audio Visual Equipment, Printers, Scanners, and Plotters.

In previous years the majority of ICT equipment was purchased outright. However, from the 2013-2014 financial year, this approach moved to the lease of ICT equipment where appropriate e.g. where the value is over \$1,000 with a lifetime of 5 years or less that is used in a controlled environment.

2.3.5 TRANSPORT

Council maintains stewardship over approximately \$460m (fair value) of the community's roads and road related assets that make up the transport networks throughout the region. Since the 2011 flooding event approximately \$200m worth of assets have had significant repairs and renewal occur. The unplanned result of this occurrence is that Council has had a high level of investment in the transport infrastructure through largely external funding streams. Councils transport assets when viewed at a macro level are in relatively good condition and Council is well placed to maximise the benefit from this significant investment. Council has devoted significant effort over the past two (2) years inspecting and condition rating its transport assets. The SMP is based on a good knowledge of the

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networks and their performance in service. Future iterations of the SMP will need to include a greater focus on the deterioration modelling of the asset classes and better modelling of future renewal expenditure.

2.3.6 PARKS AND OPEN SPACES

Council maintains stewardship over approximately \$8.4m (fair value) of the community's parks and open space related assets that make up the various parks, playgrounds and open space recreation areas throughout the region. The parks assets are in relatively good condition. Most parks assets will remain in service for a long time and generally will not be replaced due to their structural deterioration but more from the fact that overtime they will lose appeal to the users of the playground equipment. Council has had a planned approach of replacing park equipment with modern engineering equivalents that have a higher level of durability and less maintenance requirements i.e. replacing timber seats with anodised aluminium seats. The longer term view of this asset class will require a focus on understanding the residential spread throughout the region and providing equitable access to recreational facilities throughout the region. In some instances an opportunity may exist to review the level of service provided at some parks and realign to the current and future community's needs in preference to maintaining the status quo.

Council has recently captured an inventory of all cemetery assets across the region and a service management plan will be developed to recognise the significant investment in cemetery assets that exists across the Lockyer Valley to ensure adequate planning is undertaken to maintain service levels in this area.

2.3.7 STORMWATER

Council has collected an inventory of known stormwater networks throughout the residential areas of the region. A comprehensive condition survey of the Gatton stormwater network was undertaken in 2016. This information is to be used to guide a network assessment of the stormwater network in Gatton to understand any deficiencies in capacity. Following on from this assessment and further work on the inventory and condition of the Laidley stormwater network a service management plan will be written to provide investment needs for this asset class over the 10 year planning period.

2.3.8 WASTE MANAGEMENT

Council provides a range of waste management services to the Lockyer community. Eight (8) sites are available for the deposition of waste. Six (6) sites are designated as transfer stations and two (2) are landfill operations, one (1) for general waste is located at Gatton and one (1) for inert waste is located at Laidley. Each site caters for recycling and reuse opportunities. A purpose built tip shop is available to buy recycled/reusable items at Gatton.

Council faces a continuing exposure in relation to the rehabilitation and ongoing management of several uncapped former waste sites throughout the region. The management of these sites will form a component of the Waste Services Management Strategy that is under development.

A detailed Waste Services Management Plan is currently under development. Known impacts on waste services will be highly dependent on the review of the Waste Reduction and Recycling Strategy which will be undertaken in 2017/18. This review will include an assessment of the preferred method of waste disposal for the Lockyer Valley community going forward; being either continued landfill operations or the potential for long haul operations to other waste disposal operators.

3 THE LOCKYER VALLEY REGION AS PART OF THE GREATER SEQ REGION

The Lockyer Valley Region is part of the greater South East Queensland Region. In the draft South East Queensland Regional Plan, "ShapingSEQ, October 2016" the Lockyer Valley is recognised as a major agricultural production area, as well as a regionally significant area for what is termed in the Regional Plan as a 'special uses area'. The special uses area includes the Helidon hazardous industry precinct and the Southern Queensland high security correctional centre which both support regionally and nationally significant, special and hard to locate uses in south east Queensland whose activities must be protected.

Other factors of significance which may impact the region going forward include:

- Proposed inland railway line from Melbourne to Brisbane traversing through the Lockyer Valley
- Long term plan for a rail passenger service from Brisbane to Toowoomba
- Impacts of the Wellcamp International Airport and the desire to see more high value agricultural production being directly exported on air freight
- Second range crossing and changes to road freight dynamics
- Residential and commercial development at Plainland and Hattonvale
- Potential for increased urban footprint at both Gatton and Laidley
- Possibility for industrial land development west of Gatton
- Population growth projections
- University of Queensland education precinct focussing on animal and horticultural production

3.1 GROWTH PROJECTIONS

TABLE 3. POPULATION GROWTH PROJECTIONS

2015	2041	% Growth Movement
38,800	61,000	57 ↑

TABLE 4. DWELLINGS SUPPLY BENCHMARKS

2015	2041	Additional Dwellings
13,300	23,900	10,600

TABLE 5. JOBS WITHIN THE REGION

2015	2041	Additional Jobs Created
12,100	19,200	7,100

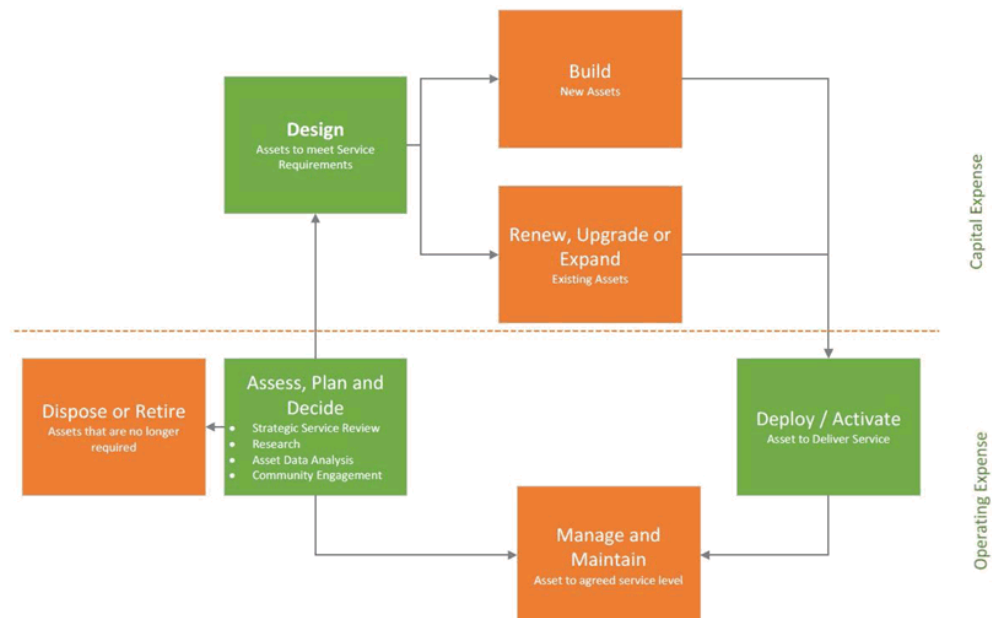
TABLE 6. GROWTH PROJECTIONS

Type	2015	2041	% Change
Population	38,800	61,000	57 ↑
Dwellings	13,300	23,900	79 ↑
Jobs	12,100	19,200	58 ↑

The Lockyer Valley regions growth projections will inevitably lead to a greater demand for Council services. An interesting projection in the draft South East Queensland Regional Plan is the increase in additional dwellings which will come from greenfield developments. The plan identifies limited opportunities for infill developments throughout the regional towns. Greenfield developments will see an increase in Council's asset stocks in the areas of roads, stormwater and open space infrastructure.

4 UNDERSTANDING THE CONNECTION BETWEEN SERVICES AND ASSETS

FIGURE 6. UNDERSTANDING ASSET LIFECYCLE DECISIONS



Source: Adapted from *Asset Decision Cycle*, City of Melbourne, Asset Management Strategy 2015-25.

The first thing that must be understood is what is the service that Council either is delivering or wishes to deliver? Once this is clarified Council follows a logical process that:

- Defines the issue
- Understands what the community need vs. wants
- Decides how the Council will address the issue
- Reviews that the service is affordable, sustainable and equitable
- Researches other options that may deliver the service more efficiently
- Decides to deliver the service through infrastructure or other means
- Once a decision is made to deliver a service through infrastructure then the diagram above applies and becomes cyclic in nature until the service is either ceased or its form of delivery changes.

4.1 RENEWAL VS. UPGRADE VS. NEW

Council in principle will endeavour to renew assets in preference to establishing new assets. What this means is that where possible Council will replace existing assets with like for like, even though these assets will be replaced with modern engineering equivalents at the time of renewal. Upgraded assets will come into existence where Council has made a decision to improve either the levels of service or the function offered by an asset or assets, e.g., if the decision is made to take a single lane road and upgrade it to a double lane road. In this instance both the function and the level of service is increased and results in an upgrade.

New assets will come from contributed assets, these assets will generally come through the development industry when new subdivisions are created to offer land for sale for residential or commercial purposes. Other opportunities may arise for new assets to come into existence where a need is identified for a new service and a funding source can be identified to pay for the service extension.

In principle council will aim to fund asset renewals from own source funding and upgrades and new will be funded either partially or in full from external funding sources or from contributed assets provided to Council at no initial

Lockyer Valley Regional Council – Service Management Strategy 2017 - 2020

cost. All assets no matter their source will have ongoing operations, maintenance and depreciation expenses for the life of the asset for as long as the service requirement remains.

5 CONTINUOUS IMPROVEMENT - THE WAY FORWARD

A number of strategic improvements have been identified for Council to lift its asset management capability; they include improvements in the areas of:

- Decision-making
- Information
- Design standards and levels of service
- Skills

Decision-making capabilities will be critical in making the right investment decisions, at the right time. To make these decisions, the right information needs to be presented to our decision-makers. To assemble the right information we need access to the right data in a timely manner, supported by the right processes and systems.

5.1 RIGHT DECISIONS

We will:

- Establish an agreed approach to decision-making that is more evidence-based yet still allows for agility

We will:

- Find more resourceful asset solutions and establish new ways of engaging the community about our decisions, plans and performance.

There are a number of key decisions made throughout the life of an asset. These decisions are often triggered and supported by information sources such as strategic service reviews, opportunity assessments, research, asset performance data and customer or community feedback.

Four key decisions underpin what is often referred to as the 'asset cycle' with each having significant and interdependent financial implications (both capital and operating) now and in the future:

- Decision to procure or build a new asset
- Decision to renew or upgrade an existing asset
- Decision to continue to maintain the asset
- Decision to retire or dispose of an asset

The decision to commit capital funding to procure or build a new asset must always be made with an understanding of the downstream consequence. It commits the ratepayer to ongoing operating costs and future capital costs. The annual operating costs may not only include the cost to activate the asset by operating the service for which the asset was intended but also the scheduled and unscheduled operating and maintenance regimes that will be required throughout its entire useful life.

To support better decision-making, the Council will establish an evidence-based decision framework for asset management that considers the following:

- Strategic service reviews and opportunity assessments
- Research
- Asset performance data and analysis
- Customer and community feedback
- Prioritization tools to guide investment decisions

5.2 RIGHT INFORMATION

We will:

- Find innovative ways of engaging and collaborating with our community and strategic partners

We will:

- Establish an agreed baseline of current design standards and service levels, set targets and report on our asset performance.

We will:

- Continue with improvements to the asset data including inventory and condition. This will need to include work to capture a full inventory of all of the communities assets across the region with a standardised condition rating model (currently IPWEA condition rating 1 -5)

We will:

- Develop degradation modelling for all long life assets to provide greater reliability for long term financial projections for asset renewals.
- Develop for all assets a 10 year capital, maintenance and operations financial projections, prepared to inform the service management plans and the long term financial plan.

We will:

- Identify, procure and implement software that includes a central repository for all of Councils ongoing capital works project requirements that include the ability to store project information and a prioritization tool that allows all projects to be ranked in an equitable and sustainable manner.

In order to make the right decisions it will be important to present options and recommendations to our decision-makers based on solid evidence.

5.3 DESIGN STANDARDS AND LEVELS OF SERVICE

Design standards provide a standard design for selected assets that can be used to guide procurement, construction or reinstatement. The standards describe the typical features of the assets and include technical drawings and specifications. A design standard baseline would provide a transparent reference point for decision-making and potentially support economies of scale as asset solutions are standardised.

Establishing a baseline for asset service levels would require discussions with our customers and stakeholders about functionality, capacity and condition. Through community consultation Council would get a greater understanding of what is important to 'the community' which in turn would guide Council's deliberations on appropriate levels of service that the community needs and is willing to pay for.

We will:

- Develop 'levels of service' for each asset class including condition, function and capacity.

5.4 SKILLS

The skills and knowledge of our people are paramount to Council's ability to plan effectively to deliver services to our community through the provision of appropriate and affordable infrastructure. Our people must be appropriately trained and qualified. Council will achieve this through providing the opportunity for staff to gain the necessary skills and abilities to undertake effective service planning and provision through either infrastructure or non-asset based services. Skills and knowledge may be gained through both 'on the job' and more formalised skills development programs to achieve the required level of competency.

We will:

- Identify skills gaps
- Identify appropriate training and development opportunities
- 'Grow from within' where appropriate
- Provide on-the-job training
- Set clear and realistic performance goals in line with available information, resources and operational plans
- Encourage membership of relevant industry associations
- Provide opportunities for attendance at forums and industry supported events where a clear benefit can be identified

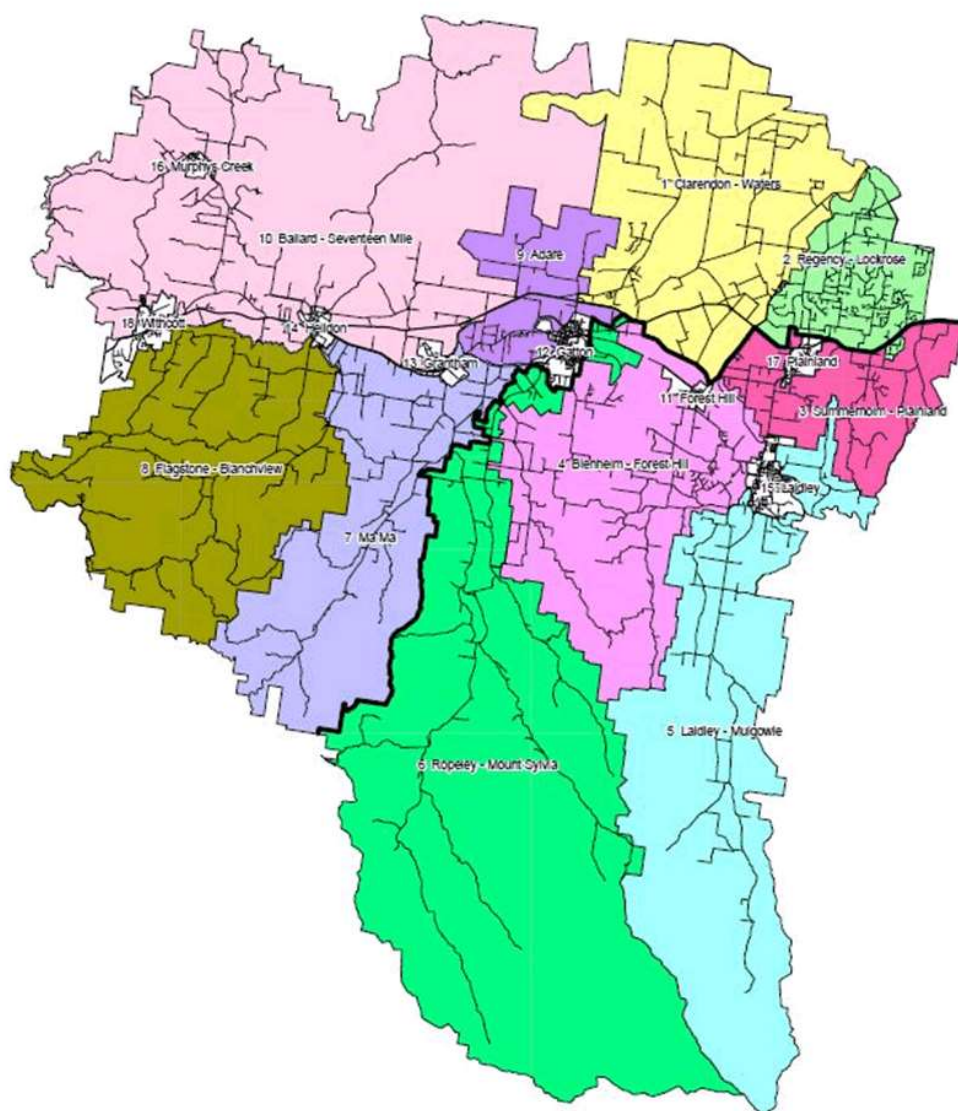
6 PERFORMANCE IMPROVEMENT PLAN

Element	How	Accountability	Timeline
Skills	<ul style="list-style-type: none"> Undertake skills gap analysis and identify development opportunities 		
Standards	<ul style="list-style-type: none"> Develop standard drawings and specifications for each infrastructure type linked to level of service to current engineering standards Establish effective controls for development standards and control to ensure that the community is getting the right infrastructure 		
Information	<ul style="list-style-type: none"> Establish needs for central repository for asset replacement project collation and investment prioritisation Develop and agree upon prioritisation model to guide investment decisions 		
Service Management Planning	<ul style="list-style-type: none"> Agree upon a standardised format for SMP's that provide consistent information that meets statutory and organisational requirements Develop Levels of Service for each service in consultation and agreement with council Develop maintenance methodologies and Works Order structures to capture costs for infrastructure assets where none exist Create standardised processes within Technology One for works management across all asset groups 		
Community Engagement	<ul style="list-style-type: none"> Conduct community engagement on Levels of Service 		
Performance Reporting	<ul style="list-style-type: none"> Develop reporting metrics based on condition, function and capacity for all asset types for communication with the community 		

7 REVIEW

This strategy will be reviewed annually for effectiveness through the Asset Management Working Group and any necessary variations will be discussed with Council before formal adoption to ensure that the strategy remains relevant for the Lockyer Valley Regional Council now and into the future.

APPENDIX 1. MAP OF THE LOCKYER VALLEY REGION



Lockyer Valley Regional Council – Service Management Strategy 2017 - 2020

Lockyer Valley Regional Council



Buildings and Facilities



Service Management Plan



Data Set - Scenario 2 Version 4

May 2017

LOCKYER VALLEY REGIONAL COUNCIL – BUILDINGS & FACILITIES SERVICE MANAGEMENT PLAN

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V2	15/01/2017	Modify data and match format of other SMP's	John Byrnes	Mike Lisle	
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EXECUTIVE SUMMARY

This Service Management Plan describes the building related assets provided to the community and the considerations that need to be made to ensure that provision of these assets is carried out in a sustainable and equitable manner, now and in the future.

1. CONTEXT

Lockyer Valley Regional Council is a rural council with a population of 38,312¹ and a diverse range of buildings and facilities.

The Buildings and Facilities provide the essential and recreational amenities to the Lockyer Valley community. The area has a significant anticipated population increase by 2031, which may mean investing in new or extending existing facilities.

The majority of Buildings and Facilities have been inherited from two previous Shires in the amalgamation process. This has created some duplication of facilities and a surplus asset inventory. Lockyer Valley Regional Council is in the process of consolidating the Buildings and Facilities asset inventory. The list of underutilised or non-utilised buildings can be found in Appendix K and discussed further in section 6.10. The projected growth in population is not expected to create a demand for new facilities for in the near future due to the current excess capacity. A demand is anticipated to upgrade existing facilities before major new facilities are provided.

This Service Management Plan is considered a foundation for the future of facilities service management within LVRC. It is a snapshot of the current status of the viability of the facilities and the capability of LVRC to effectively manage assets into the future. It has highlighted that more information about the buildings is required to enable decisions to be made.

In the compilation of this SMP some shortcomings in data and processes have been highlighted. While these shortcomings are being addressed the SMP will be updated regularly. Future review of the SMP will include a review of the assets following a review of this operation. The shortcomings are typical during the initial stages of asset maturity development and are by no means unique to LVRC.

This SMP shows that assets are generally being maintained at acceptable levels and that capital expenditure is in line with current requirements. LVRC is, in general, managing the facilities assets at an acceptable level. The major concern is the current investment level in renewals. The investment is less than the current depreciation charge, which in turn is less than the project renewal requirement. The renewal requirement will need investigation before the next iteration of the Service Management Plan. It also shows that LVRC require improved data on the assets and a focused strategic service management capability to increase the confidence of decision making and provide more detailed and accurate long term financial forecasts.

2. WHAT DOES THIS PLAN COVER?

The Buildings and Facilities comprise of the following categories:

- Business and Commercial
- Community Halls and other public buildings
- Corporate offices and depots
- Public Amenities
- Transfer Stations

Table 1: Facility Values by Type

	Total	Top 10	Remainder
Business & Commercial	\$8,412,324	\$0	\$8,412,324
Community	\$63,776,655	\$40,054,081	\$23,722,574
Corporate	\$13,383,680	\$3,076,250	\$10,307,430
Public Amenities	\$5,579,965	\$0	\$5,579,965
Transfer Station	\$51,280	\$0	\$51,280
Total	\$91,203,905	\$43,130,331	\$48,073,573

¹ Australian Bureau of Statistics 2016

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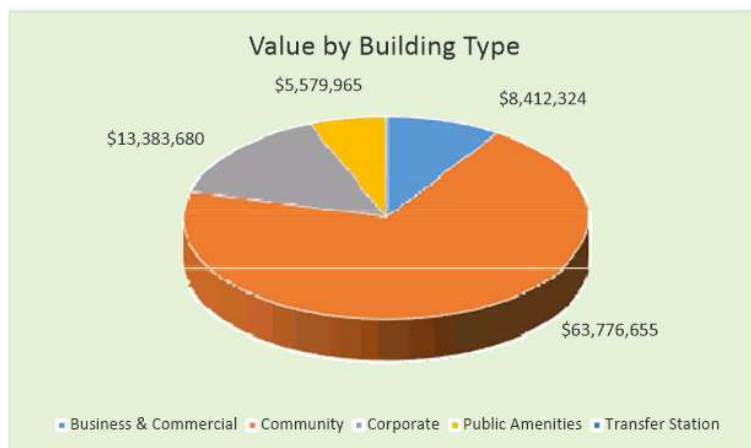


Figure 1: Facility Values by Type

In order to provide a focused Facilities Strategy LVRC have identified their Top 10 Facilities with this plan showing the split between the Top 10 and the remainder of the facilities.

The Top 10 Facilities are:

- Lockyer Valley Sports and Aquatic Centre
- Lockyer Valley Cultural Centre
- Grantham Butter Factory
- Murphys Creek Community Hall
- Helidon Soldiers Memorial
- Laidley Multi-purpose Community / Sports Centre
- Gatton Administration Building
- Laidley Cultural Centre
- Gatton Shire Hall
- Withcott Indoor Sports Centre

These infrastructure assets have the following replacement values:



Figure 2: Facilities Assets Current Replacement Value

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3. FACILITIES CONDITION PROFILE

The condition of the facilities has been assessed by having the Top 10 facilities inspected by external parties and using in-house knowledge for the remainder. Figure 3 below shows the condition profile of the facilities. This shows that the facilities are generally in a fair to very good condition.

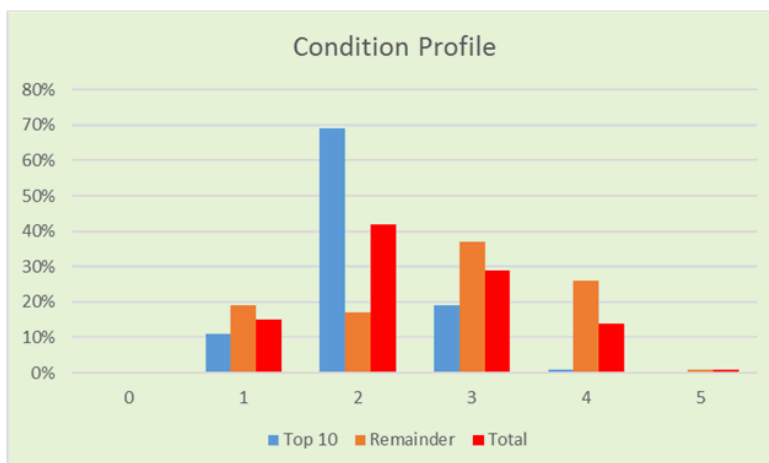


Figure 3: Facilities Condition Profile

4. EXPENDITURE ANALYSIS

Expenditure is incurred on facilities related assets in three main areas, these being:

- Operations and maintenance - day to day costs to keep the assets in a serviceable condition and to slow the rate of deterioration.
- Renewals - replacing assets with like for like to deliver the same level of service, at or near the end of the assets economic life.
- New/upgrade works - replacing assets with a new or improved asset to provide a higher level of service than was previously provided or a new service, i.e. safer road, reduced travel times, improved drainage, providing a service that did not previously exist in that location etc.

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5. OPERATIONS AND MAINTENANCE EXPENDITURE

The forecast operations and maintenance expenditure can be seen in Table 2. It has been assumed the current levels of maintenance will be continued for the 10 years of this plan and that current levels of service are deemed appropriate. As the facilities asset portfolio is expected to initially decrease as excess buildings are disposed of the operations and maintenance expenditure is assumed to be level over the next 10 years. Although new facilities are expected to be developed in the last few years of the 10 year plan the maintenance effort on these is expected to be minimal with the time frame of the 10 year plan.

Table 2: Operations and Maintenance Expenditure (\$000's)

	Year	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
	Operations	\$1,205	\$1,214	\$1,217	\$1,220	\$1,222	\$1,225	\$1,228	\$1,231	\$1,234	\$1,237
Total	Maintenance	\$2,595	\$2,615	\$2,622	\$2,626	\$2,632	\$2,639	\$2,645	\$2,652	\$2,658	\$2,665
	Total	\$3,800	\$3,829	\$3,839	\$3,846	\$3,854	\$3,864	\$3,873	\$3,883	\$3,892	\$3,902
Top 10	Operations	\$589	\$597	\$600	\$602	\$604	\$607	\$609	\$612	\$614	\$617
	Maintenance	\$1,201	\$1,218	\$1,223	\$1,227	\$1,232	\$1,237	\$1,242	\$1,248	\$1,253	\$1,258
	Total	\$1,790	\$1,815	\$1,823	\$1,829	\$1,836	\$1,844	\$1,851	\$1,860	\$1,867	\$1,875
Remainder	Operations	\$616	\$617	\$618	\$618	\$618	\$619	\$620	\$620	\$621	\$621
	Maintenance	\$2,011	\$2,014	\$2,017	\$2,018	\$2,019	\$2,021	\$2,023	\$2,024	\$2,027	\$2,028
	Total	\$2,627	\$2,631	\$2,635	\$2,636	\$2,637	\$2,640	\$2,643	\$2,644	\$2,648	\$2,649

The table above is summarised in the following two pie charts: Figure 4 and Figure 5:

Figure 4: Operations Expenditure over 10 Years



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Figure 5: Maintenance Expenditure over 10 years



Based on asset value the expenditure seems to be within acceptable proportions. Based on the number of facilities the spending is weighted heavily in favour of the Top 10 facilities. Considering the public interaction, the use of the facilities and the risk of the Top 10 facilities compared to the Remainder the proportion of spend still seems to within acceptable proportions.

The expenditure for Operations and Maintenance is according to budget. The basis for the budget is experience based on past budgets and estimate annual requirements. The only measure of the adequacy of this is to assess the maintenance condition of the facilities and note whether they are deteriorating, improving or remaining constant. The facilities team, backed by a consistent volume customer requests, are confident that the average condition is remaining relatively constant. This indicates that the operations and maintenance expenditure is at approximately the correct level.

6. CAPITAL EXPENDITURE

Renewal Expenditure Analysis (Replacing like with like)

Through the analysis conducted for this SMP, the only method of forecasting the asset renewal funding needs is projected renewals based on the depreciation of the assets (top down). Conditions are currently based on whole of facility and this is not sufficient detail to provide any capital renewal program that provides an improvement on depreciation based renewal. Council currently does not have a capital expenditure program for facilities. Detail for the 10 year Long Term Financial Plan is been carried out manually using the experience of the Facilities supervisors who have identified capital works to be undertaken at the building component level of detail.

Table 3: Project Renewal Expenditure

Year	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Top 10	\$1,819	\$1,955	\$1,984	\$1,348	\$1,777	\$1,777	\$1,777	\$1,777	\$1,777	\$1,777
Remainder	\$1,004	\$512	\$336	\$590	\$611	\$611	\$611	\$611	\$611	\$611
Total	\$2,823	\$2,467	\$2,320	\$1,938	\$2,388	\$2,388	\$2,388	\$2,388	\$2,388	\$2,388

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Figure 6: Renewal Expenditure

New and Upgrade Expenditure

LVRC currently have an over capacity in building assets due to redundancies inherited in the amalgamation process. As a result of this the goal is to minimize the provision of any new facilities and upgrades to existing facilities. However, to meet the demand due to anticipated population growth there will be some upgrades required in the next few years and some provision of new facilities required in future years. An estimate has been made of this and has been discussed fully in section 4.

Table 4: Project Upgrade and New Expenditure

Year	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Top 10	\$620	\$186	\$125	\$186	\$186	\$186	\$186	\$186	\$186	\$186
Remainder	\$76	\$60	\$39	\$20	\$39	\$50	\$39	\$39	\$39	\$39
Total	\$696	\$246	\$164	\$206	\$225	\$236	\$225	\$225	\$225	\$225

Figure 7 below shows the estimate total expenditure on upgrades and new estimates of the 10 year period.

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Figure 7: New and Upgrade Expenditure

7. TOTAL EXPENDITURE

The total expenditure combines the Operations, Maintenance, Renewals, New and Disposals. This is compared to the available budget noting the annual variation in expenditure demand and the cumulative variation.

The future budget at this stage is simply an extrapolation using the budgets and expenditure from the last few years. It is expected that the budget will change at the next revision to balance the requirements of all asset classes. Council is currently in the process of updating all service management plans and creating an overall summarised service plan. This process will provide more appropriate budgets for each asset class. It must be noted that the current budget of \$1.5m does not match the current depreciation of \$1.9m. The projection shows that significant funding is required for renewals requiring at full depreciation to be reflected in the budget.

Table 5: Total Expenditure for All Assets

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
New	\$696	\$246	\$164	\$206	\$225	\$236	\$225	\$225	\$225	\$225
Renewal	\$2,823	\$2,467	\$2,320	\$1,938	\$2,388	\$2,388	\$2,388	\$2,388	\$2,388	\$2,388
Maintenance	\$3,801	\$3,829	\$3,840	\$3,847	\$3,855	\$3,865	\$3,874	\$3,884	\$3,894	\$3,903
Disposals	\$19	\$15	\$18	\$25	\$25	\$18	\$18	\$18	\$18	\$18
Total	\$7,339	\$6,557	\$6,342	\$6,016	\$6,493	\$6,507	\$6,505	\$6,515	\$6,525	\$6,534
Budget	\$5,400	\$5,400	\$5,400	\$5,400	\$5,400	\$5,400	\$5,400	\$5,400	\$5,400	\$5,400
Difference	-\$1,939	-\$1,157	-\$942	-\$616	-\$1,093	-\$1,107	-\$1,105	-\$1,115	-\$1,125	-\$1,134
Cumulative	-\$1,939	-\$3,096	-\$4,038	-\$4,654	-\$5,747	-\$6,854	-\$7,959	-\$9,074	-\$10,199	-\$11,333

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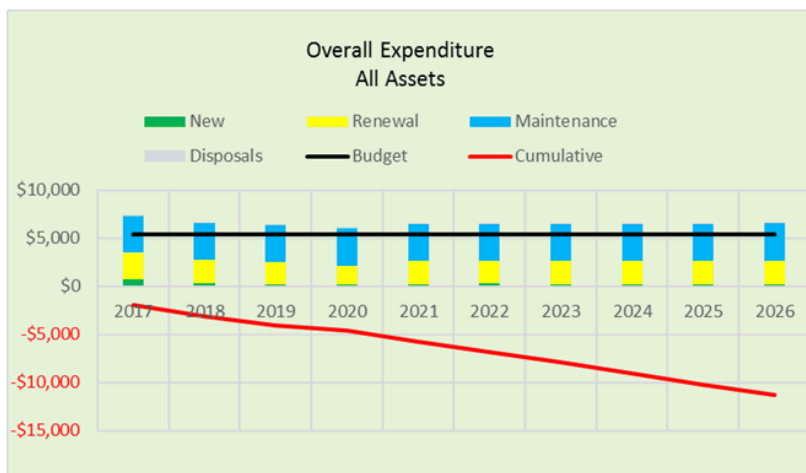


Figure 8: Overall Expenditure for All Facilities

Table 6: Total Expenditure for Top 10 Assets

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
New	\$620	\$186	\$125	\$186	\$186	\$186	\$186	\$186	\$186	\$186
Renewal	\$1,819	\$1,955	\$1,984	\$1,348	\$1,777	\$1,777	\$1,777	\$1,777	\$1,777	\$1,777
Maintenance	\$1,790	\$1,815	\$1,823	\$1,829	\$1,836	\$1,844	\$1,851	\$1,860	\$1,867	\$1,875
Disposals	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total	\$4,229	\$3,956	\$3,932	\$3,363	\$3,799	\$3,807	\$3,814	\$3,823	\$3,830	\$3,838
Budget	\$2,550	\$2,550	\$2,550	\$2,550	\$2,550	\$2,550	\$2,550	\$2,550	\$2,550	\$2,550
Difference	-\$1,679	-\$1,406	-\$1,382	-\$813	-\$1,249	-\$1,257	-\$1,264	-\$1,273	-\$1,280	-\$1,288
Cumulative	-\$1,679	-\$3,085	-\$4,467	-\$5,280	-\$6,529	-\$7,786	-\$9,050	-\$10,323	-\$11,603	-\$12,891

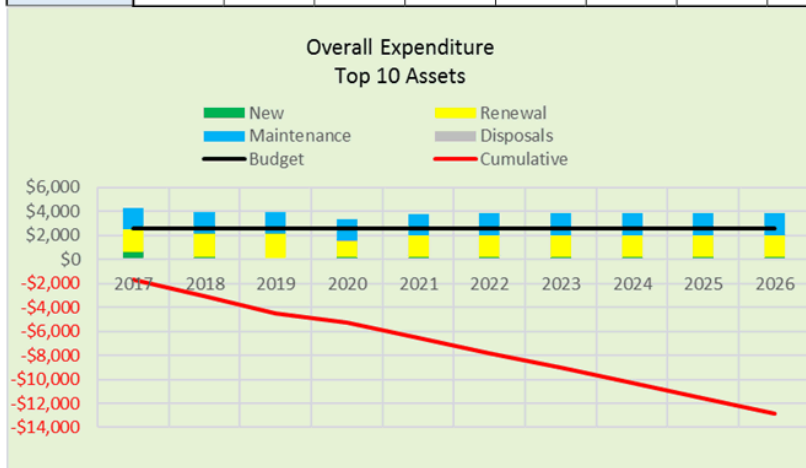


Figure 9: Overall Expenditure for Top 10 Facilities Assets

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Table 7: Total Expenditure for Remainder Assets

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
New	\$76	\$60	\$39	\$20	\$39	\$50	\$39	\$39	\$39	\$39
Renewal	\$1,004	\$512	\$336	\$590	\$611	\$611	\$611	\$611	\$611	\$611
Ops & Maint	\$2,011	\$2,014	\$2,017	\$2,018	\$2,019	\$2,021	\$2,023	\$2,024	\$2,027	\$2,028
Disposals	\$19	\$15	\$18	\$25	\$25	\$18	\$18	\$18	\$18	\$18
Total	\$3,110	\$2,601	\$2,410	\$2,653	\$2,694	\$2,700	\$2,691	\$2,692	\$2,695	\$2,696
Budget	\$2,850	\$2,850	\$2,850	\$2,850	\$2,850	\$2,850	\$2,850	\$2,850	\$2,850	\$2,850
Difference	-\$260	\$249	\$440	\$197	\$156	\$150	\$159	\$158	\$155	\$154
Cum Deficit	-\$260	-\$11	\$429	\$626	\$782	\$932	\$1,091	\$1,249	\$1,404	\$1,558

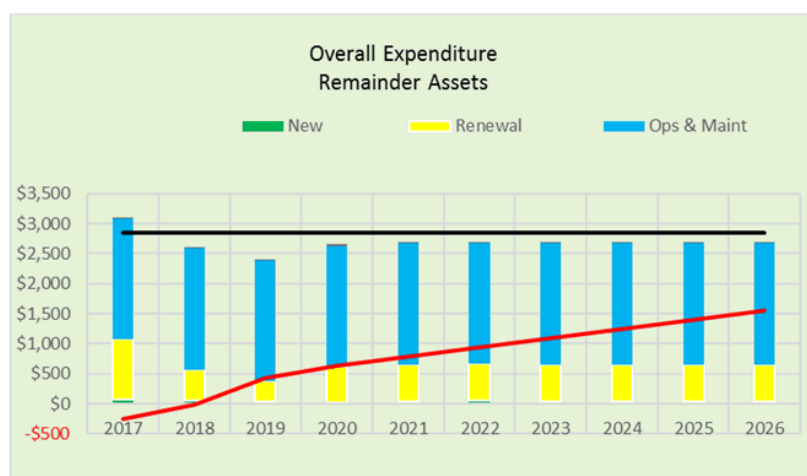


Figure 10: Overall Expenditure For Remainder Assets

Estimated available funding for this period is \$53.7m or 5.4m on average per year which is 83% of the cost to provide the service. This is a funding shortfall of \$122k on average per year. The following table is a summary of the above information.

Table 8: Financial Sustainability Indicator

Asset Group	10 Year Cost (\$m)	10 Year Budget (\$m)	Annual Shortfall (\$m)	10 Year Financial Indicator (%)
Total	65.3	54	11.3	83%
Top 10	38.4	25.5	13.9	66%
Remainder	26.9	28.5	-2.6	106%

This shows that LVRC facilities are not fully sustainable over the long term with current levels of funding and expenditure. The goal is to attain a minimum of 85%, and preferably 90% or more. Note that the current renewal budget has been split between the Top 10 assets and the Remainder Assets according to the asset values. Table 8 shows that there is a high focus on the Top 10 facilities. The budget must be reallocated to better reflect the requirement. The main reason for the deficit is the renewal shortfall that has been estimated from the first four years of this plan.

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8. CHALLENGES

A number of challenges have been identified in the process of compiling this document. The following are the most significant:

- The level of detail of the data for the facilities is at entire building level and in some instance broken to 5 components. This is a standard method of managing facilities. Providing too much detail makes the process very difficult to manage. To estimate renewal expenditure project must be individually identified. This requires an in-depth knowledge of capital works for at least a four year period.
- This expenditure is bundled into the whole of building life of 80 years. Any facility constructed after 1955 will show no renewal demand within the life of this service plan. Future plans will start showing high renewal expenditure as the expected life of buildings approaches.
- The current facilities team is highly focused on operations and maintenance. The team currently does not have the capacity to focus on strategic service management. This is due to be addressed by the creation of a role focused on strategic service management.
- Many assets are underutilised, but do provide some community benefit. The cost of maintaining these assets is high compared to the benefit. Some examples are small community halls that are used only on a few occasions in a year. The decision on the future of these assets should be taken in consultation with the community.
- The workload for the facilities is high and diverse. There is currently a proposal to employ an asset management and projects officer within the facilities area who will assist in delivering strategic asset management. This asset management strategy suggest a number of tasks to improve the quality of data and asset management capability. With the proposed resource the facilities team should be well placed to achieve effective strategic asset goals.

9. WHAT WE WILL DO

We plan to provide Buildings and Facilities services for the following:

- Operation, maintenance, renewal and upgrade of all buildings and facilities to meet service levels set in annual budgets.
- Programmed major renewals and upgrades over the next ten years have been valued at \$0.79m within the 10 year planning period.

10. WHAT WE CANNOT DO

With current budgets the following works and services that cannot be provided:

- Increase the current levels of service.
- Provide new or upgraded infrastructure.
- Maintain current depreciation levels for underutilised assets.
- Adequately manage strategic service management without additional resource

11. MANAGING THE RISKS

There are risks associated with providing the service and not being able to complete all identified activities and projects.

We have identified major risks as:

- Reduced building capacity
- Reduced building functionality through space unavailability
- Potential closure of facilities
- Injury risks should the buildings be inadequately maintained.

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

- Inspecting the assets and establishing the issues
- Refining the FWP in place to address and prioritise repairs

12. CONFIDENCE LEVELS

This service management plan is based on a medium level of confidence information. Although a previous service management plan has been created, the current facilities staff were not involved and cannot confirm that the information used for the report was correct. This report is being used to set a baseline, highlighting deficiencies and improvement

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tasks. The current facilities team is committed to updating this strategic service management plan on a six monthly basis until the confidence level on the base data is at a high level.

The current plan is based on detailed inspections of the Top 10 facilities in 2015. The remainder of the facilities have estimated replacement values, condition ratings and remaining lives.

There is a high confidence level in the inventory, a medium confidence level in the remaining lives and a fair to poor confidence level in the condition rating.

The results provide an important indicator that the data is not detailed enough and effort into strategic service management is insufficient, probably due to resourcing levels.

13. THE NEXT STEPS

The actions resulting from this a service management plan are:

- Confirm the asset inventory.
- Develop simple and practical condition data inspection methods.
- Inspect all buildings to ascertain age and accurate condition data
- Use the condition data to develop a long term forwards works programme to assist in justifying future budget requests.
- Create a post for a dedicated facilities service management technical coordinator. This is critical as the current work load on the facilities team does allow for service management development and operations.

1 INTRODUCTION

1.1 BACKGROUND

This services management plan is to demonstrate responsive management of assets (and services provided from assets), compliance with regulatory requirements, and to communicate funding needed to provide the required levels of service over a 20 year planning period.

The service management plan follows the format for SM Plans recommended in Section 4.2.6 of the International Infrastructure Management Manual².

The service management plan is to be read with Council's Service Management Policy and the following associated planning documents:

- LVRC Approved Budgets
- LVRC Fair Value Report
- Council Corporate Plan 2012-2017
- Lockyer Valley Regional Council Community Plan 2012-2022
- Lockyer Valley Regional Council Customer Service Charter
- Lockyer Valley Regional Council Operational Plan 2015-2016

The infrastructure assets covered by this service management plan are shown in Table 9. These assets are used to provide building and facility services to its community.

Table 9 Assets covered by this plan

	Total	Top 10	Remainder
Business & Commercial	\$8,412,324	\$0	\$8,412,324
Community	\$63,776,655	\$40,054,081	\$23,722,574
Corporate	\$13,383,680	\$3,076,250	\$10,307,430
Public Amenities	\$5,579,965	\$0	\$5,579,965
Transfer Station	\$51,280	\$0	\$51,280
Total	\$91,203,905	\$43,130,331	\$48,073,573

1.2 COUNCIL'S GOALS AND OBJECTIVES FOR FACILITIES SERVICES

Council operates and maintains the facilities to achieve the following strategic objectives:

- Meet legislative requirements
- Ensure that Council's transport services and assets are provided in a sustainable manner, with the appropriate levels of service to residents and visitors
- Safeguard Council assets including physical assets and employees by implementing appropriate management strategies and appropriate financial resources for those services
- Ensure resources and operational capabilities are identified and responsibility for service delivery and management is allocated
- Ensure that the facilities provide the required functionality for safe council operations and public use.
- Ensure the facilities are planned appropriately to cater for future growth and risk mitigation
- Maximise the asset's useful life whilst minimising lifecycle expenditure
- Maintain a high level of community satisfaction in the provision of facilities.

² IPWEA, 2011, Sec 4.2.6, Example of an Asset Management Plan Structure, pp 4|24 – 27.

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1.3 GOALS AND OBJECTIVES OF THIS FACILITIES SERVICE MANAGEMENT PLAN

Council exists to provide services to the community. Some of these services are provided by infrastructure assets. We have acquired infrastructure assets by 'purchase', by contract, construction by our staff and by donation of assets constructed by developers and others to meet increased levels of service.

Our goal in 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 service 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
- Having a long-term financial plan which identifies required, affordable expenditure and how it will be financed.³

1.4 KEY STAKEHOLDERS

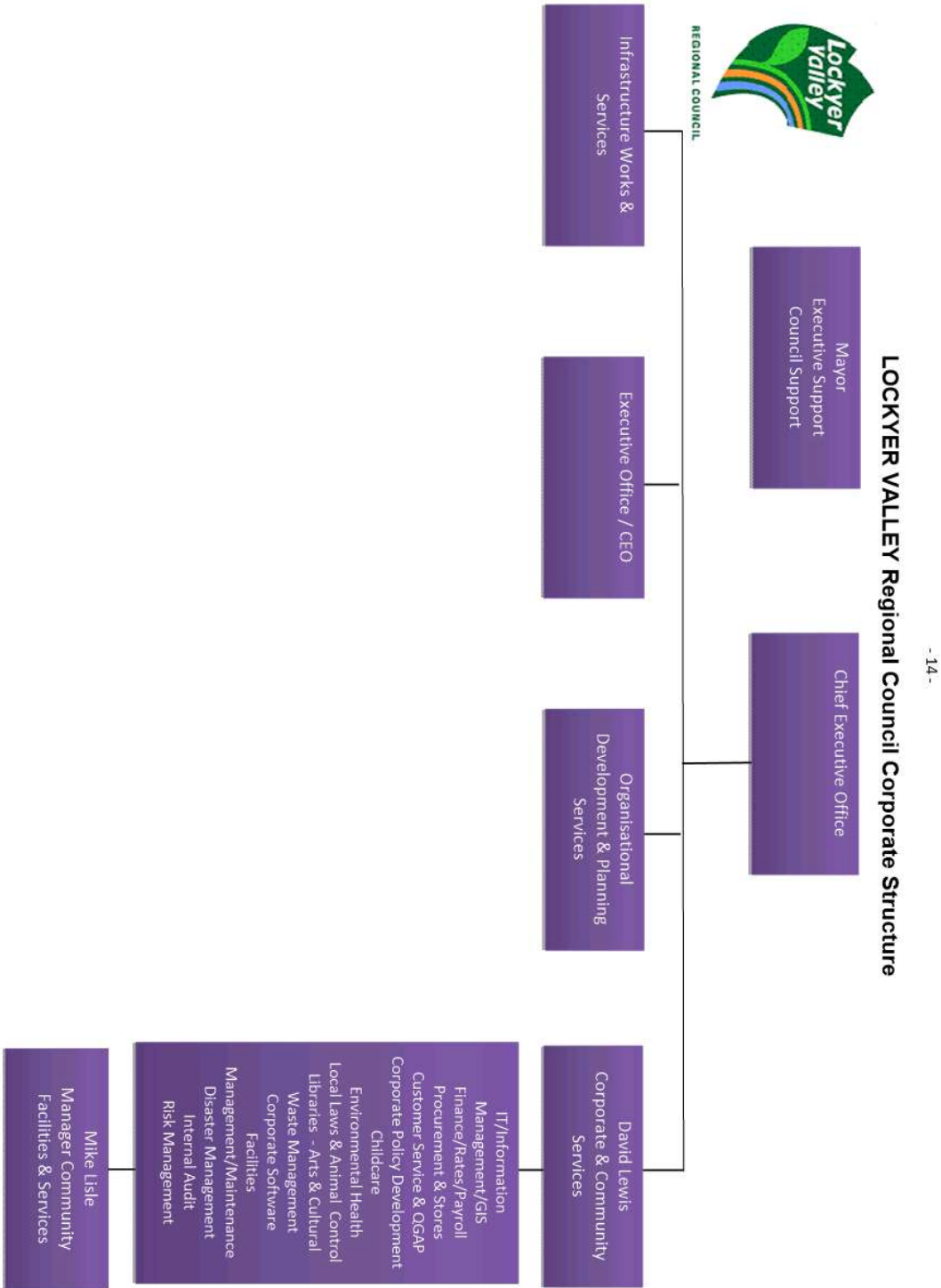
Key stakeholders in the preparation and implementation of this service management plan are shown in Table 10.

Table 10 Key Stakeholders in the SMP

Key Stakeholder	Role in Service Management Plan
Councillors Members	<ul style="list-style-type: none"> • Represent needs of community/shareholders, • Allocate resources to meet Council's objectives in providing services while managing risks, • Ensure Council is financial sustainable.
CEO/Executive Manager	<ul style="list-style-type: none"> • Recommend allocations of resources to meet Council's objectives in providing services while managing risks, • Ensure customer satisfaction, • Manage staff and resources effectively.
Community Services	Operates maintains and renews Corporate, Community and Recreation Buildings throughout the Region with some exceptions. Also provides communication to users on customer services relating to assets.
Engineering Operations	Operates maintains and renews Council Depot and Public Convenience buildings throughout the Region
Council Staff	Users of the assets
Finance	Financial assessments associated with valuations and accounting for Council assets
Corporate Services	Operates Tourism and Business Development Assets
General Public	Provide the demand for Council assets
Lessees	Rent properties leased by Council

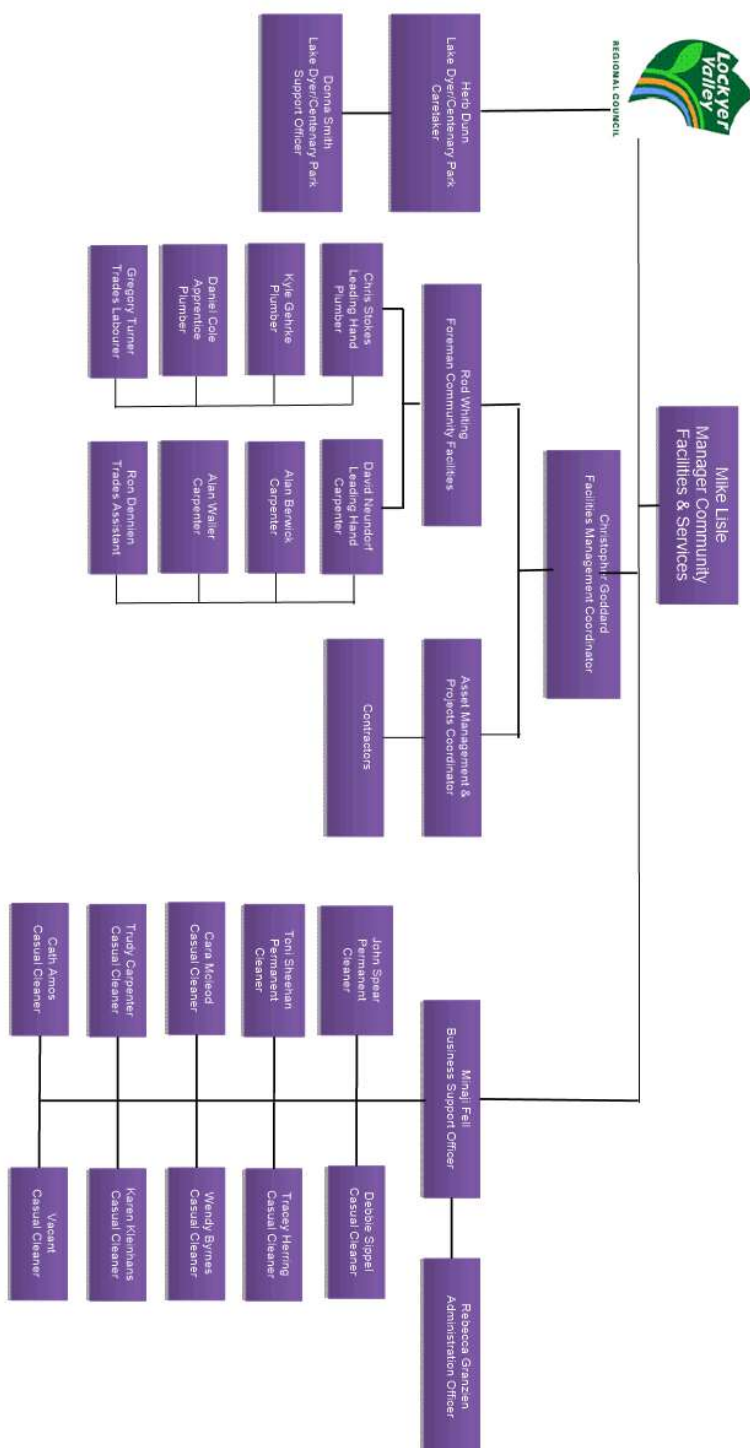
Our Council's structure for service delivery from infrastructure assets is detailed below:

³ Based on IPWEA, 2011, IIMM, Sec 1.2 p 1|7.



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LOCKYER VALLEY Regional Council Facilities Structure



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1.5 PLAN FRAMEWORK

Key elements of the plan are

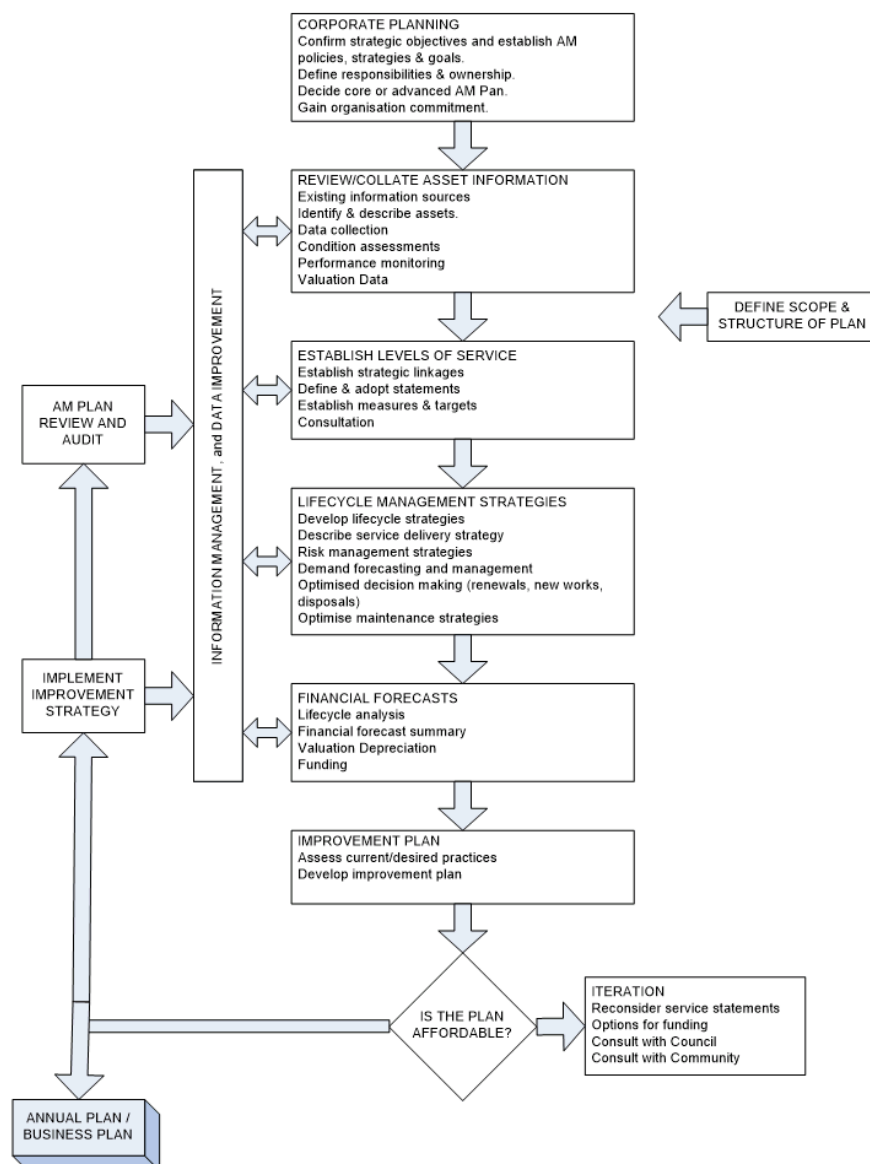
- Levels of service – specifies the services and levels of service to be provided by Council,
- Future demand – how this will impact on future service delivery and how this is to be met,
- Life cycle management – how we will manage our existing and future assets to provide defined levels of service,
- Financial summary – what funds are required to provide the defined services,
- Services management practices,
- Monitoring – how the plan will be monitored to ensure it is meeting Council's objectives,
- Service management improvement plan.

A road map for preparing an service management plan is shown below.

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Road Map for preparing an Service Management Plan

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



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1.6 CORE AND ADVANCED SERVICE MANAGEMENT

This service management plan is prepared as a 'core' service management plan over a 20 year planning period in accordance with the International Infrastructure Management Manual⁴. It is prepared to meet minimum legislative and Council requirements for sustainable service delivery and long term financial planning and reporting. Core Service Management is a 'top down' approach where analysis is applied at the 'system' or 'network' level.

Future revisions of this service management plan will move towards 'advanced' service management using a 'bottom up' approach for gathering asset information for individual assets to support the optimisation of activities and programs to meet agreed service levels.

⁴ IPWEA, 2011, IIMM.

2 CONTEXT

2.1 CORPORATE REQUIREMENTS

This service management plan is prepared under the direction of Council's vision, mission, goals and objectives.

Our vision

LOCKYER VALLEY- Growing Lifestyle

Our mission

"To be the region of choice for vibrant rural living".

More specifically, and consistent with Council's Corporate Plan, goals and objectives and how these are addressed in this service management plan are shown in Table 2.1.

2.2 CUSTOMER RESEARCH AND EXPECTATIONS

Council has not carried out any community consultation on customer expectations. This will be investigated for future updates of the service management plan and tabulated in this section.

Council uses this information in developing its Strategic Plan and in allocation of resources in the budget.

2.3 STRATEGIC AND CORPORATE GOALS

This service management plan is prepared under the direction of the Council's vision, mission, goals and objectives.

Our vision is made up of seven themes. Detail of these themes can be found in the Community Plan and are outlined below:

LOCKYER COMMUNITY - Working together for an inclusive, safe and healthy community

LOCKYER LEADERSHIP - Working together to unify our community

LOCKYER FARMING - Working together to secure our farming future

LOCKYER LIVELIHOOD - Working together to strengthen education, training and career pathways

LOCKYER BUSINESS - Working together to enhance, attract and diversify business and tourism opportunities

LOCKYER NATURE - Working together to enhance and protect our environment and landscape

LOCKYER PLANNED - Working together for well-planned and connected communities

Relevant Council goals and objectives and how these are addressed in this service management plan are:

TABLE 2-1: COUNCIL GOALS AND HOW THESE ARE ADDRESSED IN THIS PLAN

Goal	Objective	How Goal and Objectives are addressed in SM Plan
WORKING TOGETHER FOR AN INCLUSIVE, SAFE AND HEALTHY COMMUNITY	<ul style="list-style-type: none"> • Activate existing community spaces such as the library and cultural centre • Develop new community spaces and facilities • Improve access to health services including hospitals and afterhours doctors • Improve care services and facilities for the elderly 	<p>IN THE NEXT 5 YEARS COUNCIL WILL ENDEAVOUR TO:</p> <ul style="list-style-type: none"> • Advocate to the State and Federal government for increased capacity around high support beds in the hospital, particularly for the elderly • Plan and develop infrastructure such as bikeways and pathways that facilitates healthy lifestyle opportunities
WORKING TOGETHER TO UNIFY OUR	<ul style="list-style-type: none"> • Provide regular feedback to the community about Council's decisions 	<p>IN THE NEXT 5 YEARS COUNCIL WILL ENDEAVOUR TO:</p> <ul style="list-style-type: none"> • Develop an Service Management Plan, Financial

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Goal	Objective	How Goal and Objectives are addressed in SM Plan
COMMUNITY	<p>and achievements through the website, local newspapers etc.</p> <ul style="list-style-type: none"> • Ensure Council's decision making is progressive and has a view to the long-term • Advocate the aspirations of the local community (as identified in the community plan) to State and Federal government, community agencies, National organisations, philanthropic groups and businesses 	<p>Management Plan and Corporate Plan that reflects the intent of the community plan</p> <ul style="list-style-type: none"> • Provide yearly feedback to the community outlining progress made on the community plan • Respond to residents and businesses within five working days of receipt of email, online, telephone and other correspondence • Imbed community plan priorities in business unit plans, reporting on activities and resources used for implementation • Implement a 'no wrong door' policy to ensure the community member receives some level of resolution
WORKING TOGETHER TO SECURE OUR FARMING FUTURE	<ul style="list-style-type: none"> • Ensure good farming land is valued and preserved while balancing the need for sub-division through the planning scheme • Ensure safe and appropriate housing for seasonal workers and travellers 	<p>IN THE NEXT 5 YEARS COUNCIL WILL ENDEAVOUR TO:</p> <ul style="list-style-type: none"> • Explore the reduction of regulations that improve opportunities and options for development of housing for seasonal workers
WORKING TOGETHER TO STRENGTHEN EDUCATION, TRAINING AND CAREER PATHWAYS	<ul style="list-style-type: none"> • Advocate to State government to enhance the quality and quantity of school and childcare (public and private) to respond to population growth and changing demographics • Advocate for a TAFE facility in the region with specialist programs responding to the demographics of the region (e.g. horticulture or rural production) 	<p>IN THE NEXT 5 YEARS COUNCIL WILL ENDEAVOUR TO:</p> <ul style="list-style-type: none"> • Advocate to Queensland government for the establishment of a TAFE facility
WORKING TOGETHER TO ENHANCE, ATTRACT AND DIVERSIFY BUSINESS AND TOURISM OPPORTUNITIES	<ul style="list-style-type: none"> • Meet the entertainment and recreation needs of the community by supporting the development of entertainment precincts 	<p>IN THE NEXT 5 YEARS COUNCIL WILL ENDEAVOUR TO:</p> <ul style="list-style-type: none"> • Develop a tourism strategy that supports Lockyer as a tourism and recreation destination • Undertake an audit of the accommodation and housing issues to ensure quality options are provided for tourists, workers and residents
WORKING TOGETHER FOR WELL PLANNED AND CONNECTED COMMUNITIES	<ul style="list-style-type: none"> • Plan future infrastructure that adds capability for commercial airline usage to support our growth • Develop a planned approach to building community's environmental, economic, infrastructure, social and disaster resilience in relation to disaster management and planning • Develop relationships with community housing and affordable housing providers to respond to our diverse housing needs • Develop a planned approach to tourist and seasonal accommodation development and options • Ensure the Planning Scheme strategic framework protects our lifestyle by balancing rural environment with the development of residential areas • Develop a planned approach to building community's environmental, economic, 	<p>IN THE NEXT 5 YEARS COUNCIL WILL ENDEAVOUR TO:</p> <ul style="list-style-type: none"> • Facilitate an annual regional forum with all State government departments to advocate for the region and the community plan vision • Provide and promote accurate land use planning and Development Application provision information to community • Develop a Planning Scheme that places an importance on low impact living (supporting space, animals, less noise, rural noise, safe areas for children and families) which aligns with the community plan • Provide and promote accurate land use planning and Development Application provision information to community

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Goal	Objective	How Goal and Objectives are addressed in SM Plan
	<p>infrastructure, social and disaster resilience in relation to disaster management and planning</p> <ul style="list-style-type: none"> • Develop a Long Term Service Management Plan for Council owned infrastructure in collaboration with the Long Term Financial Plan and South East Queensland Regional Plan • Build basic amenity and infrastructure (such as roads, public toilets) to meet the needs of the growing population 	

The Council will exercise its duty of care to ensure public safety in accordance with the infrastructure risk management plan prepared in conjunction with this Service Management Plan. Management of infrastructure risks is covered in Section 5.2.

2.4 LEGISLATIVE REQUIREMENTS

We have to meet many legislative requirements including Australian and State legislation and State regulations. These include:

TABLE 2-2: LEGISLATIVE REQUIREMENTS

Legislation	Requirement
Local Government Act	Sets out role, purpose, responsibilities and powers of local governments including the preparation of a long term financial plan supported by service management plans for sustainable service delivery.
Sustainable Planning Act 2009	An Act to provide for planning and regulate development locally, regionally and in the State and to regulate the design, construction and use of buildings. Managing the effects of developments on the environment
Public Health Act 2005	An Act to promote the health of the Queensland public.
Occupational Health, Safety and Welfare Act	Responsibilities of Council in providing safe work practices and worksites.
Disability Discrimination Act 2005	Responsibilities and powers of Council in providing equitable access for persons with a disability.
Neighbourhood Disputes (Dividing Fences and Trees) Act 2011	An act relating to the construction and repair of dividing fences between certain lands
Electrical Safety Act 2002	Establishing benchmarks for industry and community for electrical safety
Building Act 1975 - Building Fire Safety Regulations 2008	An act to regulate building development approvals, building work, building classification and building certifiers. Regulation to ensure persons can evacuate buildings safely and to ensure prescribed fire safety installations for building are maintained
Plumbing and Drainage Act 2002 - Plumbing and drainage Regulation 2003 - Standard Plumbing and Drainage Regulation 2003	The Plumbing and Drainage Act and regulations sets the standards for the plumbing and drainage components of the assets.
Land Act 1994 (Crown Lands Act 1928)	An Act relating to Crown lands.
Housing Act 2003	An Act about the provision of housing and related matters
Workplace Health & Safety Act 2011	Sets out role, purpose and responsibilities for workplace health and safety in relation to maintenance and construction work undertaken on building assets.

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Legislation	Requirement
Civil Liability Act Liability of Road Authorities	Responsibilities of Council in regards to Civil Liability
Queensland Heritage Act 1992 (updated 2007)	An Act to conserve places of heritage value.
Environmental Health Act	Responsibilities and powers of Council in maintaining public health
Highways Act	Legislative framework for roads and road authorities.
Native Vegetation Act	Responsibilities and powers of Council in providing protection for native vegetation.
Natural Resources Act	The role, purpose, responsibilities and powers of local government in controlling the use of natural resources.
Building Code of Australia	Sets the standard requirements for works on buildings
Environment Protection Authority, Code of Practice for Stormwater Pollution Prevention	Responsibilities of Council in maintaining storm water discharge quality and controlling erosion.
Environmental Protection Act 1994	Responsibilities of Council in protecting the environment
AS/NZS 3666.2 –Air Conditioning	Legislation regarding air handling and water systems of buildings
AS 4085 Automatic Doors	Automatic sliding door assemblies
AS/NZS 1891.1/2/3/4 Building Access Safety System	Industrial fall-arrest systems and devices
AS/NZS 4676 Public Address/Intercom System	Electrical Safety Act and Regulations & Structural design requirements for utility services poles
AS/NZS 3000 Electrical Installations	Electrical Installations - Wiring rules
AS/NZS 3019 Electrical Installations	Periodic verification, Electrical Safety Act and Regulations
AS/NZS 3760 Electrical Installation - Fixed Wiring	In-service safety inspection and testing of electrical equipment
AS 2293.1 / 2 Emergency Evacuation Lighting System - Single Point System	Emergency escape lighting and exit signs for buildings - System design, installation and operation, inspection and maintenance.
AS 1670.1 / 4 Fire Detection System / Fire Intercom System	Fire detection, warning control and intercom systems - System design, installation and commissioning - Part 1 – Fire,
AS 1851 – Fire protection	Maintenance of Fire Protection Systems and Equipment, Fire and Rescue Service Act including Building Fire Safety Regulation
AS 62040.3 Uninterruptible Power Supply [< 25kVA]	Method of specifying the performance and test requirements
AS 1850 - Fire Extinguishers and Fire Blankets	Portable fire extinguishers-Classification, rating and performance testing
AS 2030 / AS 2444 / AS/NZS 3504 / , AS/NZS 1841.1 Fire Services	The approval, filling, inspection, testing and maintenance of cylinders for the storage and transport of compressed gases, Portable fire extinguishers and fire blankets - Selection and location, portable fire extinguishers - General requirements, Fire Blankets, Fire and Rescue Service Act including Building Fire Safety Regulation
AS 1530.1 / AS 1905.1 / , AS 1905.2 / AS/NZS 1530 - Fire Resistant Door sets, Smoke Doors and Fire Shutters	Methods for fire tests on building materials, components and structures
AS 1530.1 / AS 1905.1 / , AS 1905.2 / AS/NZS 1530 - Fire Resistant Door sets, Smoke Doors and Fire Shutters	Methods for fire tests on building materials, components and structures
AS 5601 Gas installations, AS/NZS 1596 LP gas	Gas storage and handling
AS/NZS 3666.2 - Air Conditioning Cooling Towers	Workplace Health and Safety Act and Regulations, Air handling and water systems of buildings - Microbial control - Operation and maintenance
AS/NZS 1677.1 / AS/NZS 1677.2 Reciprocating Refrigeration Compressors	Refrigerating systems safety requirements for fixed applications.
HB 40.1 - Room Air Conditioners	The Australian Refrigeration and Air-conditioning Code of Good Practice
AS/NZS 4276.3.2 Water Treatment - Cooling Towers	Water microbiology
AS 2845.3 Backflow Prevention Devices	Water supply - Backflow prevention devices

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Legislation	Requirement
AS/NZS 3500.1 / AS 3500.4 National Plumbing and Drainage Code	Water services, Plumbing and Drainage Act including Standard Plumbing and Drainage Regulation
AS 4032.3 Water supply	Hot water supply systems
AS/NZS 4020 Drinking water	Products for use in contact with
AS 1735 Lifts, Escalators and Moving Walks	General requirements
AS 2201 - Security Alarm System - Detectors	Intruder alarm systems
Local Law No.3 Community and Environmental Management	To protect the environment and public health, safety and amenity by managing and reducing certain risks.
Local Law No.4 Local Government Controlled Areas, Facilities and Roads	To protect the health and safety of persons using local government controlled areas, facilities and roads and preserve natural and built environment.
Local Law No.1.1 Alteration or Improvement to Local Government Controlled Areas and Roads	To regulate alterations and improvements to Local Government controlled areas and roads.
Local Law No.1.2 Commercial Use of Local Government Controlled Areas and Roads	To regulate the commercial use of local government controlled areas and roads
Local Law No.1.3 Establishment or Occupation of a Temporary Home	To regulate the establishment or occupation of a temporary home
Local Law No.1.4 Installation of Advertising Devices	To regulate the installation of advertising devices
Local Law No.1.8 Operation of Caravan Parks	To regulate the operation of caravan Parks
Local Law No.1.9 Operation of Cemeteries	To regulate the operation of cemeteries
Local Law No.1.10 Operation of Public Swimming Pools	To regulate the operation of public swimming pools
Local Law No.1.11 Operation of shared facility accommodation	To regulate the operation of shared facility accommodation

3 LEVELS OF SERVICE

3.1 COMMUNITY CONSULTATION

This 'core' service management plan is prepared to facilitate community consultation initially through feedback on public display of draft service management plans prior to adoption by the Council. Future revisions of the service management plan will incorporate community consultation on service levels and costs of providing the service. This will assist the Council and the community in matching the level of service needed by the community, service risks and consequences with the community's ability and willingness to pay for the service

3.2 CURRENT LEVELS OF SERVICE

We have defined service levels in two terms.

Community Levels of Service measure how the community receives the service and whether the Council is providing community value.

Community levels of service measures used in the service management plan are:

Quality	How good is the service?
Function	Does it meet users' needs?
Capacity/Utilisation	Is the service over or under used?

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 organisational performance.

Technical service measures are linked to annual budgets covering:

- Operations – the regular activities to provide services such as running costs, cleansing frequency, pest management, servicing, etc.
- Maintenance – the activities necessary to retain an asset as near as practicable to an appropriate service condition (e.g. painting, graffiti removal, minor component repairs / replacement, building and structure repairs),
- Renewal – the activities that return the service capability of an asset up to that which it had originally (eg frequency and cost of reconstruction and building component replacement),
- Upgrade – the activities to provide a higher level of service (e.g. extensions), or a new service that did not exist previously (eg a new library).

Asset managers plan, implement and control technical service levels to influence the customer service levels.⁵

Our current service levels would be detailed in Table 3-1. However this has not been measured to date. The current level of service is anecdotal. This task is included in the improvement plan.

TABLE 3-1: CURRENT AND DESIRED SERVICE LEVELS

Key Performance Measure	Level of Service Objective	Performance Measure Process	Current Level of Service	Optimal Level of Service
COMMUNITY LEVELS OF SERVICE				
Quality	Clean and with adequate maintenance and equipment and access at all facilities.	Demand studies and community satisfaction surveys / works requests	Meets expectation	Reduced customer complaints and increased usage of facilities.
Function	Buildings accessible	Community	Exceeds expectation	% of community satisfied

⁵ IPWEA, 2011, IIMM, p 2.22

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Key Performance Measure	Level of Service Objective	Performance Measure Process	Current Level of Service	Optimal Level of Service
	to all at appropriate times with minimal interruptions – standards of accessible facilities	satisfaction surveys		with accessibility of facilities
Function	Ensure all buildings are safe and secure	Number of reported incidents of injury to users attributed to the buildings or security complaints. Monitored by incident, police or hospital reports.	Meets Expectation	No reported incidents due to faults with facilities
Function	That assets are managed with respect for current and future generations	Community satisfaction surveys	Meets Expectations	Customer feedback on SMPs recorded and reviewed
Capacity/ Utilisation	Appropriate capacity to cater for community requirements	Demand studies and community satisfaction surveys	Below expectation	Reduced customer complaints and increased usage of facilities.
Capacity/ Utilisation	Utilisation of Swimming Pools or other facilities	Demand studies and community satisfaction surveys	Exceeds expectation	Reduced customer complaints and increased usage of facilities.
Capacity/ Utilisation	No of attendees at library No of visitors at Cultural Centre No of toilets available	Demand studies and community satisfaction surveys	Meets expectation	Reduced customer complaints and increased usage of facilities.
TECHNICAL LEVELS OF SERVICE				
Operations	Energy consumption managed to optimise efficiency with least impact to environment	Monitor consumption	Meets expectation	Reduced power consumption
Operations	Ensure all buildings used by staff and the community are compliant with regulations, legislation and other mandatory requirements.	Regular audits of all facilities	Meets expectation	Compliance issues are recorded as part of an annual inspection and defects ranked and addressed.
Maintenance	Ensure cost to	Capture costs, broken	Exceeds expectation	A system from which sq. m

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Key Performance Measure	Level of Service Objective	Performance Measure Process	Current Level of Service	Optimal Level of Service
	maintain and operate per sq. metre compares favourably other Councils SEQ	down into each building / facility		costs per year per building are available.
Maintenance or Upgrade/New	% of buildings complying with all legislative and technical requirements e.g. building acts	Capture compliance by carrying out annual inspections.	Meets expectation	A system where compliance issues are raised, prioritised and repaired.

3.3 DESIRED LEVELS OF SERVICE

Indications of desired levels of service are obtained from community consultation/engagement. The service management planning process includes the development of 3 scenarios to develop levels of service that are financially sustainable. Further development of levels of service is subject to increased knowledge on the assets, such as condition, use, compliance, accident data, maintenance costs, maintenance inspections and community satisfaction levels.

The desired levels of service are captured in the tables above as the 'Optimal Level of Service'. To enhance the measurement of these and the current LOS, consideration should be given to developing performance measures for building services which link to financial and service management information. There is potential for development of ratio indicators, such as the average cost of maintenance per square metre, expenditure on scheduled e maintenance and renewal work.

4 FUTURE DEMAND

4.1 DEMAND DRIVERS

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

4.2 DEMAND FORECAST

The present position and projections for demand drivers that may impact future service delivery and utilisation of assets were identified and are documented in Table 4.1.

4.3 DEMAND IMPACT ON ASSETS

The impact of demand drivers that may affect future service delivery and utilisation of assets are shown in Table 4-1.

TABLE 4-1: DEMAND DRIVERS, PROJECTIONS AND IMPACT ON SERVICES

Demand drivers	Present position	Projection	Impact on services
Increase in population	Satisfactory	40% growth by 2031	Thought to be minor, however building usage requires monitoring.
Tourism – increase in visitors to the National parks	Satisfactory	Uncertain at the current time	Estimated as a medium impact on facilities. See reasoning below

The population is expected to increase of 40% by 2031, representing an annual increase of approximately 2.5%. The current population is estimated at approximately 40 000. The projected increase amounts to an additional 16000 residents by 2031, bringing the population to 56000.

The current growth centre is some distance from currently available facilities in Gatton, Laidley and Helidon. This may result in disposing of some underutilised assets in these areas and creating new assets in the growth area.

The growth will most likely result in a few new facilities, an upgrade of existing facilities and an increase in general administration and maintenance facilities. This detail is not yet available, therefore assumptions need to be made for the service management plan and the 10 year capital works program. The estimate of annual expenditure for new and upgraded facilities has been estimated as follows:

- The current population is 40 000.
- The current asset value is \$90 million.
- Facilities excess to requirements is estimated at \$15 million, leaving \$75 million of useful assets.
- The use of the facilities is estimated to be at 75% of capacity. Office is over utilised while some amenities are underutilised. With data available the average utilisation is approximately 75%.
- This means that the population can increase by 33% to 51300 before full capacity is reached. (40 000 represents 75%, then 51 300 represents 100%).
- As the expected growth is 40% council needs to provide for the additional 7% growth (40% less 33%).
- The population not catered for is 56000 less 51300 giving 4700.
- 4700 is about 9.2% of the 100% capacity.
- Therefore it is reasonable to expect that facility assets must increase by 9.2% or 10% in rounded figures.
- This represents an investment required of \$7.5 million over 15 years (to 2031) or \$0.5 million per year.
- With the current excess capacity in mind, a conservative view has been taken and \$0.25 million per year has been allowed for new facilities due to growth. This does not include any special projects that council may construct in the future.

The above reasoning has been applied to all facilities. As office facilities are already at capacity, these would be the first facilities to be targeted for upgrade.

4.4 DEMAND MANAGEMENT PLAN

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. **As there is currently a surplus of assets providing new assets or upgrading existing assets will be kept to a minimum.** Demand management practices include non-asset solutions, insuring against risks and managing failures.

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Non-asset solutions focus on providing the required service without the need for the Council 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 failures⁶. Examples of non-asset solutions include providing 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 to date for demand management are shown in Table 4-2. Further opportunities will be developed in future revisions of this service management plan.

TABLE 4-2: DEMAND MANAGEMENT PLAN SUMMARY

Demand Driver	Impact on Services	Demand Management Plan
Increase in population	Over utilisation	Monitor the number of people using all facilities. Graph the results in order to plan for expansion, duplication and increased maintenance.
Increase in tourism to the National parks	Over utilisation	Monitor the number of people using all facilities. Graph the results in order to plan for expansion, duplication and increased maintenance.

⁶ IPWEA, 2011, IIMM, Table 3.4.1, p 3|58.

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4.5 ASSET PROGRAMS TO MEET DEMAND

There are no predicted contributed assets for facilities in the life of this plan. Contributed assets are more common in infrastructure assets where developers contribute, roads, parks and services for new developments. Predicted population growth by 2031 is very high, resulting in an increase in population of 40%. This is a 2.5% growth per annum. New and upgraded infrastructure will be required to meet the demand. The anticipated growth areas are away from the current council owned facilities. While an effort will be made to utilise the current facilities, it is anticipated that a number of current facilities will be disposed of and new facilities created to service the new growth areas. In addition to providing facilities with direct public interaction, council will need to provide increased internal facilities to accommodate an increase in staff and equipment required to service the growing population. The cumulative value of constructed asset values are summarised in Figure 4-1a, Figure 4-1b and Figure 4-1c. Note that growth demand is weighted toward the Top 10 assets. These assets are typically the type of asset where public interaction is high and facilities to accommodate staff to manage the higher demand.

FIGURE 4-1A: UPGRADE AND NEW ASSETS TO MEET DEMAND (TOTAL)

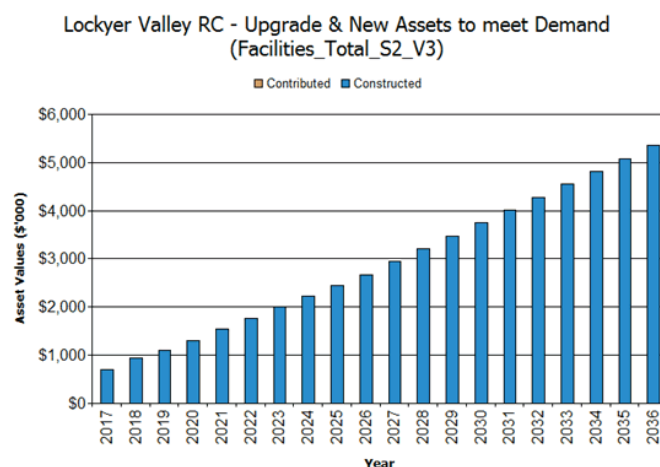


FIGURE 4-1B: UPGRADE AND NEW ASSETS TO MEET DEMAND (TOP 10)

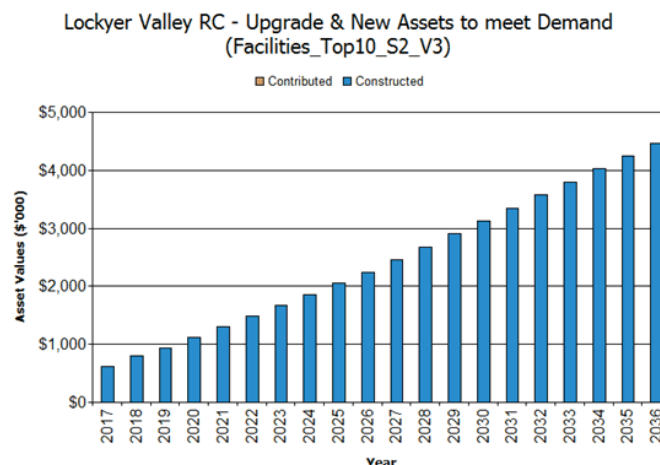
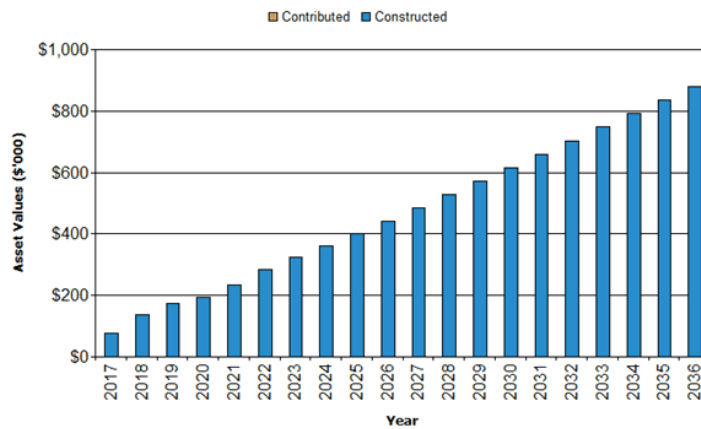


FIGURE 4-1C: UPGRADE AND NEW ASSETS TO MEET DEMAND (REMAINDER)

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Lockyer Valley RC - Upgrade & New Assets to meet Demand
(Facilities_Remainder_S2_V3)



Acquiring these new assets will commit the Council to fund 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 in Section 6.

5 INFRASTRUCTURE RISK MANAGEMENT PLAN

Council has a 'duty of care' to the community in relation to the management of all assets. This covers the various phases of design and construction through to operations and maintenance of the networks.

The risk management framework derives from:

- Risks associated with the loss of service by the failure of critical assets
- Financial risks from a lack of due diligence in the management of funding for the renewal, maintenance and operation of the assets to provide agreed levels of service
- Operational risks where data and information are not used to competently manage the risks associated with the delivery of transport related services i.e. asset maintenance practices

5.1 RISK ASSESSMENT

Council undertakes regular inspection regimes for all of its transport related assets. Each identified defect is put through a risk management process to determine its criticality based on all defects present on the asset networks to direct the repair effort. Remedial actions are undertaken based on the criticality of the defect with allowance made for the type of asset and asset hierarchy to ensure that the risk is given the appropriate attention to minimise impacts on the users of the service and protect Councils interests.

The acceptable risk level in relation to public safety depends very much on the likelihood and consequence descriptors used for the assessment. Lockyer Valley Regional Council chose to use conservative criteria for consequence. For example, the first two categories, "Insignificant" and "Minor" have no health impact. The Risk assessment is based on the formal assessment processes described in the standard and represented in Figure 5-1 below.

LIKELIHOOD	CONSEQUENCES				
	1	2	3	4	5
	Negligible	Minor	Moderate	Major	Catastrophic
A. Rare	L	L	L	M	H
B. Unlikely	L	L	M	H	H
C. Possible	L	M	M	H	E
D. Likely	M	M	H	E	E
E. Almost Certain	M	H	H	E	E

Figure 5-1: Risk Assessment Process (Source: AS/NZS 4360:2004 Risk Management)

Note the condition assessment 1 – 5 rating scale is aligned to the likelihood assessment level in the risk management process.

A reasonable rule of thumb for "take the risk" would be "medium" or less. However, the decision on taking action to reduce a risk depends on two factors:

- the magnitude of the risk, and
- the cost/difficulty of action to reduce the risk.

Thus there will be cases when it is sensible to reduce a "Low" risk and others when it may not be practical to reduce a "High" or "Extreme" risk

5.2 RISK TREATMENT

The risk treatments nominated in Table 5-1 have regard for the practical approach to risk management based on:

- Available resources, (and skills);
- Funding; and
- Network needs based on hierarchy and the associated seasonal factors.

The treatments also have regard for the factors that Council can capably manage to ensure that the risks are minimised.

Table 5-2: Risk Treatments for Risk Categories

Risk Category	Control / Treatment
<i>L = Low Risk</i>	<ul style="list-style-type: none"> • <i>Reactive Inspection</i> • <i>Manage risk by routine procedures</i> • <i>Typically, response within 48 hours</i>
<i>M = Moderate Risk</i>	<ul style="list-style-type: none"> • <i>Incident Inspection</i> • <i>Management responsibility must be specified</i> • <i>Typically, response within 24 hours</i>
<i>H = High Risk</i>	<ul style="list-style-type: none"> • <i>Incident Inspection</i> • <i>Risk and management strategy identified in Services Management Plan</i> • <i>Typically, immediate to short term response, (make safe)</i>
<i>E = Extreme Risk</i>	<ul style="list-style-type: none"> • <i>Incident Inspection</i> • <i>Risk and management strategy identified in Services Management Plan</i> • <i>Typically, immediate response and remedy as far as is practicable</i>

For each identified risk Council can elect to adopt one of the following positions:

- Take the risk,
- Transfer the risk,
- Treat the risk, or
- Terminate the risk.

5.3 PRIORITISING RISKS FOR TREATMENT

Risk events classified as extreme should be prioritised when defining and implementing risk treatment strategies and risk controls.

Table 5-3 records the critical risks (as identified) for incidents to the transport and drainage network, together with the cause, likelihood, risk rating and risk treatment, (both short and long term). It is not possible to identify all possible risks.

An assessment of risks⁷ associated with service delivery from infrastructure assets has identified critical risks that will result in loss or reduction in service from infrastructure assets or a 'financial shock' to the Council. 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, together with the estimated residual risk after the selected treatment plan is operational are summarised in Table 5.2. These risks are reported to management and Council.

See also the risk register in Appendix H.

⁷ Risk Management Practice Manual

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TABLE 5-3: CRITICAL RISKS AND TREATMENT PLANS

Service or Asset at Risk (Buildings)	What can Happen	Risk Rating (VH, H)	Risk Treatment Plan	Residual Risk *	Treatment Costs
Fire	Damage to property and persons	H	Regular maintenance checks, including electrical checks, smoke alarm testing. Ensure evacuation drills are carried out and all fire equipment is to current standards and regularly assessed.	M	Undertaken as part of existing maintenance costs
Flood	Inundation of property.	H	Monitor flood levels and close facilities if required. Ensure all stormwater drainage is fully functional at all times. Produce a risk management plan per building which stipulates where anti flood devices are kept and specific placement.	H	Undertaken as part of existing maintenance costs
Termite Damage	Critical / costly damage to structural timber components	H	Annual termite checks. Ensure any termite barriers are current.	M	Operational cost
Electrocution	Fire / Death, or serious injury	H	Ensure all required electrical testing is regularly carried out.	M	Operational cost
Rodent Damage	Damage to property	H	Ensure pest control is carried out regularly	M	Operational cost
Personnel injury	Damage to public / staff caused by unsafe facilities	H	Ensure regular maintenance checks, are carried out. Act on customer defect reports within an agreed timeframe.	M	Operational cost
Deterioration	Lack of maintenance resulting in deterioration of the asset	M	Ensure maintenance activities are undertaken	L	Operational cost
Funding	Reduce ability to fund future capital renewals	M	Monitor funding sources and apply for additional funding in a timely manner	L	Undertaken as part of the financial plan

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

6 LIFECYCLE MANAGEMENT PLAN

The lifecycle management plan details how the Council plans to manage and operate the assets at the agreed levels of service (defined in Section 3) while optimising life cycle costs.

Lifecycle planning uses current asset and financial data to detail how Council will manage and operate the assets to deliver sustainable levels of service (defined in Section 3) while optimising life cycle costs.

The diagram below demonstrates the asset management 'whole of life' approach:



Figure 6.1: Asset Lifecycle

6.1 BACKGROUND DATA

6.1.1 Physical parameters

The assets covered by this Service Management Plan are shown in Table 6-1.

The age profile of the assets included in this SM Plan is shown in Figure 6-2a, Figure 6-2b and Figure 6-2c. The current data shows that all assets were constructed post 1957. This may not be absolutely correct. However there are no records to provide more accurate data and therefore ages have been assumed. The correct use of condition rating will override the renewal demand due to age. The age profile is a major reason for the very low renewal demand in this plan. With the majority of facilities having an 80 year life the earliest a renewal demand will be realised is 2037.

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FIGURE 6-2A: ASSET AGE PROFILE (TOTAL)

Lockyer Valley RC - Age Profile (Facilities_Total_S2_V3)

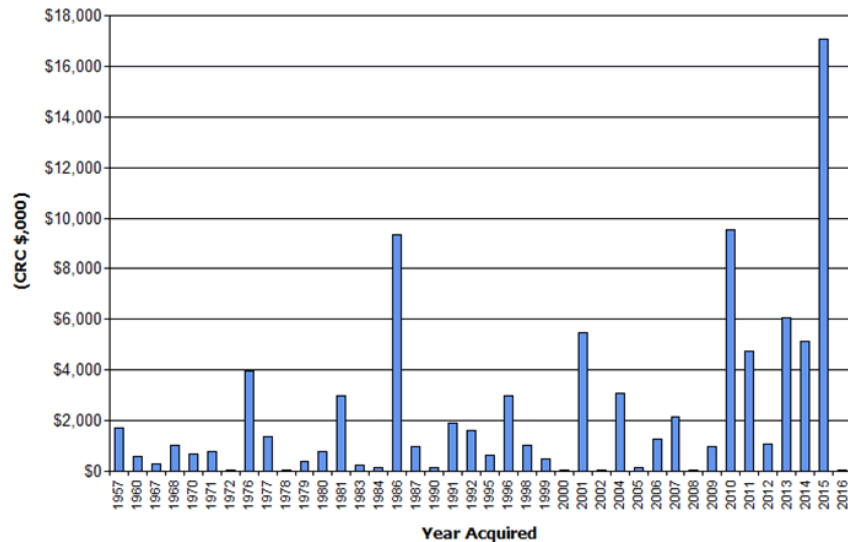


FIGURE 6-2B: ASSET AGE PROFILE (TOP 10)

Lockyer Valley RC - Age Profile (Facilities_Top10_S2_V3)

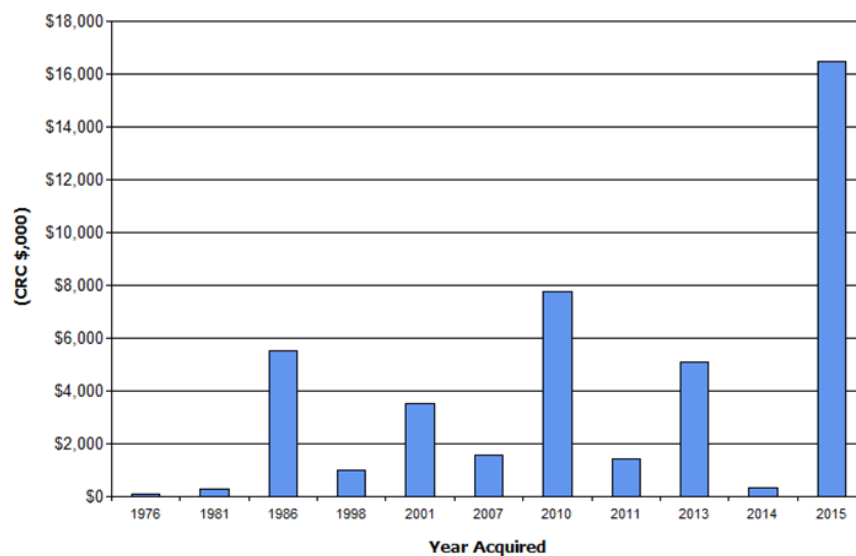
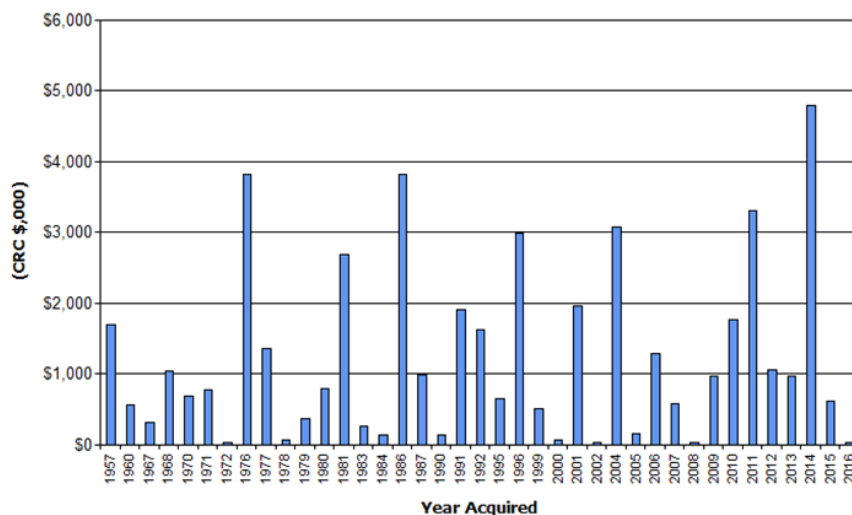


FIGURE 6-2C: ASSET AGE PROFILE(REMAINDER)

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Lockyer Valley RC - Age Profile (Facilities_Remainder_S2_V3)



6.1.2 Asset capacity and performance

The Council's services are generally provided to meet design standards where these are available.

Locations where deficiencies in service performance are known are detailed in Table 6-1.

TABLE 6-1: KNOWN SERVICE PERFORMANCE DEFICIENCIES

Location	Service Deficiency
Future task	This task is an improvement task as better understanding of the assets is achieved
	It is proposed to update this in updated plan in June 2017

6.1.3 Asset condition

At present assumed condition of the building assets is included in the asset registers. The inspections of the assets is undertaken on an ad hoc basis to investigate specific issues reported by the building users. The Top 10 condition ratings are relatively accurate as they have been inspected by an external party in 2015. The condition of the remainder has been estimated with the assistance of council facilities maintenance supervisors. The condition ratings are consequently considered less accurate but within a fair band of confidence. Council are presently preparing condition rating guidelines to cover:

- Building hierarchy
- Inspection types based on hierarchy
- Inspection frequencies based on hierarchy

Once developed these procedures will ensure Council will have up to date asset registers including condition scores at an appropriate elemental level. This will also ensure that current backlog maintenance, backlog renewal, and compliance issues can be programmed along with the current programming that comprises of operational and planned maintenance activities. Financial liabilities in regards to compliance works and backlog activities are not known.

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The current estimated asset conditions are as follows:

FIGURE 6-3A CONDITION PROFILE (TOTAL)

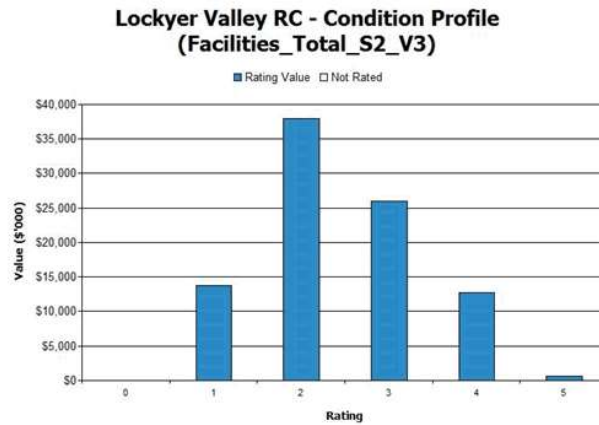


Figure 6-3b Condition Profile (Top 10)

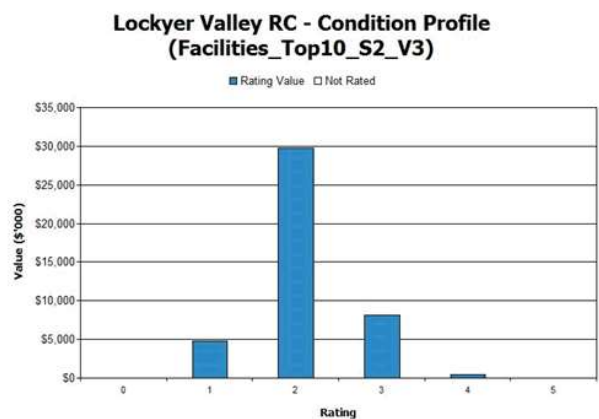
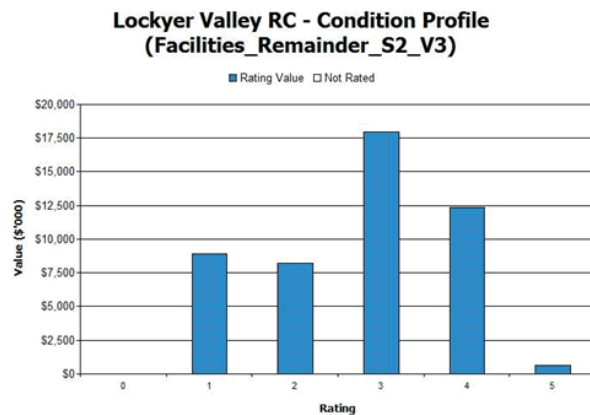


Figure 6-3c Condition Profile (Remainder)

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6.1.4 Asset valuations

The value of assets recorded in the asset register as at 2016 covered by this service management plan is shown below. The Top 10 assets were last revalued at \$43.245m in 2015. The remainder of the assets have been valued based on estimates from previous values and the facilities team's knowledge of the assets. The value of the remainder is estimated at \$48.074m. The total asset value is estimated at \$91.318m. Assets are valued using the fair value calculation in accordance with AASB116. There is a medium level of confidence in the asset valuations.

Current Replacement Cost	\$84.969m
Depreciable Amount	\$80.417m
Depreciated Replacement Cost ⁸	\$45.686m
Annual Depreciation Expense	\$1.608m

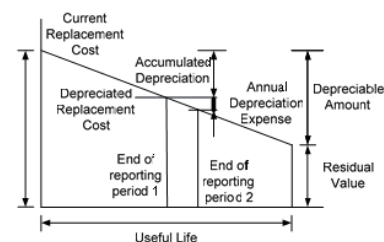


TABLE 6-2: CURRENT REPLACEMENT COSTS WITH DEPRECIATION

Description	Total (\$m)	Top 10 (\$m)	Remainder (\$m)
Current Replacement Cost	91.319	43.245	48.074
Depreciable Amount	91.319	43.245	48.074
Depreciated Replacement Cost	57.959	31,130	26.828
Annual depreciation Expense	1.948	0.980	.968

⁸ Also reported as Written Down Current Replacement Cost (WDCRC).

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Useful lives were reviewed in 2012 by with regard given to physical deterioration, functional obsolescence and economic obsolescence .

Various ratios of asset consumption and expenditure have been prepared to help guide and gauge service management performance and trends over time.

TABLE 6-3: PERFORMANCE MEASURES

Description	Total (%)	Top 10 (%)	Remainder (%)
Rate of Annual Asset Consumption (Depreciation/Depreciable Amount)	2.1	2.3	2
Rate of Annual Asset Renewal (Capital renewal exp/Depreciable amount)	1.6	1.7	1.6
Rate of Annual Asset Upgrade/New (Capital upgrade exp/Depreciable amount)	0.8	1.4	0.2
Rate of Annual Asset Upgrade/New (including contributed assets)	0.8	1.4	0.2
Asset renewals as percentage of consumption	77	74.8	79.2
Percentage increase in Asset Stock	0.8	1.4	0.2

This table indicate renewals are not keeping pace with depreciation charged. There are a number of possible ways to correct this:

- Lower depreciation.
- Increase renewals
- Re-value the assets
- Re-examine useful lives
- Componentise the assets to provide better detail

As mentioned previously a better level of detail on the data, and componentisation, will create a better renewal profile. This may result in the renewal demand exceeding the depreciation.

6.1.5 Historical Data

Historical data is not readily available, with the exception of the last four years annual reports.

6.2 ROUTINE OPERATIONS AND MAINTENANCE PLAN

Operations include regular activities to provide services such as public health, safety and amenity, e.g. Pest management, cleaning, servicing, etc.

Routine maintenance is the regular on-going work that is necessary to keep assets operating, including instances where portions of the asset fail and need immediate repair to make the asset operational again.

6.2.1 Operations and Maintenance Plan

Operations activities affect service levels including quality and function 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. repairs but excluding rehabilitation or renewal. Maintenance may be classified into reactive, planned and specific maintenance work activities.

Reactive maintenance is unplanned repair work carried out in response to service requests and management/supervisory directions.

Planned maintenance is repair work that is identified and managed through a maintenance management system (MMS). MMS activities include inspection, assessing the condition against failure/breakdown experience, prioritising, scheduling, actioning the work and reporting what was done to develop a maintenance history and improve maintenance and service delivery performance.

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Specific maintenance is replacement of higher value components/sub-components of assets that is undertaken on a regular cycle including repainting, replacing air conditioning units, etc. This work falls below the capital/maintenance threshold but may require a specific budget allocation.

Actual past maintenance expenditure is shown in Table 6-4.

Table 6-4: Maintenance Expenditure Trends

Year	Maintenance Expenditure	
	Planned and Specific	Unplanned
2016	Included in unplanned (split unknown)	3,800,000
2014	Included in unplanned (split unknown)	3,200,000
2013	Included in unplanned (split unknown)	3,442,216
2012	Included in unplanned (split unknown)	3,553,231
2011	Included in unplanned (split unknown)	3,131,897

Planned maintenance work is currently an unknown of total maintenance expenditure. Council has introduced a maintenance management system for facilities. This will provide information on planned maintenance in the future.

Maintenance expenditure levels are considered to be adequate to meet projected service levels, which may be less than or equal to current service levels. 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 this SM Plan and service risks considered in the Infrastructure Risk Management Plan.

Assessment and prioritisation of reactive maintenance is undertaken by the Council's staff using experience and judgement, however a full condition assessment for the building assets is planned for 2017/2018, which will highlight whether expenditure is sufficient.

Maintenance and operations expenditure is currently not being allocated to specific assets. This makes it difficult to analyse any trends on specific facilities. The recently introduced facilities maintenance system should assist staff in allocating maintenance expenditure to the correct assets.

6.2.2 Operations and Maintenance Strategies

Council will operate and maintain assets to provide the defined level of service to approved budgets in the most cost-efficient manner. The operation and maintenance activities include:

- Scheduling operations 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 Council,
- Review current and required skills base and implement workforce training and development to meet required operations 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 operations and maintenance activities,
- Develop and regularly review appropriate emergency response capability,
- Review management of operations and maintenance activities to ensure the Council is obtaining best value for resources used.

6.3 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.

At present there is no hierarchy in place for the building assets. It is a task listed in the improvement plan.

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6.4 CRITICAL ASSETS

Critical assets are those assets which have a high consequence of failure but not necessarily a high likelihood of failure. By identifying critical assets and critical failure modes, Councils can target and refine investigative activities, maintenance plans and capital expenditure plans at the appropriate time.

Operations and maintenance activities may be targeted to mitigate critical assets failure and maintain service levels. These activities may include increased inspection frequency, higher maintenance intervention levels, etc. Critical assets failure modes and required operations and maintenance activities are yet to be determined.

Lockyer Valley Regional Council have highlighted the Top 10 critical facilities and created a separate strategic view for them.

6.5 STANDARDS AND SPECIFICATIONS

Maintenance work is carried out in accordance with the following Standards and Specifications.

- Building Code of Australia
- Workplace Health and Safety Act and Regulations
- AS 1428-2003 Design for Access and Mobility
- Building Fire Safety Regulations 2008
- Building Act 1975
- Electrical Safety Act 2002

6.5.1 Summary of future operations and maintenance expenditures

Future operations and maintenance expenditure is forecast to trend at a steady level as shown in Figure 6-4a, figure 6-4b and Figure 6-4c. This is mainly due to the intention to decrease asset inventory coupled with the requirement to increase maintenance. Note that all costs are shown in current 2016 dollar values (i.e. real values). The figures below simply show that LVRC is working to a budget. There is no indication as to whether the expenditure is within acceptable bounds. While the amounts, expressed as a percentage of capital value, do seem to fall within the norms information should be sourced from neighbouring councils to verify the level of expenditure.

FIGURE 6-4A: PROJECTED OPERATIONS AND MAINTENANCE EXPENDITURE (TOTAL)

Lockyer Valley RC - Projected Operations & Maintenance Expenditure (Facilities_Total_S2_V3)

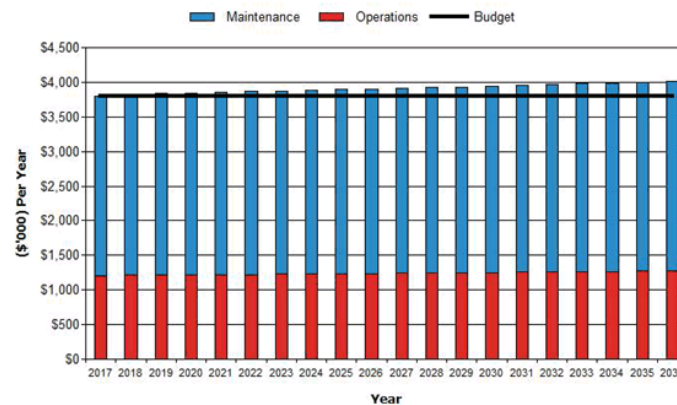


FIGURE 6-4B: PROJECTED OPERATIONS AND MAINTENANCE EXPENDITURE (TOP 10)

**Lockyer Valley RC - Projected Operations & Maintenance
Expenditure (Facilities_Top10_S2_V3)**

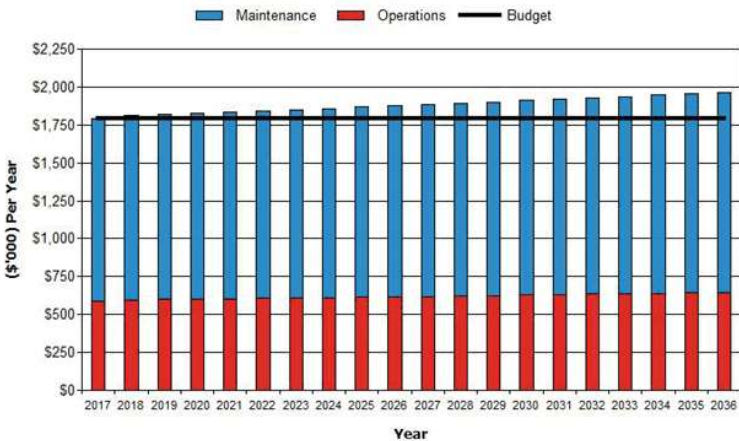
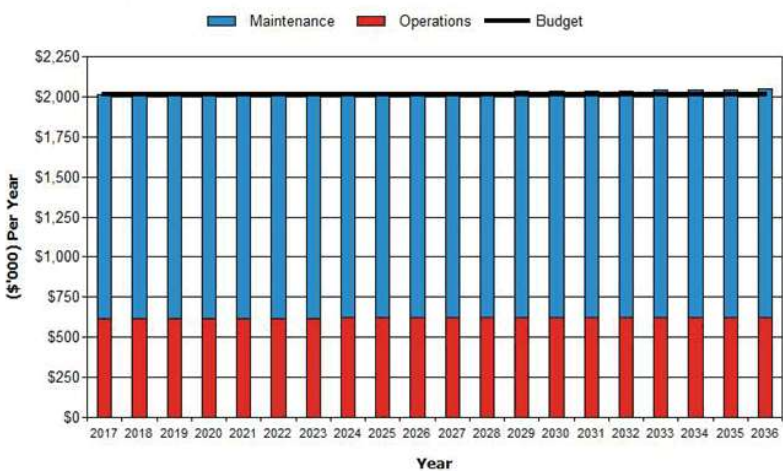


FIGURE 6-4C: PROJECTED OPERATIONS AND MAINTENANCE EXPENDITURE (REMAINDER)

**Lockyer Valley RC - Projected Operations & Maintenance
Expenditure (Facilities_Remainder_S2_V3)**



Deferred maintenance, ie works that are identified for maintenance and unable to be funded are to be included in the risk assessment and analysis in the infrastructure risk management plan.

The current operations and maintenance expenditure, expressed as a percentage of current replacement cost, is as follows:

Table 6-5: Maintenance and Operations Proportions by Capital Replacement Cost

Description	Maintenance (%)	Operations (%)	Total (%)
Total	1.32	2.84	4.16
Top 10	1.36	2.78	4.14
Remainder	1.28	2.90	4.18

As the facilities team has additional responsibilities, the staff costs are over stated resulting in a higher operations cost. There are no statistics to estimate the percentage of resource that is consumed by facilities only. It has been decided to take a conservative view and include all the staff costs in facilities strategic plan until better information is available.

The above division of costs is acceptable. It matches the asset current replacement cost split between the Top 10 and the remainder. It makes sense to spend funds protecting high risk facilities.

The percentage amounts seem to be reasonable. There is very little information to benchmark whether council is over or under spending on Operations and Maintenance. The accepted measure is to ascertain whether the service levels at facilities are remaining constant, improving or deteriorating. If the service levels remain constant the expenditure is at the correct level.

Maintenance is funded from the operating budget where available.

6.6 RENEWAL/REPLACEMENT PLAN

Renewal and replacement 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.

6.6.1 Renewal plan

Assets requiring renewal/replacement are identified from one of three methods provided in the 'Expenditure Template'.

- Method 1 uses Asset Register data to project the renewal costs using acquisition year and useful life to determine the renewal year, or
- Method 2 uses capital renewal expenditure projections from external condition modelling systems (such as Pavement Management Systems), or
- Method 3 uses a combination of average *network renewals* plus *defect repairs* in the *Renewal Plan* and *Defect Repair Plan* worksheets on the 'Expenditure template'.

Method 3 was used for this service management plan.

The useful lives of assets have not been developed at a component level. At this stage the majority of assets have been valued as complete structures. A few have been valued down to the 5 major components. Componentisation and development of asset lives is part of the improvement plan.

6.6.2 Renewal and Replacement Strategies

Council 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 options that could address the service deficiency,
 - and evaluate the options against evaluation criteria adopted by the Council, and
 - select the best option to be included in capital renewal programs,

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- Using 'low cost' 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 the Council,
- 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 the Council is obtaining best value for resources used.

6.7 RENEWAL RANKING CRITERIA

Asset renewal and replacement 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 bridge that has a 5 t load limit), or
- To ensure the infrastructure is of sufficient quality to meet the service requirements (e.g. roughness of a road).⁹

It is possible to get some indication of capital renewal and replacement priorities by identifying assets or asset groups 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 Council,
- Have the highest average age relative to their expected lives,
- Are identified in the SM Plan as key cost factors,
- Have high operational or maintenance costs, and
- Where replacement with modern equivalent assets would yield material savings.¹⁰

LVRC have identified the Top 10 facilities that carry the most risk and have high utilisation. These are typically the buildings that experience high public interaction and office buildings

6.8 RENEWAL AND REPLACEMENT STANDARDS

Renewal work is carried out in accordance with the following Standards and Specifications.

- National Construction Code (formally the Building Code of Australia)
- Documents adopted by reference in the National Construction Code
- Other legislation affecting buildings affecting buildings as noted in the National Construction Code

6.8.1 Summary of future renewal and replacement expenditure

Projected future renewal and replacement expenditures are forecast to increase over time as the asset stock increases from growth, although this expected only once surplus asset stock has been disposed of. The estimated time frame for this is seven years. The current renewal strategy is simply to renew according to an annual \$1.5m budget, with the selection of projects being largely reactive. The expenditure is summarised in Fig 6-5a, Fig 6-5b, Fig 6-5c. Note that all amounts are shown in real values.

The projected capital renewal and replacement program is shown in Appendix C.

⁹ IPWEA, 2011, IIMM, Sec 3.4.4, p 3|60.

¹⁰ Based on IPWEA, 2011, IIMM, Sec 3.4.5, p 3|66.

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Fig 6-5a: Projected Capital Renewal and Replacement Expenditure (Total)

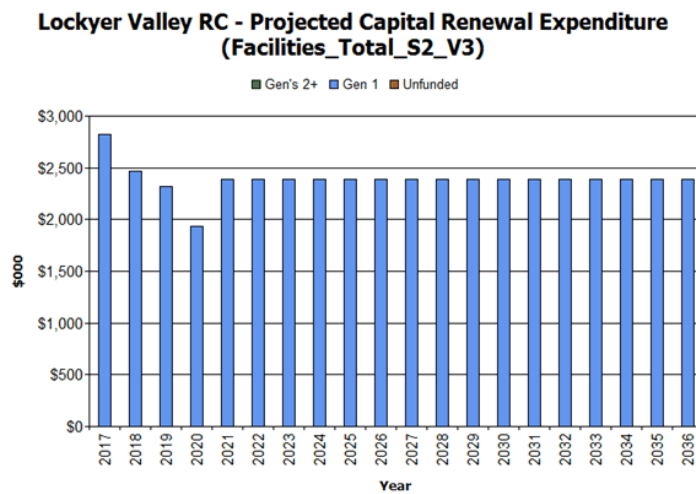
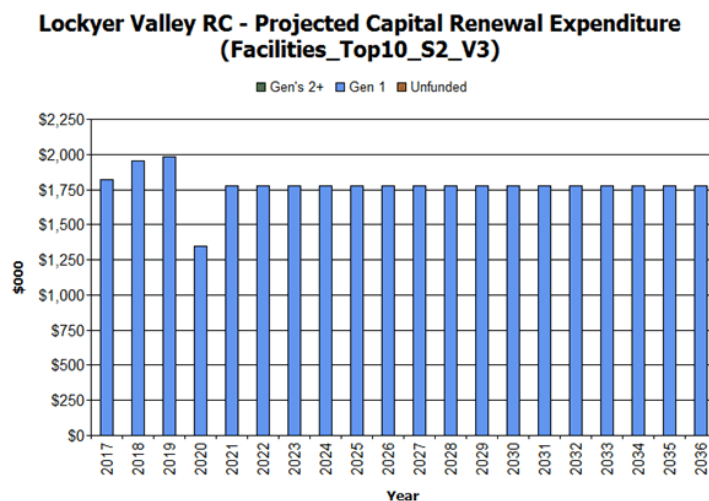
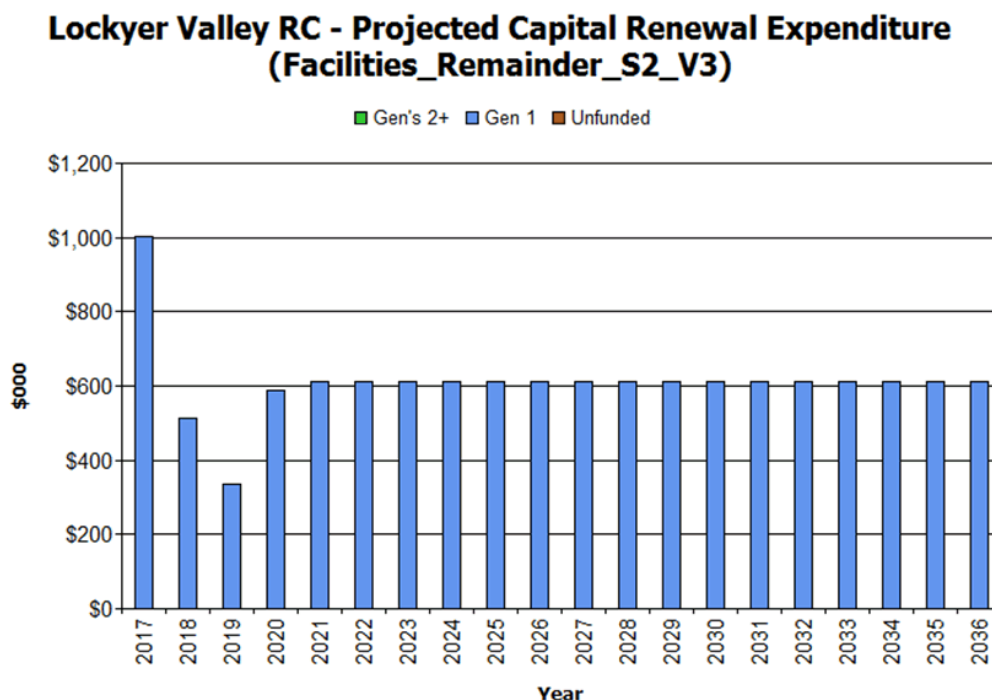


Fig 6-5b: Projected Capital Renewal and Replacement Expenditure(Top 10)



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Fig 6-5c: Projected Capital Renewal and Replacement Expenditure (Remainder)



LVRC carry out renewals on facilities components on an annual basis. As many components have a shorter useful life than for the whole facility, renewal is required before the renewal of the facility. LVRC budget for this based on historical expenditure and is approximately \$1.5m per year. The known renewal projects over the next 4 years exceed the budget. The average of the first four years has been used estimate renewal in the following years. This average is also in excess of the current budget. Council will either have to defer projects or allocate additional budget.

Deferred renewal and replacement, i.e. those assets identified for renewal and/or replacement and not scheduled in capital works programs are to be included in the risk analysis process in the risk management plan.

Renewals and replacement expenditure in the Council's capital works program will be accommodated in the long term financial plan.

6.9 CREATION/ACQUISITION/UPGRADE PLAN

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 may also be acquired at no cost to the Council from land development. These assets from growth are considered in Section 4.5.

6.9.1 Selection criteria

New assets and upgrade/expansion of existing assets are identified from various sources such as councillor or community requests, proposals identified by strategic plans or partnerships with other organisations. Candidate proposals are inspected to verify need and to develop a preliminary renewal estimate. Verified proposals are ranked by priority (within Delta) and available funds and scheduled in future works programmes.

6.9.2 Capital Investment Strategies

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

- Planning and scheduling capital upgrade and new projects to deliver the defined level of service in the most efficient manner,
- Undertake project scoping for all capital upgrade/new projects to identify:

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- the service delivery 'deficiency', present risk and required timeline for delivery of the upgrade/new asset,
- 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 options that could address the service deficiency,
- management of risks associated with alternative options,
- and evaluate the options against evaluation criteria adopted by Council, and
- select the best option to be included in capital upgrade/new programs,
- Review current and required skills base and implement training and development to meet required construction and project management needs,
- Review management of capital project management activities to ensure Council is obtaining best value for resources used.

6.9.3 Summary of future upgrade/new assets expenditure

Projected upgrade/new asset expenditures are summarised in Fig 6-6a, Fig 6-6b, Fig 6-6c. All amounts are shown in real values.

Fig 6-6a: Projected Capital Upgrade/New Asset Expenditure (Total)

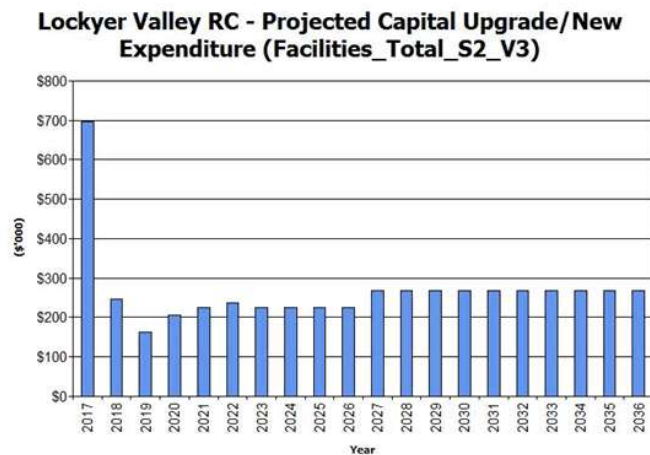
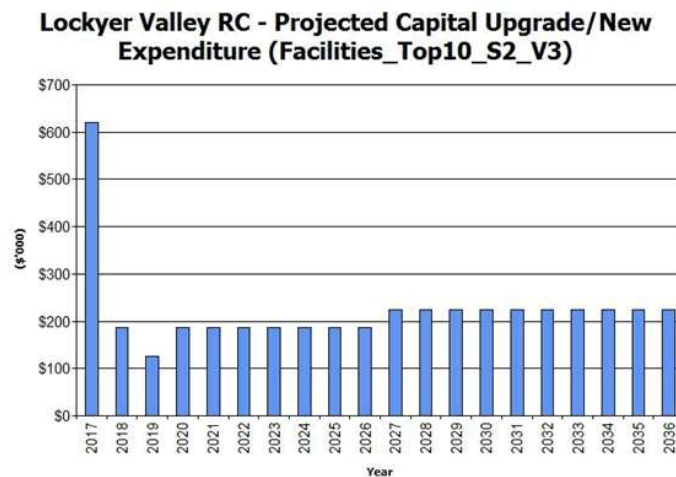
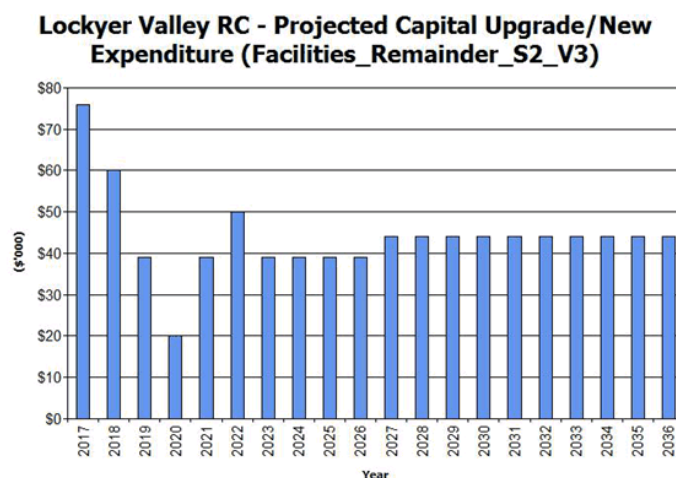


Fig 6-6b: Projected Capital Upgrade/New Asset Expenditure (Top 10)



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Fig 6-6c: Projected Capital Upgrade/New Asset Expenditure (Remainder)



The upgrade costs in the first few years are known projects. Thereafter new and upgrade works are required to meet the population growth.

Expenditure on new assets and services in the Council's capital works program will be accommodated in the long term financial plan.

6.10 DISPOSAL PLAN

Disposal includes any activity associated with disposal of a decommissioned asset including sale, demolition or relocation. Assets identified for decommissioning and disposal are shown in Table 6.6, together with estimated annual savings from not having to fund operations and maintenance of the assets. These assets will be further reinvestigated to determine the required levels of service and see what options are available for alternate service delivery, if any. Any revenue gained from asset disposals is accommodated in the Council's long term financial plan.

Disposals have been estimated for the first four years of this Service Management Plan. There is no value to the assets being disposed, resulting in a net disposal cost to council.

Table 6.6: Assets Identified for Disposal

Asset	Reason for Disposal	Timing	Disposal Expenditure	Operations & Maintenance Annual Savings
Showgrounds	Toilets removed	2018/19	15000	Minor
Laidley Temporary Library	Removal	2017/18	20000	Minor
Gatton Depot	Remove old sheds	2020/2022	50000	Minor
Smithfield road	Dwelling removal	2017/18	30000	Minor
Gatton Squash Courts	Demolish squash courts	2017/18	40000	Minor

Appendix K contains a full list of facilities identified as surplus to current requirements. The utilisation of these buildings is low or being used for purposes other than the building design intention simply because they are available. The detail disposal plan for each of these facilities has not yet been decided. Until such a decision is made the intention is not to replace any of these facilities at the end of the useful lives, and keep maintenance to a minimum. While most of these facilities do have a current written down value in the financial system, it is recommended at the next valuation the values be written off. Any facility that may return a value on disposal should be revalued at the expected return value. The revaluation will result in a decrease in the annual depreciation on facilities.

7 SERVICE CONSEQUENCES AND RISKS

Council has prioritised decisions made in adopting this SM Plan to obtain the optimum benefits from its available resources. Decisions were made based on the following:

The renewal estimate is based on known renewal requirements for the first four years of this plan. The renewal estimate for the subsequent years is the average cost of the first four years. This estimate exceeds the current budget.

Council needs to make decisions on renewals based on available budget, and risk associated with not undertaking renewals. In this iteration of the Service Management Plan, the data to quantify the benefits and risk is not available. This task is included in the improvement plan to be available at the next iteration of the Service Management Plan.

7.1 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:

- Increase the level of service
- Cannot maintain outlying underutilised facilities
- Cannot increase budget significantly.

7.2 SERVICE CONSEQUENCES

Operations and maintenance activities and capital projects that cannot be undertaken will maintain or create service consequences for users. These include:

- Unavailability of facilities
- Facilities in poor condition
- Increased travel costs to facilities further from their homes

7.3 RISK CONSEQUENCES

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

- Unsafe facilities for community use.
- Level of service will decline below the desired.
- Increased backlog maintenance, compliance and renewal works
- Reduce ability to fund future capital renewals, and impact on long term financial sustainability

These risks have been included with the Infrastructure Risk Management Plan summarised in Section 5.2 and risk management plans actions and expenditures included within projected expenditures.

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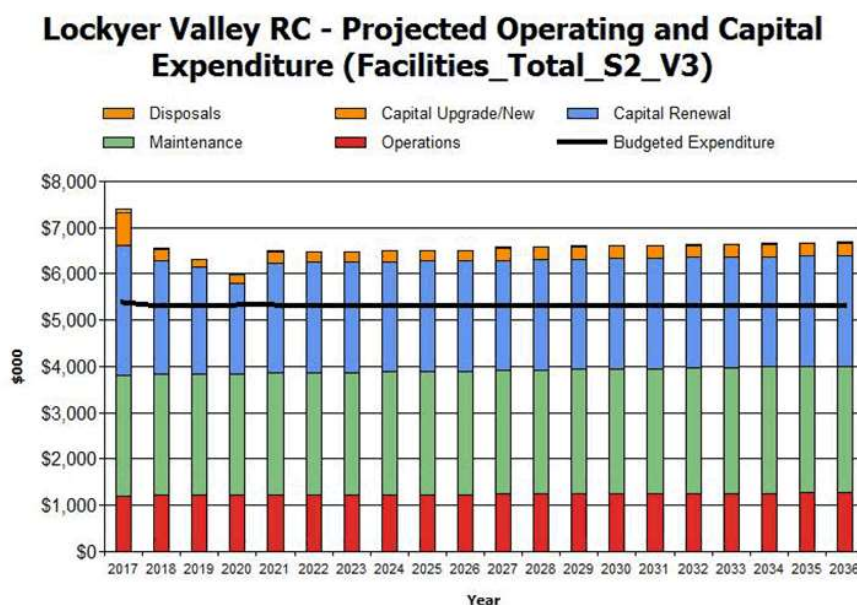
8 FINANCIAL SUMMARY

This section contains the financial requirements resulting from all the information presented in the previous sections of this service management plan. The financial projections will be improved as further information becomes available on desired levels of service and current and projected future asset performance.

8.1 FINANCIAL STATEMENTS AND PROJECTIONS

The financial projections are shown in Figure 8-1a, figure 8-1b and Figure 8-1c for projected operating (operations and maintenance) and capital expenditure (renewal and upgrade/expansion/new assets). Note that all costs are shown in real values.

Fig 8-1a: Projected Operating and Capital Expenditure (Total)



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Fig 8-1b: Projected Operating and Capital Expenditure (Top 10)

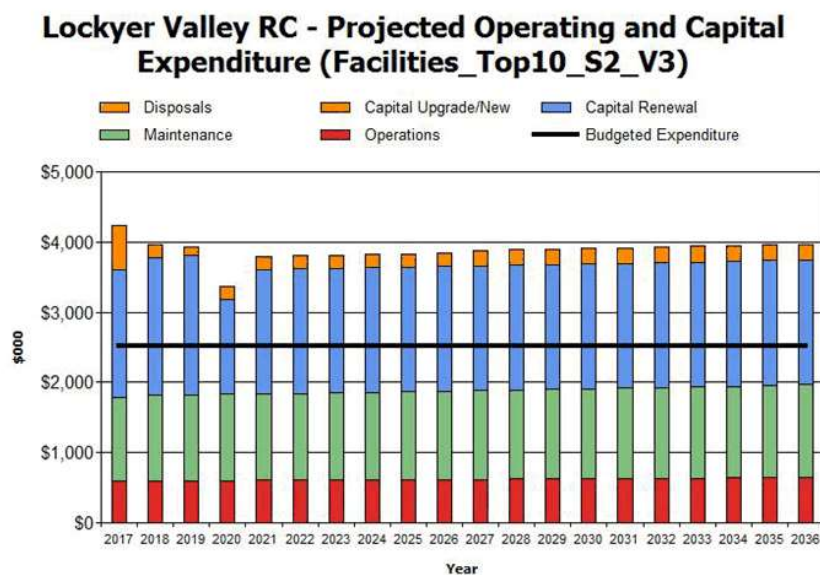
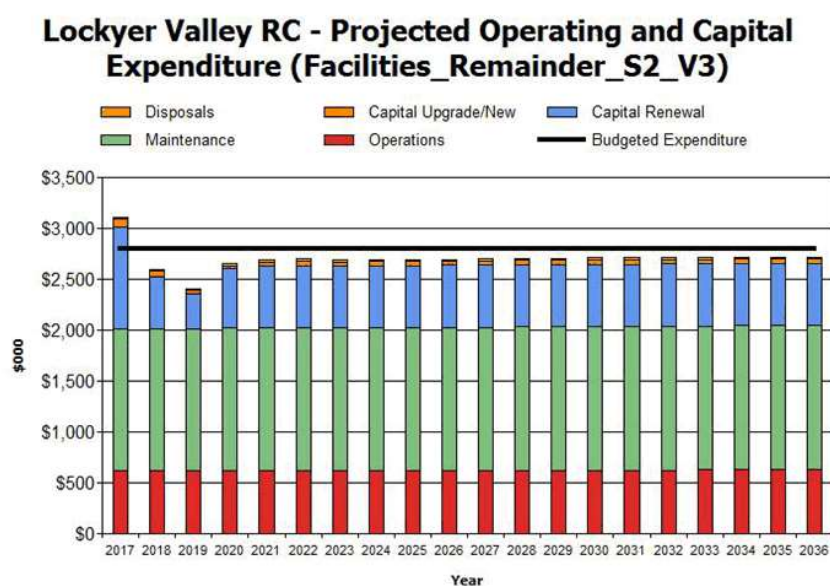


Fig 8-1c: Projected Operating and Capital Expenditure (Remainder)



8.2 SUSTAINABILITY OF SERVICE DELIVERY

There are four key indicators for service delivery sustainability that have been considered in the analysis of the services provided by this asset category, these being the asset renewal funding ratio, long term life cycle costs/expenditures and medium term projected/budgeted expenditures over 5 and 10 years of the planning period.

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8.3 ASSET RENEWAL FUNDING RATIO

Asset Renewal Funding Ratio ¹¹ (Total)	63%
Asset Renewal Funding Ratio ¹² (Top 10)	41%
Asset Renewal Funding Ratio ¹³ (Remainder)	125%

The Asset Renewal Funding Ratio is the most important indicator and reveals that over the next 10 years, Council is forecasting that it will have only 63% of the funds required for the optimal renewal and replacement of its assets. As more detailed data becomes available the expectation is that these ratios may improve, as a result of improved knowledge and balancing of funding of projects.

8.4 LONG TERM - LIFE CYCLE COST

Life cycle costs (or whole of life costs) are the average costs that are required to sustain the service levels over the asset life cycle. Life cycle costs include operations and maintenance expenditure and asset consumption (depreciation expense). The life cycle cost for the services covered in this service management plan is \$4.4m per year (average operations and maintenance expenditure plus depreciation expense projected over 10 years).

Life cycle costs can be compared to life cycle expenditure to give an initial indicator of affordability of projected service levels when considered with age profiles. Life cycle expenditure includes operations, maintenance and capital renewal expenditure. Life cycle expenditure will vary depending on the timing of asset renewals. The life cycle expenditure over the 10 year planning period is \$2.8m per year (average operations and maintenance plus capital renewal budgeted expenditure in LTFP over 10 years). As the majority of renewals fall outside the time frame of this plan the true renewal cost is can only be determined when assets are componentised to provide better detail and shorter renewal cycles. The renewals for the next 10 years is very low and therefore the figures contained in this section would be relatively accurate.

A shortfall between life cycle cost and life cycle expenditure is the life cycle gap. The life cycle gap for services covered by this service management plan is (-ve = gap, +ve = surplus).

Total	-\$0.51m per year
Top 10	-\$0.3m per year
Remainder	-\$0.2m per year

Life cycle expenditure to life cycle costs is as follows:

Total	91%
Top 10	90%
Remainder	93%

The life cycle costs and life cycle expenditure comparison highlights any difference between present outlays and the average cost of providing the service over the long term. If the life cycle expenditure is less than that life cycle cost, it is most likely that outlays will need to be increased or cuts in services made in the future. These acceptable band for these ratios is above 85% with a goal of between 90% and 95%. This shows that council is currently managing the life cycle cost acceptably. As renewal investment is low it would indicate that operations and maintenance may be slightly too high, or that all the shortfall is due to the renewal shortfall.

Knowing the extent and timing of any required increase in outlays and the service consequences if funding is not available will assist Councils in providing services to their communities in a financially sustainable manner. This is the purpose of the service management plans and long term financial plan.

8.5 MEDIUM TERM – 10 YEAR FINANCIAL PLANNING PERIOD

This service management plan identifies the projected operations, maintenance and capital renewal expenditures 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.

These projected expenditures may be compared to budgeted expenditures in the 10 year period to identify any funding shortfall. In a core service management plan, a gap is generally due to increasing asset renewals for ageing assets.

¹¹ AIFMG, 2009, Financial Sustainability Indicator 8, Sec 2.6, p 2.18

¹² AIFMG, 2009, Financial Sustainability Indicator 8, Sec 2.6, p 2.18

¹³ AIFMG, 2009, Financial Sustainability Indicator 8, Sec 2.6, p 2.18

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The projected operations, maintenance and capital renewal expenditure required over the 10 year planning period is:

Total	\$6.2m on average per year.
Top 10	\$3.6m on average per year.
Remainder	\$2.7m on average per year.

Estimated (budget) operations, maintenance and capital renewal funding is:

Total	\$5.3m on average per year giving a 10 year funding shortfall of \$0.9m per year.
Top 10	\$2.5m on average per year giving a 10 year funding shortfall of \$1.1m per year.
Remainder	\$2.8m on average per year giving a 10 year funding shortfall of \$0.10m per year.

This indicates that Council expects to have 85% of the projected expenditures needed to provide the services documented in the service management plan.

8.6 MEDIUM TERM – 5 YEAR FINANCIAL PLANNING PERIOD

The projected operations, maintenance and capital renewal expenditure required over the first 5 years of the planning period is:

Total	\$6.2m on average per year.
Top 10	\$3.6m on average per year.
Remainder	\$2.7m on average per year.

Estimated (budget) operations, maintenance and capital renewal funding is:

Total	\$5.3m on average per year giving a 5 year funding shortfall of \$0.9m.
Top 10	\$2.5m on average per year giving a 5 year funding shortfall of \$1.1m.
Remainder	\$2.8m on average per year giving a 5 year funding shortfall of \$0.1m.

This indicates that Council expects to have 85% of projected expenditures required to provide the services shown in this service management plan.

8.7 ASSET MANAGEMENT FINANCIAL INDICATORS

Figure 8-2a, Figure 8-2b and Figure 8-2c show the asset management financial indicators over the 10 year planning period and for the long term life cycle. These figures are expected to reduce with more detailed data. The reduction in the 5 and 10 year plan will not be significant. A larger difference is expected over the long term.

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Figure 8-2a: Asset Management Financial Indicators (Total)

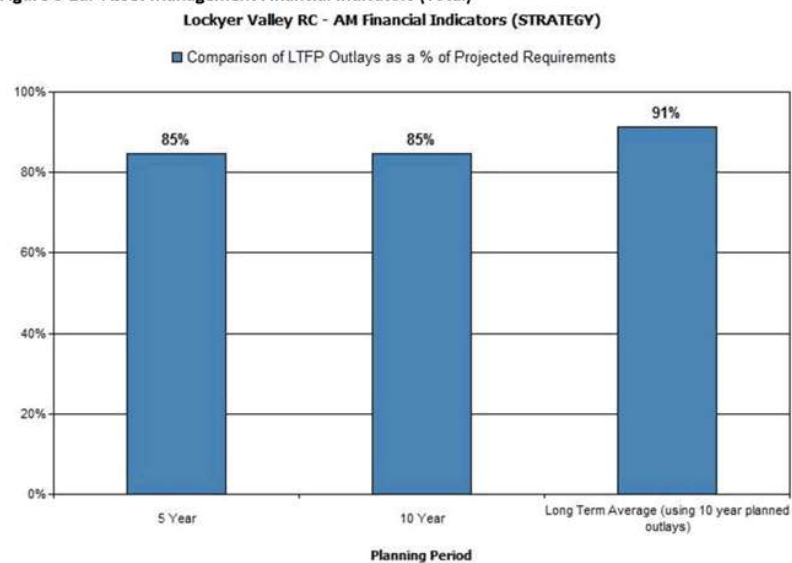
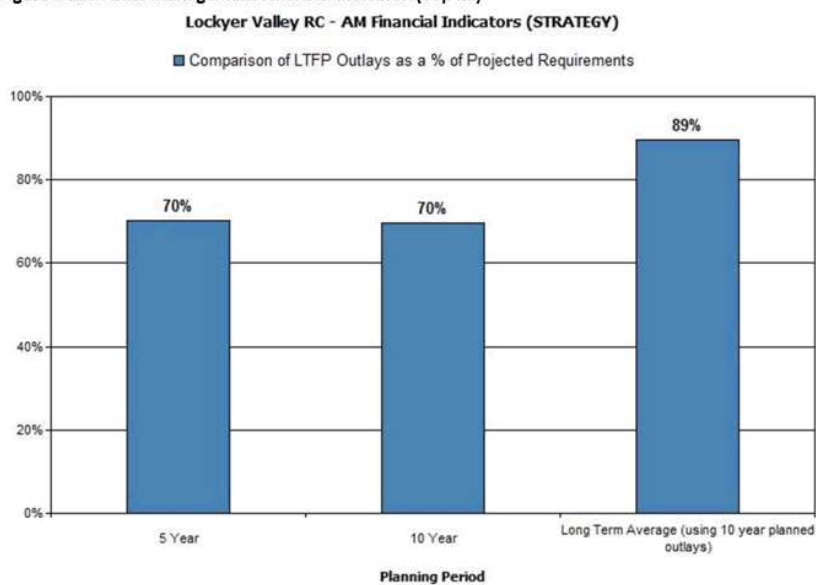


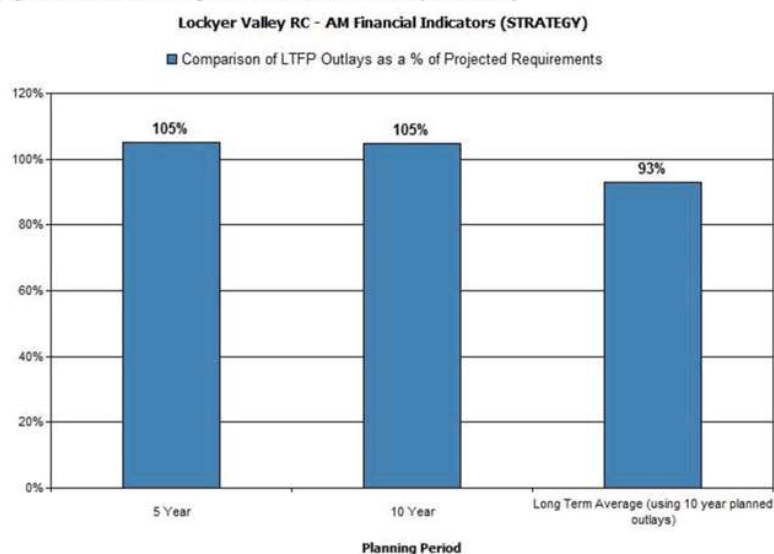
Figure 8-2b: Asset Management Financial Indicators(Top 10)



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Figure 8-2c: Asset Management Financial Indicators (Remainder)

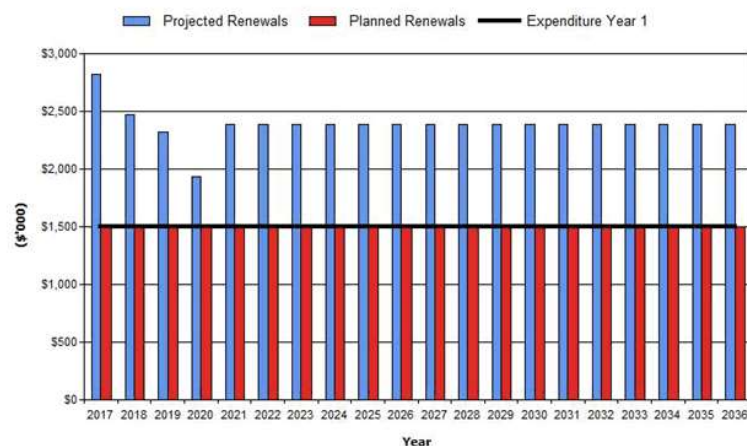


Providing services from infrastructure in a sustainable manner requires the matching and managing of service levels, risks, projected expenditures and financing to achieve a financial indicator of approximately 0.9 for the first years of the service management plan and ideally over the 10 year life of the Long Term Financial Plan.

Figure 8-3a, Figure 8-3b and Figure 8-3c show the projected asset renewal and replacement expenditure over the 20 years of the SM Plan. The projected asset renewal and replacement expenditure is compared to renewal and replacement expenditure in the capital works program, which is accommodated in the long term financial plan. With more detailed data the projected renewals will create a graph with many more spikes, showing frequent component renewal requirements.

Figure 8-3a: Projected and LTFP Budgeted Renewal Expenditure (Total)

**Lockyer Valley RC - Projected & LTFP Budgeted Renewal
Expenditure (Facilities_Total_S2_V3)**



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Figure 8-3b: Projected and LTFP Budgeted Renewal Expenditure (Top 10)

Lockyer Valley RC - Projected & LTFP Budgeted Renewal Expenditure (Facilities_Top10_S2_V3)

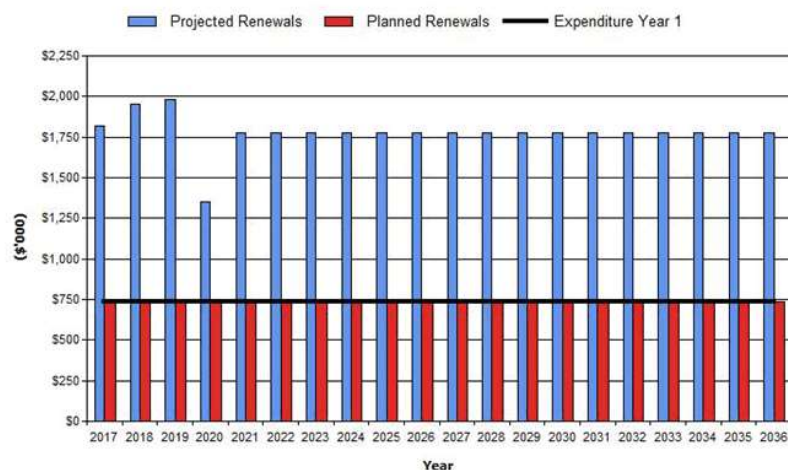


Figure 8-3c: Projected and LTFP Budgeted Renewal Expenditure (Remainder)

Lockyer Valley RC - Projected & LTFP Budgeted Renewal Expenditure (Facilities_Remainder_S2_V3)

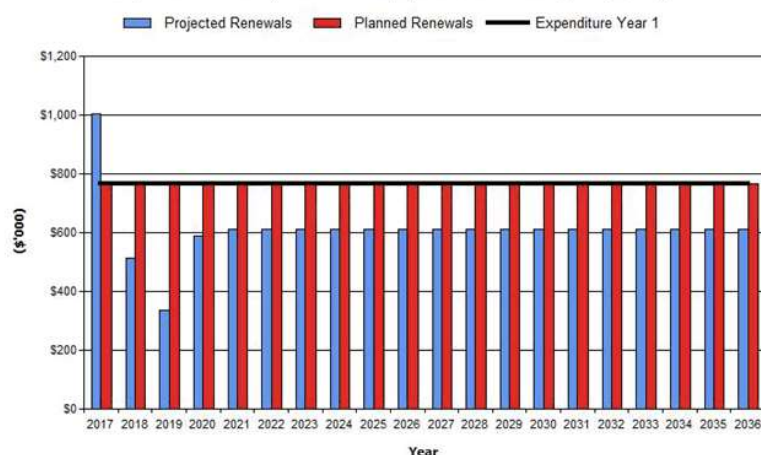


Table 8-1a, Table 8-1b and Table 8-1c shows the shortfall between projected renewal and replacement expenditures and expenditure accommodated in long term financial plan.

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TABLE 8-1A: PROJECTED AND LTFP BUDGETED RENEWALS AND FINANCING SHORTFALL (TOTAL)

Year End June 30	Projected Renewals (\$'000)	LTFP Renewal Budget (\$'000)	Renewal Financing Shortfall (- gap, + surplus) (\$'000)	Cumulative Shortfall (- gap, + surplus) (\$'000)
2017	\$2,823	\$1,500	\$-1,323	\$-1,323
2018	\$2,467	\$1,500	\$-967	\$-2,290
2019	\$2,320	\$1,500	\$-820	\$-3,110
2020	\$1,938	\$1,500	\$-438	\$-3,548
2021	\$2,387	\$1,500	\$-887	\$-4,435
2022	\$2,387	\$1,500	\$-887	\$-5,322
2023	\$2,387	\$1,500	\$-887	\$-6,209
2024	\$2,387	\$1,500	\$-887	\$-7,096
2025	\$2,387	\$1,500	\$-887	\$-7,983
2026	\$2,387	\$1,500	\$-887	\$-8,870
2027	\$2,387	\$1,500	\$-887	\$-9,757
2028	\$2,387	\$1,500	\$-887	\$-10,644
2029	\$2,387	\$1,500	\$-887	\$-11,531
2030	\$2,387	\$1,500	\$-887	\$-12,418
2031	\$2,387	\$1,500	\$-887	\$-13,305
2032	\$2,387	\$1,500	\$-887	\$-14,192
2033	\$2,387	\$1,500	\$-887	\$-15,079
2034	\$2,387	\$1,500	\$-887	\$-15,966
2035	\$2,387	\$1,500	\$-887	\$-16,853
2036	\$2,387	\$1,500	\$-887	\$-17,740

TABLE 8-1B: PROJECTED AND LTFP BUDGETED RENEWALS AND FINANCING SHORTFALL (TOP 10)

Year End June 30	Projected Renewals (\$'000)	LTFP Renewal Budget (\$'000)	Renewal Financing Shortfall (- gap, + surplus) (\$'000)	Cumulative Shortfall (- gap, + surplus) (\$'000)
2017	\$1,819	\$733	\$-1,086	\$-1,086
2018	\$1,955	\$733	\$-1,222	\$-2,308
2019	\$1,984	\$733	\$-1,251	\$-3,559
2020	\$1,348	\$733	\$-615	\$-4,174
2021	\$1,777	\$733	\$-1,044	\$-5,218
2022	\$1,777	\$733	\$-1,044	\$-6,261
2023	\$1,777	\$733	\$-1,044	\$-7,305
2024	\$1,777	\$733	\$-1,044	\$-8,348
2025	\$1,777	\$733	\$-1,044	\$-9,392
2026	\$1,777	\$733	\$-1,044	\$-10,435
2027	\$1,777	\$733	\$-1,044	\$-11,479
2028	\$1,777	\$733	\$-1,044	\$-12,522
2029	\$1,777	\$733	\$-1,044	\$-13,566
2030	\$1,777	\$733	\$-1,044	\$-14,609
2031	\$1,777	\$733	\$-1,044	\$-15,653
2032	\$1,777	\$733	\$-1,044	\$-16,696
2033	\$1,777	\$733	\$-1,044	\$-17,740
2034	\$1,777	\$733	\$-1,044	\$-18,783
2035	\$1,777	\$733	\$-1,044	\$-19,827
2036	\$1,777	\$733	\$-1,044	\$-20,870

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TABLE 8-1c: PROJECTED AND LTFP BUDGETED RENEWALS AND FINANCING SHORTFALL (REMAINDER)

Year End June 30	Projected Renewals (\$'000)	LTFP Renewal Budget (\$'000)	Renewal Financing Shortfall (- gap, + surplus) (\$'000)	Cumulative Shortfall (- gap, + surplus) (\$'000)
2017	\$1,004	\$767	\$-237	\$-237
2018	\$512	\$767	\$255	\$18
2019	\$336	\$767	\$431	\$449
2020	\$590	\$767	\$177	\$626
2021	\$611	\$767	\$157	\$783
2022	\$611	\$767	\$157	\$939
2023	\$611	\$767	\$157	\$1,096
2024	\$611	\$767	\$157	\$1,252
2025	\$611	\$767	\$157	\$1,409
2026	\$611	\$767	\$157	\$1,565
2027	\$611	\$767	\$157	\$1,722
2028	\$611	\$767	\$157	\$1,878
2029	\$611	\$767	\$157	\$2,035
2030	\$611	\$767	\$157	\$2,191
2031	\$611	\$767	\$157	\$2,348
2032	\$611	\$767	\$157	\$2,504
2033	\$611	\$767	\$157	\$2,661
2034	\$611	\$767	\$157	\$2,817
2035	\$611	\$767	\$157	\$2,974
2036	\$611	\$767	\$157	\$3,130

Note: A negative shortfall indicates a financing gap, a positive shortfall indicates a surplus for that year.

Providing services in a sustainable manner will require matching of projected asset renewal and replacement expenditure to meet agreed service levels with the corresponding capital works program accommodated in the long term financial plan.

A gap between projected asset renewal/replacement expenditure and amounts accommodated in the LTFP indicates that further work is required on reviewing service levels in the SM Plan (including possibly revising the LTFP) before finalising the service management plan to manage required service levels and funding to eliminate any funding gap.

We will manage the 'gap' by developing this service management plan to provide guidance on future service levels and resources required to provide these services, and review future services, service levels and costs with the community.

8.8 PROJECTED EXPENDITURES FOR LONG TERM FINANCIAL PLAN

Table 8-2a, Table 8-2b and Table 8-2c show the projected expenditures for the 10 year long term financial plan.

Expenditure projections are in 2016 real values.

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TABLE 8-2A: PROJECTED EXPENDITURES FOR LONG TERM FINANCIAL PLAN (\$000) (TOTAL)

Year	Operations	Maintenance	Projected Capital Renewal	Capital Upgrade/New	Disposals
2017	\$1,205	\$2,595	\$2,823	\$696	\$90
2018	\$1,214	\$2,615	\$2,467	\$246	\$15
2019	\$1,217	\$2,622	\$2,320	\$164	\$0
2020	\$1,220	\$2,626	\$1,938	\$206	\$25
2021	\$1,222	\$2,632	\$2,387	\$225	\$25
2022	\$1,225	\$2,639	\$2,387	\$236	\$0
2023	\$1,228	\$2,645	\$2,387	\$225	\$0
2024	\$1,231	\$2,652	\$2,387	\$225	\$0
2025	\$1,234	\$2,658	\$2,387	\$225	\$0
2026	\$1,237	\$2,665	\$2,387	\$225	\$0
2027	\$1,240	\$2,671	\$2,387	\$267	\$16
2028	\$1,244	\$2,679	\$2,387	\$267	\$16
2029	\$1,247	\$2,686	\$2,387	\$267	\$16
2030	\$1,251	\$2,694	\$2,387	\$267	\$16
2031	\$1,254	\$2,701	\$2,387	\$267	\$16
2032	\$1,258	\$2,709	\$2,387	\$267	\$16
2033	\$1,261	\$2,717	\$2,387	\$267	\$16
2034	\$1,265	\$2,724	\$2,387	\$267	\$16
2035	\$1,269	\$2,732	\$2,387	\$267	\$16
2036	\$1,272	\$2,739	\$2,387	\$267	\$16
All dollar values are in (\$'000)'s					

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TABLE 8-2B: PROJECTED EXPENDITURES FOR LONG TERM FINANCIAL PLAN (\$000) (TOP 10)

Year	Operations	Maintenance	Projected Capital Renewal	Capital Upgrade/New	Disposals
2017	\$589	\$1,201	\$1,819	\$620	\$0
2018	\$597	\$1,218	\$1,955	\$186	\$0
2019	\$600	\$1,223	\$1,984	\$125	\$0
2020	\$602	\$1,227	\$1,348	\$186	\$0
2021	\$604	\$1,232	\$1,777	\$186	\$0
2022	\$607	\$1,237	\$1,777	\$186	\$0
2023	\$609	\$1,242	\$1,777	\$186	\$0
2024	\$612	\$1,248	\$1,777	\$186	\$0
2025	\$614	\$1,253	\$1,777	\$186	\$0
2026	\$617	\$1,258	\$1,777	\$186	\$0
2027	\$619	\$1,263	\$1,777	\$224	\$0
2028	\$622	\$1,269	\$1,777	\$224	\$0
2029	\$626	\$1,275	\$1,777	\$224	\$0
2030	\$629	\$1,282	\$1,777	\$224	\$0
2031	\$632	\$1,288	\$1,777	\$224	\$0
2032	\$635	\$1,294	\$1,777	\$224	\$0
2033	\$638	\$1,300	\$1,777	\$224	\$0
2034	\$641	\$1,307	\$1,777	\$224	\$0
2035	\$644	\$1,313	\$1,777	\$224	\$0
2036	\$647	\$1,319	\$1,777	\$224	\$0
All dollar values are in (\$'000)'s					

TABLE 8-2C: PROJECTED EXPENDITURES FOR LONG TERM FINANCIAL PLAN (\$000) (REMAINDER)

Year	Operations	Maintenance	Projected Capital Renewal	Capital Upgrade/New	Disposals
2017	\$616	\$1,395	\$1,004	\$76	\$19
2018	\$617	\$1,397	\$512	\$60	\$15
2019	\$618	\$1,399	\$336	\$39	\$18
2020	\$618	\$1,400	\$590	\$20	\$25
2021	\$618	\$1,401	\$611	\$39	\$25
2022	\$619	\$1,402	\$611	\$50	\$18
2023	\$620	\$1,403	\$611	\$39	\$18
2024	\$620	\$1,404	\$611	\$39	\$18
2025	\$621	\$1,406	\$611	\$39	\$18
2026	\$621	\$1,407	\$611	\$39	\$18
2027	\$622	\$1,408	\$611	\$44	\$19
2028	\$622	\$1,409	\$611	\$44	\$19
2029	\$623	\$1,410	\$611	\$44	\$19
2030	\$623	\$1,412	\$611	\$44	\$19
2031	\$624	\$1,413	\$611	\$44	\$19
2032	\$624	\$1,414	\$611	\$44	\$19
2033	\$625	\$1,415	\$611	\$44	\$19
2034	\$626	\$1,417	\$611	\$44	\$19
2035	\$626	\$1,418	\$611	\$44	\$19
2036	\$627	\$1,419	\$611	\$44	\$19
All dollar values are in (\$'000)'s					

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8.9 FUNDING STRATEGY

After reviewing service levels, as appropriate to ensure ongoing financial sustainability projected expenditures identified in Section 7.1.2 will be accommodated in Council's 10 year long term financial plan.

8.10 VALUATION FORECASTS

Asset values are forecast to increase as additional assets are added to the asset stock from construction and acquisition by the Council and from assets constructed by land developers and others and donated to the Council. Figure 8-3a, Figure 8-3b and Figure 8-3c show the projected replacement cost asset values over the planning period in real values.

Figure 8-3a: Projected Asset Values (Total)

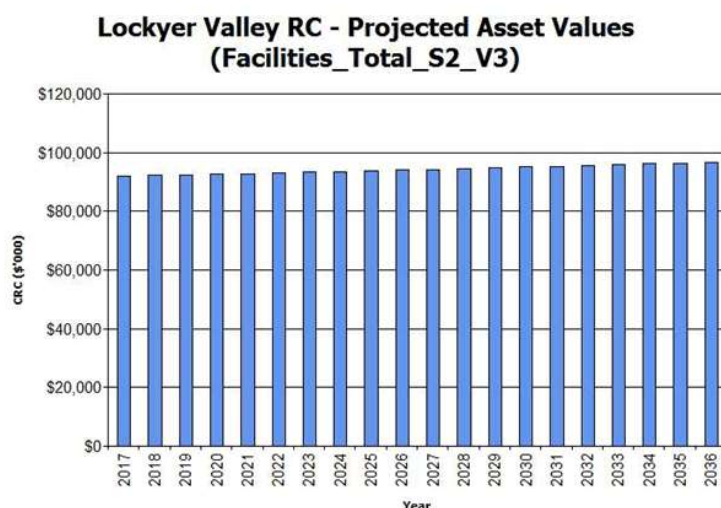
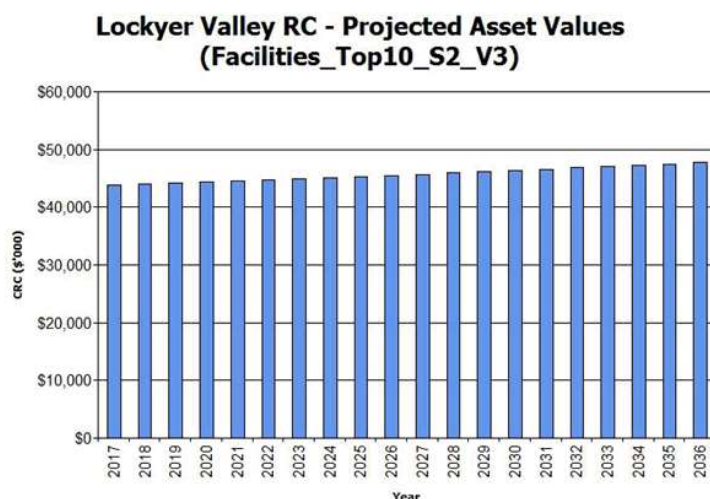
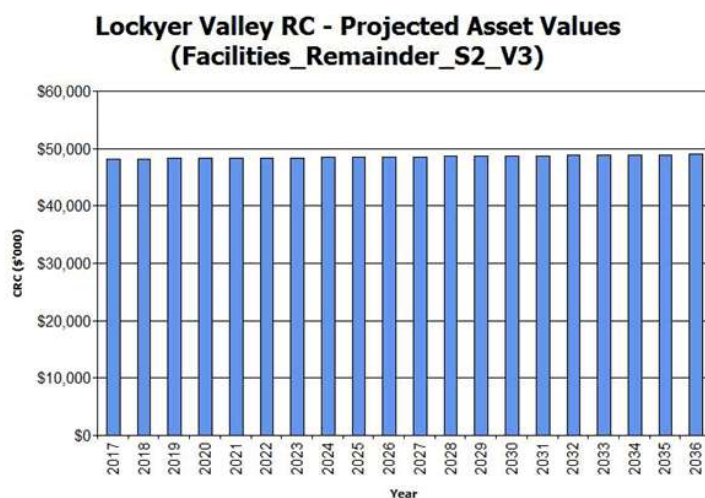


Figure 8-3b: Projected Asset Values (Top 10)



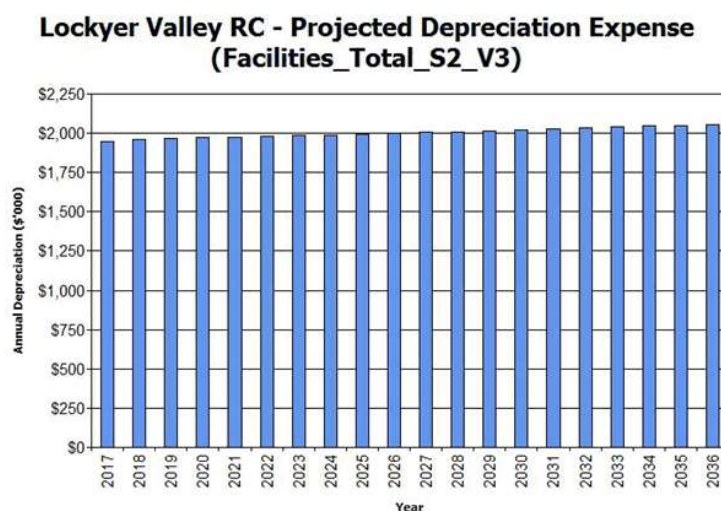
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Figure 8-3c: Projected Asset Values (Remainder)



Depreciation expense values are forecast in line with asset values as shown in Figure 8-4a, Figure 8-4b and Figure 8-4c.

Figure 8-4a: Projected Depreciation Expense (Total)



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Figure 8-4b: Projected Depreciation Expense (Top 10)

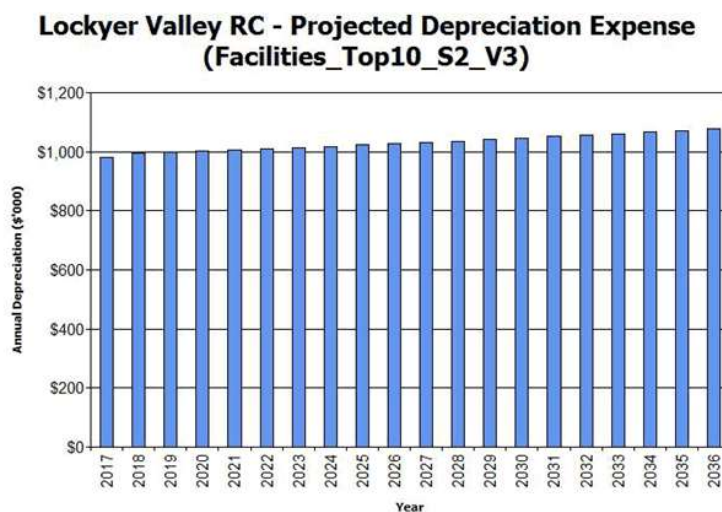
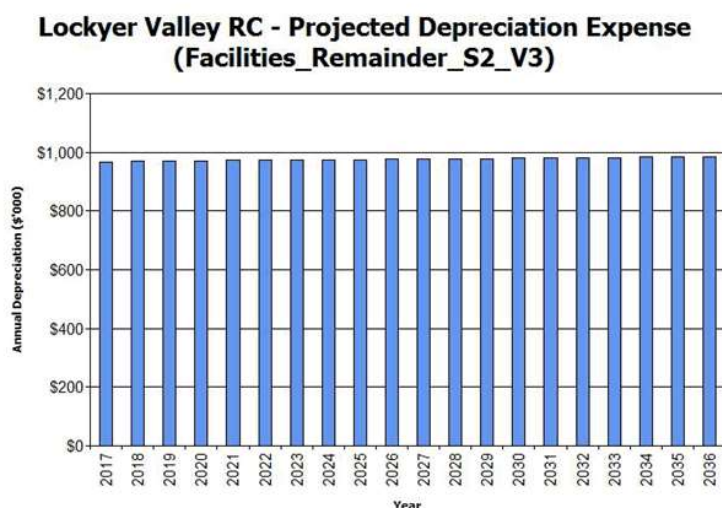


Figure 8-4c: Projected Depreciation Expense (Remainder)



The depreciated replacement cost will vary over the forecast period depending on the rates of addition of new assets, disposal of old assets and consumption and renewal of existing assets. Forecast of the assets' depreciated replacement cost is shown in Figure 8-5a, Figure 8-5b and Figure 8-5c. The depreciated replacement cost of contributed and new assets is shown in the darker colour and in the lighter colour for existing assets.

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Figure 8-5a: Projected Depreciated Replacement Cost (Total)

**Lockyer Valley RC - Projected Depreciated Replacement
Cost (Facilities_Total_S2_V3)**

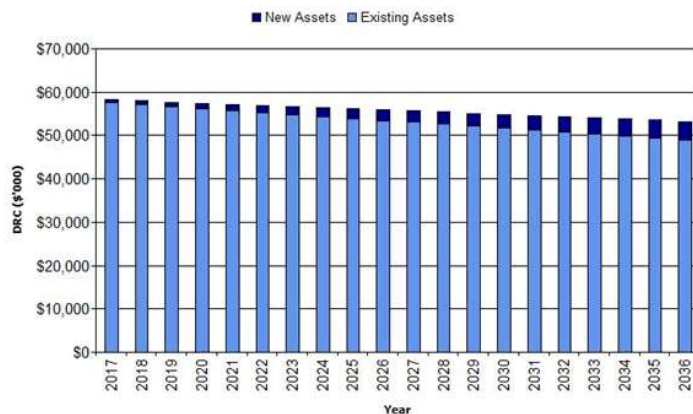
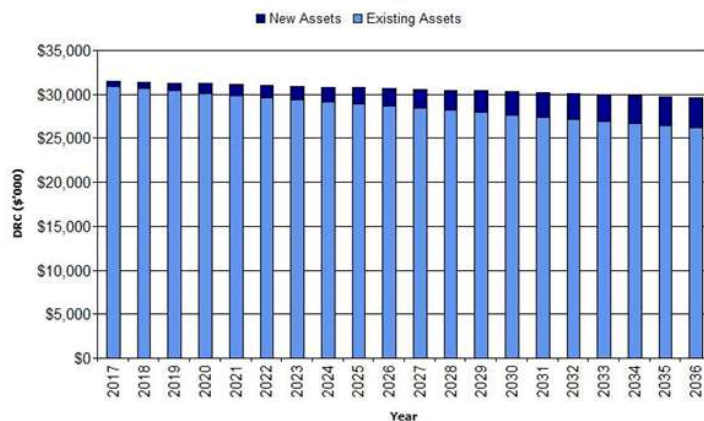


Figure 8-5b: Projected Depreciated Replacement Cost (Top 10)

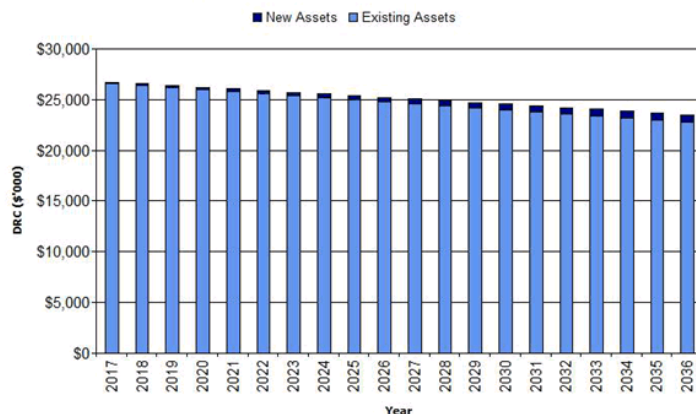
**Lockyer Valley RC - Projected Depreciated Replacement
Cost (Facilities_Top10_S2_V3)**



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Figure 8-5c: Projected Depreciated Replacement Cost (Remainder)

**Lockyer Valley RC - Projected Depreciated Replacement
Cost (Facilities_Remainder_S2_V3)**



8.11 KEY ASSUMPTIONS MADE IN FINANCIAL FORECASTS

This section details the key assumptions made in presenting the information contained in this service 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 service management plan and risks that these may change are shown in Table 8-3.

TABLE 8-3: KEY ASSUMPTIONS MADE IN SM PLAN AND RISKS OF CHANGE

Key Assumptions	Risks of Change to Assumptions
Conditions used in the valuation truly reflect actual condition.	Only samples were assessed for each asset type and conditions extrapolated. If not truly representative the fair value and depreciation will be inaccurate.
Useful lives in the valuation truly reflect actual lives achieved.	Typical useful lives are used from an unknown methodology, if these do not reflect achieved useful lives fair value and depreciation will be inaccurate.
Asset register is full and correct	It is unknown if the asset register used in the valuation of the infrastructure is the recently developed and validated register, the impact of this is that the valuation could be under or over reporting the value of the assets.

8.12 FORECAST RELIABILITY AND CONFIDENCE

The expenditure and valuations projections in this SM Plan are based on best available data. Currency and accuracy of data is critical to effective asset and financial management. Data confidence is classified on a 5 level scale¹⁴ in accordance with Table 8-4.

¹⁴ IPWEA, 2011, IIMM, Table 2.4.6, p 2|59.

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TABLE 8-4: DATA CONFIDENCE GRADING SYSTEM

Confidence Grade	Description
A Highly reliable	Data based on sound records, procedures, investigations and analysis, documented properly and recognised as the best method of assessment. Dataset is complete and estimated to be accurate $\pm 2\%$
B Reliable	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 Uncertain	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 Very Uncertain	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 Unknown	None or very little data held.

The estimated confidence level for and reliability of data used in this SM Plan is shown in Table 8-5.

TABLE 8-5: DATA CONFIDENCE ASSESSMENT FOR DATA USED IN SM PLAN

Data	Confidence Assessment	Comment
Demand drivers	Reliable	Further work needed in developing technical LOS
Growth projections	Reliable	Appear high, when considered against ABS projections
Operations expenditures	Reliable	Further breakdown in capturing cost data is required
Maintenance expenditures	Reliable	Further breakdown in capturing cost data is required
Projected Renewal exps.	Uncertain	Asset values have been estimated internally.
- Asset values		
- Asset residual values	Uncertain	Top 10 assets have been externally valued. The remainder have been valued internally.
- Asset useful lives	Uncertain	Industry Standard Useful Lives used.
- Condition modelling	Uncertain	Not undertaken
- Asset renewals	Reliable	Unclear as to how the programme is developed and prioritised
- Defect repairs	Uncertain	Unclear of the level of backlog maintenance that exists
Upgrade/New expenditures	Reliable	
Disposal expenditures	Unknown	

Over all data sources, the data confidence is assessed as Reliable confidence level for data used in the preparation of this SM Plan.

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9 PLAN IMPROVEMENT AND MONITORING

9.1 STATUS OF ASSET MANAGEMENT PRACTICES

9.1.1 Accounting and financial systems

The accounting and financial system is Technology one (One Council).

9.1.2 Accountabilities for financial systems

Tanya Skopp

9.1.3 Accounting standards and regulations

Queensland Government Act 2009, Queensland Local Government (Finance, Plans and reporting) Regulations 2012 and Australian Accounting Standards – Fair Value Methodology.

9.1.4 Capital/maintenance threshold

The council has a threshold of \$10 000.

9.1.5 Required changes to accounting financial systems arising from this SM Plan

The main changes within the financial management system as a result of the development of this plan is to align the asset numbers with those used in the service Management team, and to improve the capture of cost data.

9.1.6 Service management system

The asset management system recently implemented is the Technology One's service Management module. This system talks directly to Finance 1.

9.1.7 Asset registers

Technology One is used to hold all of council's data.

9.1.8 Linkage from service management to financial system

Technology one is used for asset and financial data.

9.1.9 Accountabilities for service management system and data maintenance

The Service Management team within Council is responsible for the system and data maintenance.

9.1.10 Required changes to service management system arising from this SM Plan

The main changes within the service management system as a result of the development of this plan is to align the asset numbers with those used in the Service Management team.

9.2 IMPROVEMENT PROGRAM

The service management improvement plan generated from this service management plan is still in progress. There is recognition that LVRC is at a basic level of service management. Before creating an improvement plan the IPWEA Nams.Plus Asset Maturity and Risk analysis will be undertaken. From this exercise a comprehensive task list will be developed. It is planned to undertake this in January and February 2017. Some tasks have been listed in table 9-1. This table will be expanded and completed during the risk and maturity assessment workshops to be held from mid-January.

TABLE 9-1: IMPROVEMENT PLAN

Task No	Task	Responsibility	Resources Required	Timeline
1	Carry Risk and Maturity Assessment	Mike Lisle		Mar 2017
2	Define organisational structure to manage strategic asset management.	Mike Lisle		Mar 2017
3	Define to which of detail facilities should be managed	Mike Lisle		Mar 2017
4	Categorise buildings	Mike Lisle		Mar 2017
5	Arrange facilities inspections and valuations. The valuations to include capital work estimates.	Mike Lisle		Mar 2017 to May 2017
6	Create a detail list of tasks	Mike Lisle		Mar 2017
7	Create a rolling plan to manage Strategic Asset Management.	Mike Lisle		Mar 2017
8	A detailed condition assessment of buildings and facilities is needed to determine backlog maintenance and renewal works, and compliance works. Ensure all legislative requirements are met, including fire and DDA standards.	Mike Lisle		Mar 2017 to May 2017
9	Check records and as-builts to access building ages and implement a system to ensure capital and renewal work is captured and recorded.	Mike Lisle		By June 2017
10	Develop a building hierarchy so inspections are targeted at the appropriate levels for each building type, and to assist in the prioritisation of the works.	Mike Lisle		By June 2017
11	Carry out Community Consultation to assist with defining community consultation, service requirements and willingness to pay, etc.	Mike Lisle		By December 2017
12	Capture customer complaints and monitor outstanding repair duration against an approved action schedule.	Mike Lisle		On going
13	Develop a renewal / replacement strategy.	Mike Lisle		By December 2017
14	Monitor and record building usage to assist with capital planning & value for money analysis.	Mike Lisle		By December 2017
15	Review disaster preparedness			

9.3 MONITORING AND REVIEW PROCEDURES

This service management plan will be reviewed during annual budget planning processes and amended to recognise any material changes in service levels and/or resources available to provide those services as a result of budget decisions.

The SM Plan will be updated annually to ensure it represents the current service level, asset values, projected operations, maintenance, capital renewal and replacement, capital upgrade/new and asset disposal expenditures and projected expenditure values incorporated into the Council's long term financial plan.

The SM Plan has a life of 4 years (Council election cycle) and is due for complete revision and updating within 1 year of each Council election.

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9.4 PERFORMANCE MEASURES

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

- The degree to which the required projected expenditures identified in this service 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 service management plan,
- The degree to which the existing and projected service levels and service consequences (what we cannot do), risks and residual risks are incorporated into the Council's Strategic Plan and associated plans,
- **The Asset Renewal Funding Ratio achieving the target of 0.9.**

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10 Renewal Projects by Age

The following have **not** been used to forecast the renewal expenditure. The renewal due to age is used in Method 1 in Nams.Plus. It has been included to show that in the life of the plan approximately \$6.8m renewal would be required. As this considers whole of building only it is insensitive to renewal of components. When renewal of components are considered a considerably higher renewal requirement is realised.

Asset ID	Sub Category	Asset Name	From	To	Rem Life (Years)	Planned Renewal Year	Renewal Cost (\$)	Useful Life (Years)
BD000386	Building Component	Gatton Pool Change Rooms and Conveniences Super- Structure, 23 East Street, Gatton			-40	1977	\$160,000	10
Subtotal							\$160,000	
BD000106	Building	Gatton Swimming Pool Kiosk, 23 East Street, Gatton			-30	1987	\$70,000	20
BD000385	Building Component	Gatton Pool Change Rooms and Conveniences Sub- Structure, 23 East Street, Gatton			-30	1987	\$80,000	20
Subtotal							\$150,000	
BD000293	Building	Blenheim Public Hall, 14 Mount Berryman Road, Blenheim			-27	1990	\$570,750	30
Subtotal							\$570,750	
BD000387	Building Component	Gatton Pool Change Rooms and Conveniences Finishes, 23 East Street, Gatton			-5	2012	\$40,000	10
BD000354	Building Component	Laidley Regional Office Services, 9 Spicer Street Laidley			-5	2012	\$996,608	25
Subtotal							\$1,036,608	
BD000289	Building	Laidley Youth Centre, Ambrose Street, Laidley			-1	2016	\$151,600	20
Subtotal							\$151,600	
BD000388	Building Component	Gatton Pool Change Rooms and Conveniences Fittings, 23 East Street, Gatton			0	2017	\$25,000	10
BD000389	Building Component	Gatton Pool Change Rooms and Conveniences Services, 23 East Street, Gatton			0	2017	\$20,000	25
Subtotal							\$45,000	
BD000342	Building	Cahill Park Storage Building 43 Princess Street, Gatton Unidentified Donga moved there?			2	2019	\$28,800	10
Subtotal							\$28,800	

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BD000334	Building	Cahill Park Canteen, 43 Princess Street, Gatton	7	2024	\$164,280	15
BD000138	Building	Pioneer Village - Accessioning Building, Pioneer Village	7	2024	\$40,000	15
BD000352	Building Component	Laidley Regional Office Finishes, 9 Spicer Street Laidley	7	2024	\$362,403	25
Subtotal					\$566,683	
BD000349	Building Component	Gatton Administration Building Services, 26 Railway Street, Gatton	9	2026	\$1,015,163	25
BD000379	Building Component	Gatton Indoor Equestrian Centre Services, Woodlands Road, Gatton	9	2026	\$558,096	20
BD000369	Building Component	Gatton Shire Hall Services, 50 North Street, Gatton	9	2026	\$852,968	25
BD000359	Building Component	Laidley Cultural Centre Services, 3 Laidley - Plainland Road, Laidley North	9	2026	\$1,657,240	25
Subtotal					\$4,083,466	
Program Total					\$6,792,907	

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11 REFERENCES

- IPWEA, 2006, 'International Infrastructure Management Manual', Institute of Public Works Engineering Australia, Sydney, www.ipwea.org.au/IIMM
- IPWEA, 2008, 'NAMS.PLUS Asset Management', Institute of Public Works Engineering Australia, Sydney, www.ipwea.org.au/namsplus.
- IPWEA, 2009, 'Australian Infrastructure Financial Management Guidelines', Institute of Public Works Engineering Australia, Sydney, www.ipwea.org.au/AIFMG.
- IPWEA, 2011, 'International Infrastructure Management Manual', Institute of Public Works Engineering Australia, Sydney, www.ipwea.org.au/IIMM

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12 APPENDICES

Appendix A	Asset Management Practises
Appendix B	Maintenance Response Levels of Service
Appendix C	Projected 10 year Capital Renewal and Replacement Works Program
Appendix D	Projected 10 year Capital Upgrade/New Works Program
Appendix E	Budgeted Expenditures Accommodated in LTFP
Appendix F	Abbreviations
Appendix G	Glossary
Appendix H	Buildings Risk Register
Appendix I	Asset Register - Top 10 Assets
Appendix J	Asset Register - Remainder Assets

Appendix A Asset Management Practices

What is this plan about?

This service management plan covers the infrastructure assets that serve the Lockyer Valley Regional Council community's Buildings and Facilities needs. These assets include community halls and other public buildings, corporate offices and depots, aged care facilities and cemeteries throughout the community area that enable people to function as a community recreationally, functionally and in providing essential services.

What is a Service Management Plan?

Service management planning is a comprehensive process to ensure delivery of services from infrastructure is provided in a financially sustainable manner.

A service management plan details information about infrastructure assets including actions required to provide an agreed level of service in the most cost effective manner. The plan defines the services to be provided, how the services are provided and what funds are required to provide the services.

Why is there a funding shortfall?

Most of Council's Buildings and Facilities network was constructed 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.

Our present funding levels are insufficient to continue to provide existing services at current levels in the medium term.

Note that the current low funding shortfall is only achieved through reducing operations and maintenance funding on underutilised assets that are under consideration for disposal.

What options do we have?

Resolving the funding shortfall involves several steps:

1. Improving asset knowledge so that data accurately records the asset inventory, how assets are performing and when assets are not able to provide the required service levels,
2. Improving our efficiency in operating, maintaining, renewing and replacing existing assets to optimise life cycle costs,
3. Identifying and managing risks associated with providing services from infrastructure,
4. Making trade-offs between service levels and costs to ensure that the community receives the best return from infrastructure,

5. Identifying assets surplus to needs for disposal to make saving in future operations and maintenance costs,
6. Consulting with the community to ensure that Buildings and Facilities services and costs meet community needs and are affordable,
7. Developing partnership with other bodies, where available to provide services,
8. Seeking additional funding from governments and other bodies to better reflect a 'whole of government' funding approach to infrastructure services.

What happens if we don't manage the shortfall?

It is likely that we will have to reduce service levels in some areas, unless new sources of revenue are found. For Buildings and Facilities, the service level reduction may include a reduction in the availability of services.

What can we do?

We can develop options, costs and priorities for future Buildings and Facilities services, consult with the community to plan future services to match the community service needs with ability to pay for services and maximise community benefits against costs.

What can you do?

We will be pleased to consider your thoughts on the issues raised in this service management plan and suggestions on how we may change or reduce the Buildings and Facilities mix of services to ensure that the appropriate level of service can be provided to the community within available funding.

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Appendix B Maintenance Response Levels of Service

To be further developed:

BUILDINGS LEVELS OF SERVICE

Harm to the Environment.

- % of buildings complying with all legislative and technical requirements e.g. building acts
- Energy consumption managed to optimise efficiency with least impact to environment

Affordable level of service

- Ensure cost to maintain and operate per square metre compares favourably with other Councils SEQ

Demand

- Buildings accessible to all at appropriate times with minimal interruptions –standards of accessible facilities
- Appropriate capacity to cater for community requirements
- Utilisation of Swimming Pools or other facilities
- No of complaints regarding repairs and maintenance
- % satisfaction with Council buildings
- No of attendees at library
- No of visitors at Cultural Centre
- No of toilets available

Quality

- % community satisfied with cultural facilities, pools, libraries, sporting facilities, Housing for elderly, no of requests for service, % community satisfied public toilets.

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Appendix C Projected 10 year Capital Renewal and Replacement Works Program

This will form part of the improvement plan. Buildings are considered as a single asset at this stage.

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Appendix D Projected Upgrade/Exp/New 10 year Capital Works Program

Total

Projected Expenditure	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Capital Expenditure on Renewal/Replacement of existing assets	\$2,823	\$2,467	\$2,320	\$1,938	\$2,387	\$2,387	\$2,387	\$2,387	\$2,387	\$2,387
Capital Expenditure on Upgrade/New assets	\$696	\$246	\$164	\$206	\$225	\$236	\$225	\$225	\$225	\$225
Operational cost of existing assets	\$1,205	\$1,205	\$1,205	\$1,205	\$1,205	\$1,205	\$1,205	\$1,205	\$1,205	\$1,205
Maintenance cost of existing assets	\$2,595	\$2,595	\$2,595	\$2,595	\$2,595	\$2,595	\$2,595	\$2,595	\$2,595	\$2,595
Operational cost of New assets	\$0	\$9	\$12	\$15	\$17	\$20	\$23	\$26	\$29	\$32
Maintenance cost of New assets	\$0	\$20	\$27	\$31	\$37	\$44	\$50	\$57	\$63	\$70
Disposal of Surplus assets	\$90	\$15	\$0	\$25	\$25	\$0	\$0	\$0	\$0	\$0

Top 10

Projected Expenditure	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Capital Expenditure on Renewal/Replacement of existing assets	\$1,819	\$1,955	\$1,984	\$1,348	\$1,777	\$1,777	\$1,777	\$1,777	\$1,777	\$1,777
Capital Expenditure on Upgrade/New assets	\$620	\$186	\$125	\$186	\$186	\$186	\$186	\$186	\$186	\$186
Operational cost of existing assets	\$589	\$589	\$589	\$589	\$589	\$589	\$589	\$589	\$589	\$589
Maintenance cost of existing assets	\$1,201	\$1,201	\$1,201	\$1,201	\$1,201	\$1,201	\$1,201	\$1,201	\$1,201	\$1,201
Operational cost of New assets	\$0	\$8	\$11	\$13	\$15	\$18	\$20	\$23	\$25	\$28
Maintenance cost of New assets	\$0	\$17	\$22	\$26	\$31	\$36	\$41	\$47	\$52	\$57
Disposal of Surplus assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

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Remainder

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Projected Expenditure	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Capital Expenditure on Renewal/Replacement of existing assets	\$1,004	\$512	\$336	\$590	\$611	\$611	\$611	\$611	\$611	\$611
Capital Expenditure on Upgrade/New assets	\$76	\$60	\$39	\$20	\$39	\$50	\$39	\$39	\$39	\$39
Operational cost of existing assets	\$616	\$616	\$616	\$616	\$616	\$616	\$616	\$616	\$616	\$616
Maintenance cost of existing assets	\$1,395	\$1,395	\$1,395	\$1,395	\$1,395	\$1,395	\$1,395	\$1,395	\$1,395	\$1,395
Operational cost of New assets	\$0	\$1	\$2	\$2	\$2	\$3	\$4	\$4	\$5	\$5
Maintenance cost of New assets	\$0	\$2	\$4	\$5	\$6	\$7	\$8	\$9	\$11	\$12
Disposal of Surplus assets	\$19	\$15	\$18	\$25	\$25	\$18	\$18	\$18	\$18	\$18

NAMS PLUS3 Asset Management		Lockyer Valley RC	
© Copyright All rights reserved. The Institute of Public Works Engineering Australia		Asset Management Plan	
Facilities Remainder S2_V3		IPWEA	
First year of expenditure projections		2017 (Financial yr ending)	
Asset values at start of planning period		2017	
Depreciable amount		\$48,074 (000)	
Depreciable amount cost		\$48,074 (000)	
Depreciable replacement cost		\$48,074 (000)	
Annual depreciation expense		\$961 (000)	
Planned Expenditures from LTFF		2017	
20 Year Expenditure Projections		2017	
Financial year ending		2017	
Expenditure Outlays included in Long Term Financial Plan (in current \$ values)		2017	
Operations		2017	
Operations budget		\$233	
Management budget		\$322	
At present budget		\$61	
Total operations		\$616	
Maintenance		2017	
Reactive maintenance budget		\$352	
Planned maintenance budget		\$934	
Specific maintenance items budget		\$109	
Total maintenance		\$1,395	
Capital		2017	
Planned renewal budget		\$767	
Planned upgrade/renew budget		\$0	
Non-growth contributed asset value		\$0	
Est Cost to dispose of assets		\$19	
Carrying value (DNC) of disposed assets		\$0	
Additional Expenditure Outlays required (e.g. from Infrastructure Risk Management Plan)		2017	
Additional Expenditure Outlays required and not included above		\$0	
Operations		\$0	
Maintenance		\$0	
Capital Upgrade		\$0	
Capital Renewal		\$0	
User Comments #2			
Forecast for Capital Renewal using Methods 2 & 3 (From 2A & 2B) & Capital Upgrade (From 2C)		2017	
Forecast Capital Renewal from Forms 2A & 2B		\$1,004	
Forecast Capital Upgrade from Form 2C		\$76	
Average of first 10 years Capital Renewal & Upgrade Forecasts		2017	
		\$1,080	

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Appendix F Abbreviations

AAAC	Average annual asset consumption
SM	Service management
SM Plan	Service management plan
ARI	Average recurrence interval
ASC	Annual service cost
BOD	Biochemical (biological) oxygen demand
CRC	Current replacement cost
CWMS	Community wastewater management systems
DA	Depreciable amount
DRC	Depreciated replacement cost
EF	Earthworks/formation
IRMP	Infrastructure risk management plan
LCC	Life Cycle cost
LCE	Life cycle expenditure
LTFP	Long term financial plan
MMS	Maintenance management system
PCI	Pavement condition index
RV	Residual value
SoA	State of the Assets
SS	Suspended solids
vph	Vehicles per hour
WDCRD	Written down current replacement cost

Appendix G Glossary

Annual service cost (ASC)

- 1) Reporting actual cost
The annual (accrual) cost of providing a service including operations, maintenance, depreciation, finance/opportunity and disposal costs less revenue.
- 2) For investment analysis and budgeting
An estimate of the cost that would be tendered, per annum, if tenders were called for the supply of a service to a performance specification for a fixed term. The Annual Service Cost includes operations, maintenance, depreciation, finance/ opportunity and disposal costs, less revenue.

Asset

A resource controlled by an entity as a result of past events and from which future economic benefits are expected to flow to the entity. Infrastructure assets are a sub-class of property, plant and equipment which are non-current assets with a life greater than 12 months and enable services to be provided.

Asset category

Sub-group of assets within a class hierarchy for financial reporting and management purposes.

Asset class

A group of assets having a similar nature or function in the operations of an entity, and which, for purposes of disclosure, is shown as a single item without supplementary disclosure.

Asset condition assessment

The process of continuous or periodic inspection, assessment, measurement and interpretation of the resultant data to indicate the condition of a specific asset so as to determine the need for some preventative or remedial action.

Asset hierarchy

A framework for segmenting an asset base into appropriate classifications. The asset hierarchy can be based on asset function or asset type or a combination of the two.

Service management (SM)

The combination of management, financial, economic, engineering and other practices applied to physical assets with the objective of providing the required level of service in the most cost effective manner.

Asset renewal funding ratio

The ratio of the net present value of asset renewal funding accommodated over a 10 year period in a long term financial plan relative to the net present value of projected capital renewal expenditures identified in a service management plan for the same period [AIFMG Financial Sustainability Indicator No 8].

Average annual asset consumption (AAAC)*

The amount of an Council's asset base consumed during a reporting period (generally a year). This may be calculated by dividing the depreciable amount by the useful life (or total future economic benefits/service potential) and totalled for each and every asset OR by dividing the carrying amount (depreciated replacement cost) by the remaining useful life (or remaining future economic benefits/service potential) and totalled for each and every asset in an asset category or class.

Borrowings

A borrowing or loan is a contractual obligation of the borrowing entity to deliver cash or another financial asset to the lending entity over a specified period of time or at a specified point in time, to cover both the initial capital provided and the cost of the interest incurred for providing this capital. A borrowing or loan provides the means for the borrowing entity to finance outlays (typically physical assets) when it has insufficient funds of its own to do so, and for the lending entity to make a financial return, normally in the form of interest revenue, on the funding provided.

Capital expenditure

Relatively large (material) expenditure, which has benefits, expected to last for more than 12 months. Capital expenditure includes renewal, expansion and upgrade. Where capital projects involve a combination of renewal, expansion and/or upgrade expenditures, the total project cost needs to be allocated accordingly.

Capital expenditure - expansion

Expenditure that extends the capacity of an existing asset to provide benefits, at the same standard as is currently enjoyed by existing beneficiaries, to a new group of users. It is discretionary expenditure, which increases future operations and maintenance costs, because it increases the Council's asset base, but may be associated with additional revenue from the new user group, e.g. extending a drainage or road network, the provision of an oval or park in a new suburb for new residents.

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Capital expenditure - new

Expenditure which creates a new asset providing a new service/output that did not exist beforehand. As it increases service potential it may impact revenue and will increase future operations and maintenance expenditure.

Capital expenditure - renewal

Expenditure on an existing asset or on replacing an existing asset, which returns the service capability of the asset up to that which it had originally. It is periodically required expenditure, relatively large (material) in value compared with the value of the components or sub-components of the asset being renewed. As it reinstates existing service potential, it generally has no impact on revenue, but may reduce future operations and maintenance expenditure if completed at the optimum time, eg. resurfacing or resheeting a material part of a road network, replacing a material section of a drainage network with pipes of the same capacity, resurfacing an oval.

Capital expenditure - upgrade

Expenditure, which enhances an existing asset to provide a higher level of service or expenditure that will increase the life of the asset beyond that which it had originally. Upgrade expenditure is discretionary and often does not result in additional revenue unless direct user charges apply. It will increase operations and maintenance expenditure in the future because of the increase in the Council's asset base, eg. widening the sealed area of an existing road, replacing drainage pipes with pipes of a greater capacity, enlarging a grandstand at a sporting facility.

Capital funding

Funding to pay for capital expenditure.

Capital grants

Monies received generally tied to the specific projects for which they are granted, which are often upgrade and/or expansion or new investment proposals.

Capital investment expenditure

See capital expenditure definition.

Capitalisation threshold

The value of expenditure on non-current assets above which the expenditure is recognised as capital expenditure and below which the expenditure is charged as an expense in the year of acquisition.

Carrying amount

The amount at which an asset is recognised after deducting any accumulated depreciation / amortisation and accumulated impairment losses thereon.

Class of assets

See asset class definition

Component

Specific parts of an asset having independent physical or functional identity and having specific attributes such as different life expectancy, maintenance regimes, risk or criticality.

Core asset management

Asset management which relies primarily on the use of an asset register, maintenance management systems, job resource management, inventory control, condition assessment, simple risk assessment and defined levels of service, in order to establish alternative treatment options and long-term cashflow predictions. Priorities are usually established on the basis of financial return gained by carrying out the work (rather than detailed risk analysis and optimised decision-making).

Cost of an asset

The amount of cash or cash equivalents paid or the fair value of the consideration given to acquire an asset at the time of its acquisition or construction, including any costs necessary to place the asset into service. This includes one-off design and project management costs.

Critical assets

Assets for which the financial, business or service level consequences of failure are sufficiently severe to justify proactive inspection and rehabilitation. Critical assets have a lower threshold for action than noncritical assets.

Current replacement cost (CRC)

The cost the entity would incur to acquire the asset on the reporting date. The cost is measured by reference to the lowest cost at which the gross future economic benefits could be obtained in the normal course of business or the minimum it would cost, to replace the existing asset with a technologically modern equivalent new asset (not a second

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hand one) with the same economic benefits (gross service potential) allowing for any differences in the quantity and quality of output and in operating costs.

Deferred maintenance

The shortfall in rehabilitation work undertaken relative to that required to maintain the service potential of an asset.

Depreciable amount

The cost of an asset, or other amount substituted for its cost, less its residual value.

Depreciated replacement cost (DRC)

The current replacement cost (CRC) of an asset less, where applicable, accumulated depreciation calculated on the basis of such cost to reflect the already consumed or expired future economic benefits of the asset.

Depreciation / amortisation

The systematic allocation of the depreciable amount (service potential) of an asset over its useful life.

Economic life

See useful life definition.

Expenditure

The spending of money on goods and services. Expenditure includes recurrent and capital outlays.

Expenses

Decreases in economic benefits during the accounting period in the form of outflows or depletions of assets or increases in liabilities that result in decreases in equity, other than those relating to distributions to equity participants.

Fair value

The amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties, in an arm's length transaction.

Financing gap

A financing gap exists whenever an entity has insufficient capacity to finance asset renewal and other expenditure necessary to be able to appropriately maintain the range and level of services its existing asset stock was originally designed and intended to deliver. The service capability of the existing asset stock should be determined assuming no additional operating revenue, productivity improvements, or net financial liabilities above levels currently planned or projected. A current financing gap means service levels have already or are currently falling. A projected financing gap if not addressed will result in a future diminution of existing service levels.

Heritage asset

An asset with historic, artistic, scientific, technological, geographical or environmental qualities that is held and maintained principally for its contribution to knowledge and culture and this purpose is central to the objectives of the entity holding it.

Impairment Loss

The amount by which the carrying amount of an asset exceeds its recoverable amount.

Infrastructure assets

Physical assets that contribute to meeting the needs of Councils or the need for access to major economic and social facilities and services, eg. roads, drainage, footpaths and cycleways. These are typically large, interconnected networks or portfolios of composite assets. The components of these assets may be separately maintained, renewed or replaced individually so that the required level and standard of service from the network of assets is continuously sustained. Generally the components and hence the assets have long lives. They are fixed in place and are often have no separate market value.

Investment property

Property held to earn rentals or for capital appreciation or both, rather than for:

- (a) use in the production or supply of goods or services or for administrative purposes; or
- (b) sale in the ordinary course of business.

Key performance indicator

A qualitative or quantitative measure of a service or activity used to compare actual performance against a standard or other target. Performance indicators commonly relate to statutory limits, safety, responsiveness, cost, comfort, asset performance, reliability, efficiency, environmental protection and customer satisfaction.

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Level of service

The defined service quality for a particular service/activity against which service performance may be measured. Service levels usually relate to quality, quantity, reliability, responsiveness, environmental impact, acceptability and cost.

Life Cycle Cost *

1. **Total LCC** The total cost of an asset throughout its life including planning, design, construction, acquisition, operation, maintenance, rehabilitation and disposal costs.
2. **Average LCC** The life cycle cost (LCC) is average cost to provide the service over the longest asset life cycle. It comprises average operations, maintenance expenditure plus asset consumption expense, represented by depreciation expense projected over 10 years. The Life Cycle Cost does not indicate the funds required to provide the service in a particular year.

Life Cycle Expenditure

The Life Cycle Expenditure (LCE) is the average operations, maintenance and capital renewal expenditure accommodated in the long term financial plan over 10 years. Life Cycle Expenditure may be compared to average Life Cycle Cost to give an initial indicator of affordability of projected service levels when considered with asset age profiles.

Loans / borrowings

See borrowings.

Maintenance

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, eg road patching but excluding rehabilitation or renewal. It is operating expenditure required to ensure that the asset reaches its expected useful life.

• **Planned maintenance**

Repair work that is identified and managed through a maintenance management system (MMS). MMS activities include inspection, assessing the condition against failure/breakdown criteria/experience, prioritising scheduling, actioning the work and reporting what was done to develop a maintenance history and improve maintenance and service delivery performance.

• **Reactive maintenance**

Unplanned repair work that is carried out in response to service requests and management/ supervisory directions.

• **Specific maintenance**

Maintenance work to repair components or replace sub-components that needs to be identified as a specific maintenance item in the maintenance budget.

• **Unplanned maintenance**

Corrective work required in the short-term to restore an asset to working condition so it can continue to deliver the required service or to maintain its level of security and integrity.

Maintenance expenditure *

Recurrent expenditure, which is periodically or regularly required as part of the anticipated schedule of works required to ensure that the asset achieves its useful life and provides the required level of service. It is expenditure, which was anticipated in determining the asset's useful life.

Materiality

The notion of materiality guides the margin of error acceptable, the degree of precision required and the extent of the disclosure required when preparing general purpose financial reports. Information is material if its omission, misstatement or non-disclosure has the potential, individually or collectively, to influence the economic decisions of users taken on the basis of the financial report or affect the discharge of accountability by the management or governing body of the entity.

Modern equivalent asset

Assets that replicate what is in existence with the most cost-effective asset performing the same level of service. It is the most cost efficient, currently available asset which will provide the same stream of services as the existing asset is capable of producing. It allows for technology changes and, improvements and efficiencies in production and installation techniques

Net present value (NPV)

The value to the Council of the cash flows associated with an asset, liability, activity or event calculated using a discount rate to reflect the time value of money. It is the net amount of discounted total cash inflows after deducting the value of

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the discounted total cash outflows arising from e.g. the continued use and subsequent disposal of the asset after deducting the value of the discounted total cash outflows.

Non-revenue generating investments

Investments for the provision of goods and services to sustain or improve services to the community that are not expected to generate any savings or revenue to the Council, e.g. parks and playgrounds, footpaths, roads and bridges, libraries, etc.

Operations

Regular activities to provide services such as public health, safety and amenity, e.g. street sweeping, grass mowing and street lighting.

Operating expenditure

Recurrent expenditure, which is continuously required to provide a service. In common use the term typically includes, eg power, fuel, staff, plant equipment, on-costs and overheads but excludes maintenance and depreciation. Maintenance and depreciation is on the other hand included in operating expenses.

Operating expense

The gross outflow of economic benefits, being cash and non cash items, during the period arising in the course of ordinary activities of an entity when those outflows result in decreases in equity, other than decreases relating to distributions to equity participants.

Operating expenses

Recurrent expenses continuously required to provide a service, including power, fuel, staff, plant equipment, maintenance, depreciation, on-costs and overheads.

Operations, maintenance and renewal financing ratio

Ratio of estimated budget to projected expenditure for operations, maintenance and renewal of assets over a defined time (e.g. 5, 10 and 15 years).

Operations, maintenance and renewal gap

Difference between budgeted expenditures in a long term financial plan (or estimated future budgets in absence of a long term financial plan) and projected expenditures for operations, maintenance and renewal of assets to achieve/maintain specified service levels, totalled over a defined time (e.g. 5, 10 and 15 years).

Pavement management system (PMS)

A systematic process for measuring and predicting the condition of road pavements and wearing surfaces over time and recommending corrective actions.

PMS Score

A measure of condition of a road segment determined from a Pavement Management System.

Rate of annual asset consumption *

The ratio of annual asset consumption relative to the depreciable amount of the assets. It measures the amount of the consumable parts of assets that are consumed in a period (depreciation) expressed as a percentage of the depreciable amount.

Rate of annual asset renewal *

The ratio of asset renewal and replacement expenditure relative to depreciable amount for a period. It measures whether assets are being replaced at the rate they are wearing out with capital renewal expenditure expressed as a percentage of depreciable amount (capital renewal expenditure/DA).

Rate of annual asset upgrade/new *

A measure of the rate at which assets are being upgraded and expanded per annum with capital upgrade/new expenditure expressed as a percentage of depreciable amount (capital upgrade/expansion expenditure/DA).

Recoverable amount

The higher of an asset's fair value, less costs to sell and its value in use.

Recurrent expenditure

Relatively small (immaterial) expenditure or that which has benefits expected to last less than 12 months. Recurrent expenditure includes operations and maintenance expenditure.

Recurrent funding

Funding to pay for recurrent expenditure.

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Rehabilitation

See capital renewal expenditure definition above.

Remaining useful life

The time remaining until an asset ceases to provide the required service level or economic usefulness. Age plus remaining useful life is useful life.

Renewal

See capital renewal expenditure definition above.

Residual value

The estimated amount that an entity would currently obtain from disposal of the asset, after deducting the estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.

Revenue generating investments

Investments for the provision of goods and services to sustain or improve services to the community that are expected to generate some savings or revenue to offset operating costs, eg public halls and theatres, childcare centres, sporting and recreation facilities, tourist information centres, etc.

Risk management

The application of a formal process to the range of possible values relating to key factors associated with a risk in order to determine the resultant ranges of outcomes and their probability of occurrence.

Section or segment

A self-contained part or piece of an infrastructure asset.

Service potential

The total future service capacity of an asset. It is normally determined by reference to the operating capacity and economic life of an asset. A measure of service potential is used in the not-for-profit sector/public sector to value assets, particularly those not producing a cash flow.

Service potential remaining

A measure of the future economic benefits remaining in assets. It may be expressed in dollar values (Fair Value) or as a percentage of total anticipated future economic benefits. It is also a measure of the percentage of the asset's potential to provide services that is still available for use in providing services (Depreciated Replacement Cost/Depreciable Amount).

Specific Maintenance

Replacement of higher value components/sub-components of assets that is undertaken on a regular cycle including repainting, replacement of air conditioning equipment, etc. This work generally falls below the capital/ maintenance threshold and needs to be identified in a specific maintenance budget allocation.

Strategic Longer-Term Plan

A plan covering the term of office of councillors (4 years minimum) reflecting the needs of the community for the foreseeable future. It brings together the detailed requirements in the Council's longer-term plans such as the service management plan and the long-term financial plan. The plan is prepared in consultation with the community and details where the Council is at that point in time, where it wants to go, how it is going to get there, mechanisms for monitoring the achievement of the outcomes and how the plan will be resourced.

Sub-component

Smaller individual parts that make up a component part.

Useful life

Either:

(a) the period over which an asset is expected to be available for use by an entity, or

(b) the number of production or similar units expected to be obtained from the asset by the entity.

It is estimated or expected time between placing the asset into service and removing it from service, or the estimated period of time over which the future economic benefits embodied in a depreciable asset, are expected to be consumed by the Council.

Value in Use

The present value of future cash flows expected to be derived from an asset or cash generating unit. It is deemed to be depreciated replacement cost (DRC) for those assets whose future economic benefits are not primarily dependent on the

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asset's ability to generate net cash inflows, where the entity would, if deprived of the asset, replace its remaining future economic benefits.

Source: IPWEA, 2009, AIFMG Glossary

Additional and modified glossary items shown *

Appendix H Risk Register

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RISK IDENTIFICATION							RISK ANALYSIS					RISK TREATMENT				RISK TREATMENT PLAN			
Risk No.	Asset at Risk	What can happen?	When can it occur?	Possible cause	Escalating controls	Is risk credible?	Likelihood	Consequences	Risk rating	Action required	Is risk acceptable?	Treatment options?	Residual risk	Risk treatment plan	Actions	Responsibility	Resources	Budget	Date due
1	Phones	Loss of connectivity, safety risk and damage	Anytime in the future	Robbery, harassment, however this will only prevent use of text books and water dispenser		Yes	Absent controls	Modest	High	Prepared action required	No	Improved damage capacity when library is available or reserves are withdrawn	Due to the nature of LVRG, with its high risk, it will always be the risk of flooding	Design for greater flood immunity	Upgrade all LVRG & State damage price	Govt	Direct labour and contractors	When asking?	Ongoing until 22/6/2030
2	Burrows	Damage to infrastructure and future	Anytime in the future	Floods	As above	Yes	Likely	Modest	High	Prepared action required	No	As above	As above	Design for greater flood immunity	Upgrade all LVRG & State over a 20 year period	Govt	Direct labour and contractors	When asking?	Ongoing until 22/6/2030
3	Ladder Library, Ladder Mail Or Patrick Street Ladder	Damage to infrastructure and future	Anytime in the future	Floods	As above	Yes	Likely	Modest	High	Prepared action required	No	As above	As above	Design for greater flood immunity	Upgrade all LVRG & State over a 20 year period	Govt	Direct labour and contractors	When asking?	Ongoing until 22/6/2030
4	Ladder Youth Centre, 13 May Street Ladder	Damage to infrastructure and future	Anytime in the future	Floods	As above	Yes	Likely	Modest	High	Prepared action required	No	As above	As above	Design for greater flood immunity	Upgrade all LVRG & State over a 20 year period	Govt	Direct labour and contractors	When asking?	Ongoing until 22/6/2030
5	Das Neimerni House Public Toilet, Wilson Street Ladder	Damage to infrastructure and future	Anytime in the future	Floods	As above	Yes	Likely	Modest	High	Prepared action required	No	As above	As above	Design for greater flood immunity	Upgrade all LVRG & State over a 20 year period	Govt	Direct labour and contractors	When asking?	Ongoing until 22/6/2030
6	Cherwell Grove Tennis Public Toilet	Damage to infrastructure and future	Anytime in the future	Floods	As above	Yes	Likely	Modest	High	Prepared action required	No	As above	As above	Design for greater flood immunity	Upgrade all LVRG & State over a 20 year period	Govt	Direct labour and contractors	When asking?	Ongoing until 22/6/2030
7	Cherwell Grove Village Public Toilet	Damage to infrastructure and future	Anytime in the future	Floods	As above	Yes	Likely	Modest	High	Prepared action required	No	As above	As above	Design for greater flood immunity	Upgrade all LVRG & State over a 20 year period	Govt	Direct labour and contractors	When asking?	Ongoing until 22/6/2030
8	5 steel till Eric Ross Toilet, Palmer Street	Damage to infrastructure and future	Anytime in the future	Floods	As above	Yes	Likely	Modest	High	Prepared action required	No	As above	As above	Design for greater flood immunity	Upgrade all LVRG & State over a 20 year period	Govt	Direct labour and contractors	When asking?	Ongoing until 22/6/2030
9	Thornham Toilet, Malpas Road	Damage to infrastructure and future	Anytime in the future	Floods	As above	Yes	Likely	Modest	High	Prepared action required	No	As above	As above	Design for greater flood immunity	Upgrade all LVRG & State over a 20 year period	Govt	Direct labour and contractors	When asking?	Ongoing until 22/6/2030
10	Music Park, Glastonbury, Avon, Avon, Glastonbury	Damage to infrastructure and future	Anytime in the future	Floods	As above	Yes	Likely	Modest	High	Prepared action required	No	As above	As above	Design for greater flood immunity	Upgrade all LVRG & State over a 20 year period	Govt	Direct labour and contractors	When asking?	Ongoing until 22/6/2030

LOCATE VALUE RECORD, COMPLEX - BUILDINGS & FACILITIES SERVICE MANAGEMENT PLAN

RISK IDENTIFICATION							RISK ANALYSIS					RISK TREATMENT				RISK TREATMENT PLAN			
Risk No.	Asset at Risk	What can happen?	When can it occur?	Possible cause	Existing controls	Is risk credible?	Unlikelihood	Consequences	Risk rating	Action required	Is risk acceptable?	Treatment options	Residual risk	Risk treatment plan	Actions	Responsibility	Resources	Budget	Date due
11	Juniper View Teebels, 44 Sylvia Road, Juniper View	Damage to infrastructure and surrounds	Anytime in the future	Floods	As Above	Yes	Low	Modest	High	Prepared action required	No	As Above	As Above	Design for greater flood intensity	Upgrade all LVNC & Swan clients over a 20 year period	Direct labour and contractors	When available	Ongoing and 22/07/2010	
12	Teebels New Subdivision Grafton, Bourton Grafton	Damage to infrastructure and surrounds	Anytime in the future	Floods	As Above	Yes	Low	Modest	High	Prepared action required	No	As Above	As Above	Design for greater flood intensity	Upgrade all LVNC & Swan clients over a 20 year period	Direct labour and contractors	When available	Ongoing and 22/07/2010	
13	Teebels Budget Park, Wilton Street, Grafton	Damage to infrastructure and surrounds	Anytime in the future	Floods	As Above	Yes	Low	Modest	High	Prepared action required	No	As Above	As Above	Design for greater flood intensity	Upgrade all LVNC & Swan clients over a 20 year period	Direct labour and contractors	When available	Ongoing and 22/07/2010	
14	Lot 5 Ric Reserve Grafton Street, Wilton Road, Leiby	Damage to infrastructure and surrounds	Anytime in the future	Floods	As Above	Yes	Low	Modest	High	Prepared action required	No	As Above	As Above	Design for greater flood intensity	Upgrade all LVNC & Swan clients over a 20 year period	Direct labour and contractors	When available	Ongoing and 22/07/2010	
15	Lot 5 Ric Reserve Secret Ararat, Wilton Road, Leiby	Damage to infrastructure and surrounds	Anytime in the future	Floods	As Above	Yes	Low	Modest	High	Prepared action required	No	As Above	As Above	Design for greater flood intensity	Upgrade all LVNC & Swan clients over a 20 year period	Direct labour and contractors	When available	Ongoing and 22/07/2010	
16	Lot 5 Ric Reserve Carter Hall Use, Wilton Road, Leiby	Damage to infrastructure and surrounds	Anytime in the future	Floods	As Above	Yes	Low	Modest	High	Prepared action required	No	As Above	As Above	Design for greater flood intensity	Upgrade all LVNC & Swan clients over a 20 year period	Direct labour and contractors	When available	Ongoing and 22/07/2010	
17	Lot 5 Ric Reserve Public Teebels, Wilton Road, Leiby	Damage to infrastructure and surrounds	Anytime in the future	Floods	As Above	Yes	Low	Modest	High	Prepared action required	No	As Above	As Above	Design for greater flood intensity	Upgrade all LVNC & Swan clients over a 20 year period	Direct labour and contractors	When available	Ongoing and 22/07/2010	
18	Lot 5 Swimming Pool Kool, 44 John Street, Leiby	Damage to infrastructure and surrounds	Anytime in the future	Floods	As Above	Yes	Low	Modest	High	Prepared action required	No	As Above	As Above	Design for greater flood intensity	Upgrade all LVNC & Swan clients over a 20 year period	Direct labour and contractors	When available	Ongoing and 22/07/2010	
19	Lot 5 Swimming Pool Club Facility, 44 John Street, Leiby	Damage to infrastructure and surrounds	Anytime in the future	Floods	As Above	Yes	Low	Modest	High	Prepared action required	No	As Above	As Above	Design for greater flood intensity	Upgrade all LVNC & Swan clients over a 20 year period	Direct labour and contractors	When available	Ongoing and 22/07/2010	
20	Lot 5 Swimming Pool Pump House, 44 John Street, Leiby	Damage to infrastructure and surrounds	Anytime in the future	Floods	As Above	Yes	Low	Modest	High	Prepared action required	No	As Above	As Above	Design for greater flood intensity	Upgrade all LVNC & Swan clients over a 20 year period	Direct labour and contractors	When available	Ongoing and 22/07/2010	
21	Lot 5 Swimming Pool Storage Shed, 44 John Street, Leiby	Damage to infrastructure and surrounds	Anytime in the future	Floods	As Above	Yes	Low	Modest	High	Prepared action required	No	As Above	As Above	Design for greater flood intensity	Upgrade all LVNC & Swan clients over a 20 year period	Direct labour and contractors	When available	Ongoing and 22/07/2010	
22	Green Grove Club Club House	Damage to infrastructure and surrounds	Anytime in the future	Floods	As Above	Yes	Low	Modest	High	Prepared action required	No	As Above	As Above	Design for greater flood intensity	Upgrade all LVNC & Swan clients over a 20 year period	Direct labour and contractors	When available	Ongoing and 22/07/2010	
23	Lot 5 Ric Reserve Storage Facility, Wilton Road, Leiby	Damage to infrastructure and surrounds	Anytime in the future	Floods	As Above	Yes	Low	Modest	High	Prepared action required	No	As Above	As Above	Design for greater flood intensity	Upgrade all LVNC & Swan clients over a 20 year period	Direct labour and contractors	When available	Ongoing and 22/07/2010	

LOCATE VALUE RECORD, CONFLICT - BUILDINGS & FACILITIES SERVICE MANAGEMENT PLAN

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RISK IDENTIFICATION							RISK ANALYSIS					RISK TREATMENT				RISK TREATMENT PLAN			
Risk No.	Asset at Risk	What can happen?	When can it occur?	Possible cause	Existing controls	Is risk credible?	Unlikelihood	Consequences	Risk rating	Action required	Is risk acceptable?	Treatment options	Residual risk	Risk treatment plan	Actions	Responsibility	Resources	Budget	Date due
24	Grasshopper Creek, Woodlands Road, Gidley	Damage to infrastructure and surrounds	Anytime in the future	Floods	As above	Yes	Low	Medium	High	Prepared action required	No	As above	As above	Design for greater flood immunity	Upgrade all LVNC & Swan culverts over a 20 year period	Direct labour and contractors	When available?	Design and 22/07/2010	Design and 22/07/2010
25	Industrial Estate, Woodlands Road, Gidley	Damage to infrastructure and surrounds	Anytime in the future	Floods	As above	Yes	Low	Medium	High	Prepared action required	No	As above	As above	Design for greater flood immunity	Upgrade all LVNC & Swan culverts over a 20 year period	Direct labour and contractors	When available?	Design and 22/07/2010	Design and 22/07/2010
26	Grasshopper Creek, Woodlands Road, Gidley	Damage to infrastructure and surrounds	Anytime in the future	Floods	As above	Yes	Low	Medium	High	Prepared action required	No	As above	As above	Design for greater flood immunity	Upgrade all LVNC & Swan culverts over a 20 year period	Direct labour and contractors	When available?	Design and 22/07/2010	Design and 22/07/2010
27	School, Woodlands Road, Gidley	Damage to infrastructure and surrounds	Anytime in the future	Floods	As above	Yes	Low	Medium	High	Prepared action required	No	As above	As above	Design for greater flood immunity	Upgrade all LVNC & Swan culverts over a 20 year period	Direct labour and contractors	When available?	Design and 22/07/2010	Design and 22/07/2010
28	Industrial Estate, Woodlands Road, Gidley	Damage to infrastructure and surrounds	Anytime in the future	Floods	As above	Yes	Low	Medium	High	Prepared action required	No	As above	As above	Design for greater flood immunity	Upgrade all LVNC & Swan culverts over a 20 year period	Direct labour and contractors	When available?	Design and 22/07/2010	Design and 22/07/2010
29	School, Woodlands Road, Gidley	Damage to infrastructure and surrounds	Anytime in the future	Floods	As above	Yes	Low	Medium	High	Prepared action required	No	As above	As above	Design for greater flood immunity	Upgrade all LVNC & Swan culverts over a 20 year period	Direct labour and contractors	When available?	Design and 22/07/2010	Design and 22/07/2010
30	Industrial Estate, Woodlands Road, Gidley	Damage to infrastructure and surrounds	Anytime in the future	Floods	As above	Yes	Low	Medium	High	Prepared action required	No	As above	As above	Design for greater flood immunity	Upgrade all LVNC & Swan culverts over a 20 year period	Direct labour and contractors	When available?	Design and 22/07/2010	Design and 22/07/2010
31	Grasshopper Creek, Woodlands Road, Gidley	Damage to infrastructure and surrounds	Anytime in the future	Floods	As above	Yes	Low	Medium	High	Prepared action required	No	As above	As above	Design for greater flood immunity	Upgrade all LVNC & Swan culverts over a 20 year period	Direct labour and contractors	When available?	Design and 22/07/2010	Design and 22/07/2010
32	Industrial Estate, Woodlands Road, Gidley	Damage to infrastructure and surrounds	Anytime in the future	Floods	As above	Yes	Low	Medium	High	Prepared action required	No	As above	As above	Design for greater flood immunity	Upgrade all LVNC & Swan culverts over a 20 year period	Direct labour and contractors	When available?	Design and 22/07/2010	Design and 22/07/2010
33	Grasshopper Creek, Woodlands Road, Gidley	Damage to infrastructure and surrounds	Anytime in the future	Floods	As above	Yes	Low	Medium	High	Prepared action required	No	As above	As above	Design for greater flood immunity	Upgrade all LVNC & Swan culverts over a 20 year period	Direct labour and contractors	When available?	Design and 22/07/2010	Design and 22/07/2010
34	Industrial Estate, Woodlands Road, Gidley	Damage to infrastructure and surrounds	Anytime in the future	Floods	As above	Yes	Low	Medium	High	Prepared action required	No	As above	As above	Design for greater flood immunity	Upgrade all LVNC & Swan culverts over a 20 year period	Direct labour and contractors	When available?	Design and 22/07/2010	Design and 22/07/2010
35	Grasshopper Creek, Woodlands Road, Gidley	Damage to infrastructure and surrounds	Anytime in the future	Floods	As above	Yes	Low	Medium	High	Prepared action required	No	As above	As above	Design for greater flood immunity	Upgrade all LVNC & Swan culverts over a 20 year period	Direct labour and contractors	When available?	Design and 22/07/2010	Design and 22/07/2010

LOCATION: WILLY BECKON, COULDS - BUILDINGS & FACILITIES SERVICE MANAGEMENT PLAN

RISK IDENTIFICATION							RISK ANALYSIS					RISK TREATMENT				RISK TREATMENT PLAN			
Risk No.	Asset at Risk	What can happen?	When can it occur?	Possible cause	Existing controls	Is risk credible?	Likelihood	Consequences	Risk rating	Action required	Is risk acceptable?	Treatment options?	Residual risk	Risk treatment plan	Actions	Responsibility	Resources	Budget	Date due
36	Post-Office Street-Pavement Works, Driveway and Footpath	Damage to infrastructure and surroundings	Anytime in the future	Floods	As Above	Yes	Low	Medium	High	Prepared action required	No	As Above	As Above	Design for greater flood immunity	Upgrade all VMC & SMC clients over a 5-yr period	all VMC & SMC	Direct labour and contractors	After assessment?	Ongoing until 22/07/2023
37	Stout Church, Post-Office Street, Driveway and Pavement Works	Damage to infrastructure and surroundings	Anytime in the future	Floods	As Above	Yes	Low	Medium	High	Prepared action required	No	As Above	As Above	Design for greater flood immunity	Upgrade all VMC & SMC clients over a 5-yr period	all VMC & SMC	Direct labour and contractors	After assessment?	Ongoing until 22/07/2023
38	Trinity Industry Display-Pavement Works, Driveway and Footpath	Damage to infrastructure and surroundings	Anytime in the future	Floods	As Above	Yes	Low	Medium	High	Prepared action required	No	As Above	As Above	Design for greater flood immunity	Upgrade all VMC & SMC clients over a 5-yr period	all VMC & SMC	Direct labour and contractors	After assessment?	Ongoing until 22/07/2023
39	St. Catherine's Church-Pavement Works, Driveway and Footpath	Damage to infrastructure and surroundings	Anytime in the future	Floods	As Above	Yes	Low	Medium	High	Prepared action required	No	As Above	As Above	Design for greater flood immunity	Upgrade all VMC & SMC clients over a 5-yr period	all VMC & SMC	Direct labour and contractors	After assessment?	Ongoing until 22/07/2023
40	Bartholomew's Church-Pavement Works, Driveway and Footpath	Damage to infrastructure and surroundings	Anytime in the future	Floods	As Above	Yes	Low	Medium	High	Prepared action required	No	As Above	As Above	Design for greater flood immunity	Upgrade all VMC & SMC clients over a 5-yr period	all VMC & SMC	Direct labour and contractors	After assessment?	Ongoing until 22/07/2023
41	St. Mary's Church-Pavement Works, Driveway and Footpath	Damage to infrastructure and surroundings	Anytime in the future	Floods	As Above	Yes	Low	Medium	High	Prepared action required	No	As Above	As Above	Design for greater flood immunity	Upgrade all VMC & SMC clients over a 5-yr period	all VMC & SMC	Direct labour and contractors	After assessment?	Ongoing until 22/07/2023
42	St. Mary's Church-Pavement Works, Driveway and Footpath	Damage to infrastructure and surroundings	Anytime in the future	Floods	As Above	Yes	Low	Medium	High	Prepared action required	No	As Above	As Above	Design for greater flood immunity	Upgrade all VMC & SMC clients over a 5-yr period	all VMC & SMC	Direct labour and contractors	After assessment?	Ongoing until 22/07/2023
43	St. Mary's Church-Pavement Works, Driveway and Footpath	Damage to infrastructure and surroundings	Anytime in the future	Floods	As Above	Yes	Low	Medium	High	Prepared action required	No	As Above	As Above	Design for greater flood immunity	Upgrade all VMC & SMC clients over a 5-yr period	all VMC & SMC	Direct labour and contractors	After assessment?	Ongoing until 22/07/2023
44	St. Mary's Church-Pavement Works, Driveway and Footpath	Damage to infrastructure and surroundings	Anytime in the future	Floods	As Above	Yes	Low	Medium	High	Prepared action required	No	As Above	As Above	Design for greater flood immunity	Upgrade all VMC & SMC clients over a 5-yr period	all VMC & SMC	Direct labour and contractors	After assessment?	Ongoing until 22/07/2023
45	St. Mary's Church-Pavement Works, Driveway and Footpath	Damage to infrastructure and surroundings	Anytime in the future	Floods	As Above	Yes	Low	Medium	High	Prepared action required	No	As Above	As Above	Design for greater flood immunity	Upgrade all VMC & SMC clients over a 5-yr period	all VMC & SMC	Direct labour and contractors	After assessment?	Ongoing until 22/07/2023
46	St. Mary's Church-Pavement Works, Driveway and Footpath	Damage to infrastructure and surroundings	Anytime in the future	Floods	As Above	Yes	Low	High	Very High	Prepared action required	No	As Above	As Above	Design for greater flood immunity	Upgrade all VMC & SMC clients over a 5-yr period	all VMC & SMC	Direct labour and contractors	After assessment?	Ongoing until 22/07/2023

Appendix I – Asset Register – Top 10

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Asset ID	Sub_Category	Asset Name	Year Acquired	CRC Now	Updated, Useful Life	Renewal Cost	Condition, (1-5)	Function, (1-5)	Capacity/ Utilisation, (%)
80000083	Building	Ladley Multi-Purpose Community/Sports Centre Grand Stand, Ladley	2013	115,000.00	80		1		
80000098	Building	Lodgys Valley Sports & Aquatic Centre, 130 Speers Street, Garton	2015	10,352,400.00	80		2		
80000147	Building Component	Lodgys Valley Cult Cent-Substructure, 34 Lake Apex Drive Garton	2010	1,076,845.00	80		2		
80000148	Building Component	Lodgys Valley Cult Cent-Superstructure, 34 Lake Apex Drive Garton	2010	8,153,400.00	80		2		
80000150	Building Component	Lodgys Valley Cultural Centre-Finishes, 34 Lake Apex Drive Garton	2015	2,307,525.00	25		2		
80000151	Building Component	Lodgys Valley Cultural Centre-Finishes, 34 Lake Apex Drive Garton	2015	789,175.00	25		2		
80000152	Building Component	Lodgys Valley Cultural Centre Services, 34 Lake Apex Drive Garton	2013	5,076,555.00	25		2		
80000258	Building	Graham Butler Factory 5 Victor Street, Graham	1998	1,012,440.00	80		2		
80000283	Building	Murphys Creek Community Hall, 29 Murphys Creek School Road, Murphys Creek	1981	301,050.00	80		4		
80000320	Building	Heldson Soldiers Memorial Hall at Horizontal Village, Lake Apex, Garton	1976	112,050.00	80		4		
80000345	Building Component	Garton Administration Building Sub-Structure, 26 Railway Street, Garton	2015	2,500,000.00	50		1		
80000346	Building Component	Garton Administration Building Super-Structure, 26 Railway Street, Garton	1986	184,575.00	80		3		
80000347	Building Component	Garton Administration Building Super-Structure, 26 Railway Street, Garton	1986	1,384,312.50	80		3		
80000348	Building Component	Garton Administration Building Finishings, 26 Railway Street, Garton	2007	369,150.00	25		3		
80000349	Building Component	Garton Administration Building Finishings, 26 Railway Street, Garton	2010	121,050.00	25		3		
80000355	Building Component	Ladley Cultural Centre Sub-Structure, 3 Ladley - Pleasant Road, Ladley North	2001	1,015,162.50	25		3		
80000356	Building Component	Ladley Cultural Centre Super-Structure, 3 Ladley - Pleasant Road, Ladley North	1986	351,535.80	80		3		
80000357	Building Component	Ladley Cultural Centre Super-Structure, 3 Ladley - Pleasant Road, Ladley North	1986	2,008,776.00	80		3		
80000358	Building Component	Ladley Cultural Centre Services, 3 Ladley - Pleasant Road, Ladley North	2007	753,291.00	25		3		
80000359	Building Component	Ladley Cultural Centre Services, 3 Ladley - Pleasant Road, Ladley North	2010	262,568.04	25		3		
80000365	Building Component	Ladley Cultural Centre Services, 3 Ladley - Pleasant Road, Ladley North	2001	1,657,340.20	25		3		
80000366	Building Component	Garton Shire Hall Sub-Structure, 50 North Street, Garton	1986	213,241.88	80		2		
80000367	Building Component	Garton Shire Hall Super-Structure, 50 North Street, Garton	1986	1,371,145.67	80		2		
80000368	Building Component	Garton Shire Hall Finishings, 50 North Street, Garton	2007	456,946.88	25		2		
80000369	Building Component	Garton Shire Hall Services, 50 North Street, Garton	2010	157,328.23	25		2		
80000380	Building Component	Withcott Indoor Sports Centre Sub-Structure, Parkridge Drive, Withcott	2001	852,967.50	25		2		
80000381	Building Component	Withcott Indoor Sports Centre Super-Structure, Parkridge Drive, Withcott	2011	276,864.00	80		1		
80000382	Building Component	Withcott Indoor Sports Centre Finishings, Parkridge Drive, Withcott	2011	1,153,600.00	80		1		
80000383	Building Component	Withcott Indoor Sports Centre Services, Parkridge Drive, Withcott	2015	438,108.00	25		1		
80000384	Building Component	Withcott Indoor Sports Centre Services, Parkridge Drive, Withcott	2015	92,288.00	25		1		
80000384	Building Component	Withcott Indoor Sports Centre Services, Parkridge Drive, Withcott	2014	346,080.00	25		1		

LOCKYER VALLEY REGIONAL COUNCIL – BUILDINGS & FACILITIES SERVICE MANAGEMENT PLAN

Appendix J – Asset Register Remainder Assets

Asset ID	Sub Category	Asset Name	Year Acquired	CRC New	Updated Useful Life	Renewal Cost	Condition (1-5)	Function (1-5)	Capacity/Utilisation (1-5)
80000005	Building	Garage in Council Carpark - Garton, 26 Railway Street, Garton	2006	31,146.00	60		2		
80000006	Building	Trading Donga Doc/Dat, 26 Railway Street, Garton	2010	68,800.00	20		2		
80000007	Building	Lake's Place Lockup, 17 Campbell Street, Laidley	1981	450,000.00	80		3		
80000008	Building	Cross Centre House, Frone Street, Laidley	1976	111,960.00	80		2		
80000010	Building	Laidley Cultural Centre Squash Cn, Laidley-Shellmead Road Laidley North	2001	150,000.00	40		4		
80000011	Building	Laidley Cultural Centre Tennis Club House, 3 Laidley Mainland Road, Laidley North	1986	92,850.00	60		3		
80000012	Building	Laidley Cultural Centre Tennis Cn, Laidley-Shellmead Road Laidley North	1995	100,000.00	80		4		
80000013	Building	Kennington Grove Hall, Bartwood Avenue, Kennington Grove	1986	228,000.00	60		3		
80000014	Building	Nelsons Place, 130 Patrick Street, Laidley	1986	255,080.00	80		3		
80000015	Building	Laidley Youth Centre, 13 Henry Street, Laidley	1986	743,125.00	80		3		
80000016	Building	Luckyer Waters Community Hall, 36 Topaz Crescent, Luckyer Waters	1981	299,700.00	80		4		
80000017	Building	Kennington Grove Child Care Centre, 24 Bartwood Avenue, Kennington Grove	2001	314,825.00	80		2		
80000018	Building	Garton Child Care Centre, Lake Apsco Drive, Garton	2001	838,600.00	80		2		
80000019	Building	Garage at Garton Child Care Centre, Lake Apsco Drive, Garton	2006	13,920.00	60		2		
80000022	Building	Whitcott CWA Hall, 4 Biggs Road, Whitcott	1976	166,200.00	80		4		
80000023	Building	Cross Centre House - Smithfield Road, Garton	1908	319,440.00	80		4		
80000024	Building	Cnr Garage (9 x 6m) with roller doors Southfield Rd Crick House	1978	32,885.00	60		4		
80000025	Building	Garton Donation Building, Saleyard Road Garton	2011	772,310.00	60		1		
80000033	Building	Hallidon Donation Building, 5 Plant Street, Hallidon	1971	144,000.00	60		3		
80000042	Building Component	Murphys Creek Comm Bldg Substructure, Doods Road Murphys Creek	2009	31,652.30	80		1		
80000043	Building Component	Murphys Creek Comm Bldg Substructure, Doods Road Murphys Creek	2009	168,705.60	80		1		
80000045	Building Component	Murphys Creek Comm Building - Frailings, Doods Road Murphys Creek	2014	63,264.60	25		1		
80000046	Building Component	Murphys Creek Comm Building - Frailings, Doods Road Murphys Creek	2015	10,544.10	25		1		
80000047	Building Component	Murphys Creek Comm Building - Services, Doods Road Murphys Creek	2013	77,323.40	25		1		
80000049	Building	Dos Neumann Hous Public, Wilshire Street, Laidley	1986	74,460.00	80		3		
80000050	Building	Blenheim Public, Laidley Mount Berryman Road Blenheim	1979	78,240.00	80		4		
80000051	Building	Forest Hill Public, Garton-Laidley Road Forest Hill	1979	89,040.00	80		4		
80000053	Building	Elmore Grove Village Public, Bulkyview Road Elmore Grove	2004	45,840.00	80		2		
80000054	Building	Lake Clarendon Public, Main Green Swamp - Lake Clarendon	1979	81,300.00	80		4		
80000055	Building	Forest Hill Recreation Reserve Green, Laidley, 24 Highway Street, Forest Hill	1979	73,200.00	80		4		
80000056	Building	Johnson Park (Lockwood) Public, Johnson Drive Lockwood	2004	26,880.00	80		2		
80000057	Building	Kennington Grove Public, Bartwood Ave Part, Bartwood Av Kennington	1981	78,000.00	80		4		
80000058	Building	Commercial Building, 38B Victoria St., Forest Hill	1971	436,901.90	80		4		
80000059	Building	Lions Park Public, Vans Street, Laidley	1966	112,560.00	80		4		
80000060	Building	Theerston Public, Marjorie Road Theerston	1971	95,280.00	80		4		
80000061	Building	Hardys Lagoon Public, Dryden Road, Laidley	1981	89,520.00	80		4		
80000062	Building	Laidley Cemetery Amenities, Southern Street, Laidley	1972	35,040.00	80		4		
80000063	Building	BMK Lake Apsco Park Public, Goff Units Drive, Garton	1970	153,300.00	80		4		
80000064	Building	North Street Public, North Street, Garton	1983	193,680.00	80		4		
80000065	Building	Soldiers' Memorial Pk, Hildon, 11 Turner Street, Hildon	1983	71,760.00	80		4		
80000066	Building	Azzac Park Public, Azzac Avenue, Grantham	2011	111,280.00	80		1		
80000067	Building	Junction View Public, Mt Sylvia Road, Junction View	1976	122,640.00	80		4		
80000069	Building	Litherton Park Public - New, 24 Old College Road, Garton	2011	17,040.00	80		1		
80000070	Building	Murphys Creek Public, School Rd, Murphys Creek	1978	34,800.00	80		4		
80000071	Building	Hopetill Sports Cnre Public, Hopetill Rd, Terribill	1979	57,840.00	80		4		
80000072	Building	Springlebrook Park Public, Whitcott, Sledion Court, Whitcott	1986	111,120.00	80		3		
80000073	Building	McGovern Park Public, Hildon, 6 Plant St, Hildon	2006	126,000.00	80		1		
80000074	Building	Butary Park Public, Spencer Street Garton	2006	60,480.00	80		2		
80000075	Building	Covered Parking Shed 40 bays, Garton Depot	2004	104,778.00	80		2		
80000076	Building	Garton Cemetery Public, Lake Apsco Drive, Garton	1986	11,760.00	80		3		
80000077	Building	Whitcott CWA Public Public, 4 Biggs Road, Whitcott	1976	36,960.00	80		4		
80000078	Building	Public - New Subdivision Grantham, Rosemoor Grantham	2011	67,680.00	80		1		

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Asset ID	Sub Category	Asset Name	Year Acquired	CRC Now	Updated Useful Life	Renewal Cost	Condition (1-5)	Function (1-5)	Capacity/Utilisation (1-5)
80000079	Building	Toilets Butler Park, William Street Greenham	2011	37,200.00	80		1		
80000080	Building	Lake Apex Public Toilets, Lake Apex Garton	1991	83,280.00	80		3		
80000082	Building	Ladley Recreation Reserve Covered Gym Access Within Road, Ladley	2014	880,000.00	60		1		
80000084	Building	Ladley Recreation Reserve Soccer/Multi Use, Within Road, Ladley	2015	156,625.00	80		1		
80000085	Building	Ladley Recreation Reserve Caravan/Multi Use, Within Road, Ladley	2006	119,550.00	80		1		
80000087	Building	Ladley Swimming Pool 800k, 44 John Street, Ladley	1981	296,850.00	80		3		
80000088	Building	Ladley Swimming Pool Club Facility, 44 John Street, Ladley	1976	71,250.00	80		4		
80000089	Building	Lilly Swimming Pool Pump House, 44 John Street, Ladley	1976	57,000.00	80		4		
80000090	Building	Lilly Swimming Pool Storage Shed, 44 John Street, Ladley	1976	23,940.00	60		4		
80000091	Building	Forest Hill Rac. Hse, Tennis Clubhouse	1976	53,125.00	80		4		
80000092	Building	Forest Hill Cricket Clubhouse	2001	59,360.00	60		3		
80000093	Building	Exmoor Grove Oval Club House	2001	139,750.00	80		3		
80000094	Building	Ladley Recreation Reserve Storage Facility, Whites Road, Ladley	2013	196,200.00	80		1		
80000095	Building	Farmen Shed at Sharncliffe, 135 Spencer Street, Garton	1990	104,550.00	62		3		
80000097	Building	Indoor Equestrian Centre Stables, Woodlands Road, Garton	2001	350,000.00	80		3		
80000100	Building	Hopetill Community Sports Centre, Ma Sylvia Road, Hopetill	1976	100,080.00	80		4		
80000101	Building	Indoor Equestrian Centre Amenities, Woodlands Road, Garton	1970	150,000.00	80		4		
80000102	Building	Site show loosers and laundry at Sharncliffe, 116 Spencer Street, Garton	1970	119,080.00	80		4		
80000103	Building	Grantham Race Reserve Amenities, Race Hse, Christchurch St, Grantham	2011	140,000.00	80		1		
80000104	Building	Spray Booth at Garton Showgrounds, Woodlands Road, Garton	1990	20,000.00	80		3		
80000106	Building	Garton Swimming Pool 800k, 23 East Street, Garton	1967	70,000.00	20		5		
80000109	Building	Pavilion - Garton Showgrounds, Adjon Sports Ctr, Spencer St, Garton	2010	375,000.00	80		1		
80000110	Building	Heddon Tennis Clubhouse, 78 to 12 Arthur Street, Heddon	1981	102,500.00	80		4		
80000111	Building	Murphy Creek Groceries Clubhouse, Dods Road, Murphy Creek	1971	130,375.00	80		5		
80000112	Building	Springlebrook Park Sports Club Shed, Park Ridge Drive, Whitcott	2011	47,760.00	60		2		
80000113	Building	Murphy Creek Office, Douglas Drive, 18 Ince Lane, Murphy Creek	1968	180,600.00	60		1		
80000114	Building	Murphy Creek Office, Douglas Drive, 18 Ince Lane, Murphy Creek	2007	85,760.00	20		3		
80000115	Building	Murphy Creek Office, Douglas Drive, 18 Ince Lane, Murphy Creek	2007	49,680.00	20		3		
80000117	Building	Vernham Vets Garage, 2107 Rosewood-Ladley Road, Ladley	2009	85,440.00	20		3		
80000118	Building	School at Pioneer Village, 92 Drayton Street, Ladley	1976	135,360.00	80		4		
80000119	Building	Museum at Pioneer Village, 92 Drayton Street, Ladley	1976	115,480.00	80		4		
80000120	Building	Shed at Pioneer Village, 92 Drayton Street, Ladley	1968	55,000.00	80		4		
80000121	Building	Shed at Pioneer Village, 92 Drayton Street, Ladley	1981	53,998.00	80		4		
80000122	Building	Workshop at Pioneer Village, 92 Drayton Street, Ladley	1976	46,080.00	80		4		
80000123	Building	Butcher Shop at Pioneer Village, 92 Drayton Street, Ladley	1976	62,700.00	80		4		
80000124	Building	Ball House at Pioneer Village, 92 Drayton Street, Ladley	1976	49,500.00	80		4		
80000125	Building	Dairy at Pioneer Village, 92 Drayton Street, Ladley	1976	28,860.00	80		4		
80000126	Building	Wagon Display Building at Pioneer Village, 92 Drayton Street, Ladley	1976	13,260.00	80		4		
80000127	Building	Carriage Display Building at Pioneer Village, 92 Drayton Street, Ladley	1976	86,850.00	80		4		
80000128	Building	Post Office Store at Pioneer Village, 92 Drayton Street, Ladley	1976	40,950.00	80		4		
80000129	Building	Agricultural Shed at Pioneer Village, 92 Drayton Street, Ladley	1976	97,382.00	80		4		
80000130	Building	Shed Chambers at Pioneer Village, 92 Drayton Street, Ladley	1976	103,200.00	80		4		
80000131	Building	Timber Industry Display at Pioneer Village, 92 Drayton Street, Ladley	1976	88,050.00	60		3		
80000132	Building	Shed Cottage at Pioneer Village, 92 Drayton Street, Ladley	1976	72,550.00	80		4		
80000133	Building	Blacksmith Shop at Pioneer Village, 92 Drayton Street, Ladley	1976	92,400.00	80		4		
80000134	Building	Cow Bods Shed at Pioneer Village, 92 Drayton Street, Ladley	1968	44,040.00	80		4		
80000135	Building	Church at Pioneer Village, 92 Drayton Street, Ladley	1976	71,460.00	80		4		
80000136	Building	Tractor Shed at Pioneer Village, 92 Drayton Street, Ladley	1991	133,100.00	60		3		
80000137	Building	Toilet Block at Pioneer Village, 92 Drayton Street, Ladley	2009	52,080.00	20		3		
80000138	Building	Pioneer Village - Accessioning Building, Pioneer Village	2009	40,000.00	15		3		
80000139	Building	Das Neumann House, Car William & Patrick Sts, Ladley	1986	430,020.00	80		3		
80000140	Building	Garage 4 Bay - Das Neumann House, Car William & Patrick Streets, Ladley	2000	33,600.00	60		2		
80000142	Building	Heddon Information Booth, Railway Street, Heddon	2012	25,000.00	40		1		
80000143	Building	Lake Dyer Amenity Building, Ladley Forest Hill Road, Ladley	1981	296,000.00	80		4		

LOCHRYE VALLEY REGIONAL COUNCIL - BUILDINGS & FACILITIES SERVICE MANAGEMENT PLAN

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Asset ID	Sub-Category	Asset Name	Year Acquired	CRC Flow	Updated Useful Life	Renewal Cost	Condition (1-5)	Function (1-5)	Capacity/Utilisation (1-5)
80000144	Building	Lake Dyer Caravan Residence, Ladbroke Grove Hill Road, Ladbroke	1986	160,500.00	80		3		
80000145	Building	Leslie Cottage, 38 Leslie Lane, Morphettville	1976	103,180.00	80		4		
80000154	Building	Weightbridge Office, 32 Treatment Plant Road, Garton	2013	5,280.00	20		1		
80000155	Building	Garton Salespersons & Eng. Salesperson Road, Garton	2004	529,550.00	80		3		
80000156	Building	Sales Office of Ladbroke Sales Yards, Ladbroke - Rosewood Road, Ladbroke	1957	186,500.00	80		4		
80000157	Building	Vietnam Veterans Building, Rosewood - Ladbroke Road, Ladbroke	1980	203,250.00	80		3		
80000159	Building	Garton Salesperson's Shop and Toilet, Selwyn Road, Garton	1986	208,500.00	80		3		
80000160	Building	Commercial Property was previously Old Garton Squash Courts, 113 Spencer Street, Garton	1992	520,050.00	80		3		
80000162	Building	Commercial Office Building, 119 Spencer Street, Garton	1981	179,250.00	80		4		
80000163	Building	Workshop 75a Philip Road, Garton	1984	40,000.00	50		4		
80000164	Building	Machinery/Play Shed 75a Philip Road, Garton	1976	107,700.00	80		4		
80000165	Building	Industrial House (Shed 2) 75a Philip Road, Garton	1992	402,200.00	80		3		
80000166	Building	Garage - Rental House, 75b Philip Road, Garton	2004	21,850.00	80		2		
80000167	Building	Main Residence (1 bed 3 bath) 75a Philip Road, Garton	1992	488,290.00	80		2		
80000168	Building	Garage - Main Residence 75a Philip Road, Garton	2000	31,450.00	80		2		
80000169	Building	Industrial Detention Centre School Street (detention) previously located at Rosewood Garton	2009	23,200.00	20		3		
80000170	Building	Burned Shed 28 Anzac Avenue, Garton	1981	321,600.00	60		4		
80000171	Building	Garton Tip Shop, 32 Treatment Plant Road, Garton	2004	413,940.00	60		2		
80000172	Building	Garton Tip Site Office, 32 Treatment Plant Road, Garton	2010	10,260.00	60		2		
80000174	Building Component	Garton Material Recycling Facility Substructure, 32 Treatment Plant Road, Garton	2011	229,587.54	80		2		
80000175	Building Component	Garton Material Recycling Facility Superstructure, 32 Treatment Plant Road, Garton	2011	1,059,634.80	80		2		
80000177	Building Component	Garton Material Recycling Facility Finishes, 32 Treatment Plant Road, Garton	2015	88,500.90	25		2		
80000178	Building Component	Garton Material Recycling Facility Fittings, 32 Treatment Plant Road, Garton	2015	52,981.74	25		2		
80000179	Building Component	Garton Material Recycling Facility Services, 32 Treatment Plant Road, Garton	2014	335,551.02	25		2		
80000181	Building	Dog Pound - Ladbroke, Ladbroke-Rosewood Road, Ladbroke	1986	146,100.00	80		4		
80000182	Building	Parking Cover 1 Ladbroke Depot, Rosewood - Ladbroke Road, Ladbroke	1992	67,800.00	60		3		
80000183	Building	Ladbroke Depot Main Workshop, Rosewood - Ladbroke Road, Ladbroke	1991	772,775.00	60		3		
80000184	Building	Community Services Building, Rosewood - Ladbroke Road, Ladbroke	1986	403,440.00	80		3		
80000185	Building	Timber Store-Ladbroke Depot, Ladbroke-Rosewood Road, Ladbroke	1980	56,100.00	80		5		
80000186	Building	Steel Office-Ladbroke Depot, Ladbroke-Rosewood Road, Ladbroke		0.00	80		4		
80000187	Building	Steel Store-Ladbroke Depot, Ladbroke-Rosewood Road, Ladbroke	1980	100,000.00	80		4		
80000188	Building	Nursery at Ladbroke Depot	1992	50,000.00	80		5		
80000189	Building	Ladbroke Store - Cages external, Ladbroke-Rosewood Road, Ladbroke	1992	8,000.00	80		4		
80000190	Building	Chemical Store Dumps, Ladbroke - Rosewood Road, Ladbroke	2009	11,360.00	20		4		
80000191	Building	Records Storage Shed, Rosewood - Ladbroke Road, Ladbroke	1986	40,200.00	80		3		
80000192	Building	Garton Depot Store Building, 81 Terrell Creek Road, Garton	2004	256,302.40	60		2		
80000193	Building	Chemical Storage Shed No 1 Noxious Wreath Inspector, 81 Terrell Creek Road, Garton	2004	6,850.00	60		2		
80000194	Building	Chemical Storage Shed No 2 (6m x 2m), Works Depot, Terrell Creek Road, Garton	2004	6,700.00	60		2		
80000195	Building	Chemical Storage Shed No 3 (2.4m x 2.4m), Works Depot, Terrell Creek Road, Garton	2004	3,000.00	60		2		
80000197	Building	Fireman's Office and Toilet, 81 Terrell Creek Road, Garton	2013	441,600.00	80		2		
80000198	Building	Fireman's Storage Shed 1, 81 Terrell Creek Road, Garton	2004	174,000.00	60		2		
80000199	Building	Trades Shop, 81 Terrell Creek Road, Garton	2004	75,900.00	60		2		
80000200	Building	Water and Sewerage Building No 2, 81 Terrell Creek Road, Garton	2013	43,875.00	80		2		
80000201	Building	Garton Depot Workshop, 81 Terrell Creek Road, Garton	2004	54,780.00	60		2		
80000202	Building	Covered Parking Shed 20 Bays Garton Depot West, 81 Terrell Creek Road, Garton	2006	91,500.00	60		2		
80000203	Building	Garage / Storage for Water Section, 81 Terrell Creek Road, Garton	2006	18,250.00	60		2		
80000204	Building	Score Shed No. 1, Terrell Creek Road, Garton	2004	60,000.00	80		2		
80000205	Building	Score Shed No. 2, Terrell Creek Road, Garton	2004	60,000.00	80		2		
80000206	Building	Garton Livestock Pound, Treatment Plant Rd, Garton	2001	25,000.00	80		2		
80000207	Building	Shed Garton Livestock Pound, Garton	1991	39,840.00	80		3		
80000208	Building	Dog and Cat Pound - Garton, Treatment Plant Rd, Garton	1986	136,100.00	80		3		
80000209	Building	Carport Dog & Cat Pound, Garton	1996	10,260.00	80		3		
80000210	Building	Ladbroke S.E. S. Headquarters, Rosewood - Ladbroke Road, Ladbroke	1996	223,790.00	60		2		

LOCKHEED WALLBY REGIONAL COUNCIL - BUILDINGS & FACILITIES SERVICE MANAGEMENT PLAN

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Asset ID	Sub Category	Asset Name	Year Acquired	CRC Now	Updated Useful Life	Renewal Cost	Condition (1-5)	Function (1-5)	Capacity/Utilisation (1-5)
80000211	Building	Ferret Hill S.E. Headquarters, Railway Street Ferret Hill	1996	211,540.00	60		2		
80000212	Building	Garton 525 Headquarters, 116 Spencer Street, Garton	1996	221,060.00	60		2		
80000213	Building	Unkleyer Waters S.E. Headquarters, Tropical Cree Lockyer Waters	1996	175,000.00	80		2		
80000214	Building	Residence (Crisis house), 48 Cochrane Street, Garton	1986	175,950.00	80		3		
80000215	Building	Tedart Donga Doc009, 81 Tenthill Creek Road, Garton	2010	64,080.00	20		2		
80000216	Building	Office Donga 1, 81 Tenthill Creek Road, Garton	2010	58,320.00	20		2		
80000217	Building	Office Donga 2, 81 Tenthill Creek Road, Garton	2010	56,200.00	20		2		
80000218	Building	Office Donga 3, 81 Tenthill Creek Road, Garton	2010	57,660.00	20		2		
80000219	Building	Office Donga 4, 81 Tenthill Creek Road, Garton	2010	58,320.00	20		2		
80000220	Building	Office Donga 5, 81 Tenthill Creek Road, Garton	2010	59,280.00	20		2		
80000221	Building	Office Donga 6, 81 Tenthill Creek Road, Garton	2009	53,020.00	20		2		
80000222	Building	Disaster Management Donga Doc008, 26 Railway Street Garton	2012	22,220.00	20		2		
80000223	Building	Accommodation Donga Doc020, 168 Woodlands Road, Garton	2012	21,560.00	20		2		
80000224	Building	Accommodation Donga Doc021, 168 Woodlands Road, Garton	2012	21,560.00	20		2		
80000225	Building	Accommodation Donga Doc022, 168 Woodlands Road, Garton	2012	22,550.00	20		2		
80000226	Building	Accommodation Donga Doc023, 168 Woodlands Road, Garton	2012	21,340.00	20		2		
80000227	Building	Accommodation Donga Doc024, 168 Woodlands Road, Garton	2012	21,780.00	20		2		
80000228	Building	Accommodation Donga Doc025, 168 Woodlands Road, Garton	2012	20,080.00	20		2		
80000229	Building	Accommodation Donga Doc026, 168 Woodlands Road, Garton	2012	22,110.00	20		2		
80000230	Building	Accommodation Donga Doc027, 168 Woodlands Road, Garton	2012	22,110.00	20		2		
80000231	Building	Accommodation Donga Doc028, 168 Woodlands Road, Garton	2012	22,110.00	20		2		
80000232	Building	Accommodation Donga Doc029, 168 Woodlands Road, Garton	2012	22,110.00	20		2		
80000233	Building	Accommodation Donga Doc030, 168 Woodlands Road, Garton	2012	22,110.00	20		2		
80000234	Building	Accommodation Donga Doc031, 168 Woodlands Road, Garton	2012	22,110.00	20		2		
80000235	Building	Accommodation Donga Doc032, 168 Woodlands Road, Garton	2012	81,180.00	20		2		
80000236	Building	Laundry Donga Doc033, 168 Woodlands Road, Garton	2012	38,650.00	20		2		
80000237	Building	Kitchen Donga Doc034, 168 Woodlands Road, Garton	2012	69,000.00	20		2		
80000238	Building	Site show trailers at Shingwood, 136 Spencer Street, Garton	1970	124,800.00	80		3		
80000239	Building	Showground trailers near Yates Street, 136 Spencer Street, Garton	1970	131,460.00	80		3		
80000240	Building	Large Showground Stables, 136 Spencer Street, Garton	1995	451,600.00	80		3		
80000241	Building	Accommodation Donga Doc034, 168 Woodlands Road, Garton	2012	37,400.00	20		2		
80000242	Building	Accommodation Donga Doc035, 168 Woodlands Road, Garton	2012	38,170.00	20		2		
80000243	Building	Accommodation Donga Doc036, 168 Woodlands Road, Garton	2012	37,090.00	20		2		
80000244	Building	Accommodation Donga Doc037, 168 Woodlands Road, Garton	2012	37,950.00	20		2		
80000245	Building	Accommodation Donga Doc038, 168 Woodlands Road, Garton	2012	90,200.00	20		2		
80000246	Building	Accommodation Donga Doc039, 168 Woodlands Road, Garton	2012	38,810.00	20		2		
80000247	Building	Accommodation Donga Doc040, 168 Woodlands Road, Garton	2012	35,080.00	20		2		
80000248	Building	Cochrane St. Aged Units - Nos. 1, 2 & 3, 46 Cochrane Street, Garton	1977	421,200.00	80		3		
80000249	Building	Carport at Unit 2, 46 Cochrane Street, 46 Cochrane Street Garton	1990	6,060.00	60		4		
80000250	Building	Car Port - Unit 1, 46 Cochrane St, Garton	1990	5,100.00	60		4		
80000251	Building	Cochrane St. Aged Units - Nos. 4, 5 & 6, 44 Cochrane Street, Garton	1977	502,650.00	80		3		
80000252	Building	Clarkers Lane Aged Units - Nos. 1, 2 & 3, Clarkers Lane, Garton	1977	443,550.00	80		3		
80000253	Building	Clarkers Lane Aged Units - Nos. 4, 5 & 6, Clarkers Lane, Garton	1980	428,400.00	80		3		
80000254	Building	Helidon Tennis Club Store building, 28 to 32 Arthur Street, Helidon	1976	4,500.00	80		4		
80000255	Building	Garton Cemetery Store building, Lake Apex Drive, Garton	1996	15,000.00	80		2		
80000256	Building	Lake Dyer Storage Shed, Lake Dyer Access Road, Laidley Heights	2010	15,800.00	60		1		
80000257	Building	Rental House, 2 Shipb Street, Grafton	2010	286,625.00	80		1		
80000258	Building	Garton Depot Lunch Room Donga, 81 Tenthill Creek Road, Garton	2013	71,000.00	20		2		
80000259	Building	Pump House, 32 Treatment Plant Road, Garton	1996	8,880.00	60		2		
80000260	Building	Dismountable 1, 32 Treatment Plant Road, Garton	2007	33,660.00	60		3		
80000261	Building	Dismountable 2, 32 Treatment Plant Road, Garton	2007	69,600.00	60		3		
80000262	Building	Dismountable 3, 32 Treatment Plant Road, Garton	2007	8,010.00	60		3		
80000271	Building	Watcott Transfer Station Office, 500 Water Road, Blanchview	2007	11,760.00	20		3		
80000272	Building	Murphy's Creek Transfer Station Office, 97 Milken Road, Upper Lockyer	2007	11,080.00	20		3		

LOCKYER VALLEY REGIONAL COUNCIL - BUILDINGS & FACILITIES SERVICE MANAGEMENT PLAN

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Asset ID	Sub Category	Asset Name	Year Acquired	CRC Now	Updated Useful Life	Renewal Cost	Condition (1-5)	Function (1-5)	Capacity/Utilisation (1-5)
80000273	Building	Haldon Transfer Station Office, 20 Severnside Vale Road, Haldon	2007	9,360.00	20		3		
80000274	Building	Grantham Transfer Station Office, Grantham - Wymell Road, Wymell	2007	9,920.00	20		3		
80000275	Building	Ladbroke Waters Transfer Station Office, 38 Kelly Road, Spring Creek	2007	8,560.00	60		3		
80000276	Building	Progress Park Toilet, 32 Arthur Street, Haldon	2006	61,200.00	60		1		
80000277	Building	R M William Park Toilet, 14 Gorman's Gap Road, Perton	2006	36,960.00	60		5		
80000278	Building	Carrollale Tennis Courts Building, 1092 Garton - Carlton Road, Ma Ma Creek	1986	49,560.00	80		3		
80000279	Building	Chemical Shed 75a Philip Road, Grantham	1995	21,180.00	80		4		
80000280	Building	Murphy's Creek Enrolment Toilet, 18 Acute Lane, Murphy's Creek	1986	53,280.00	80		3		
80000281	Building	Garton SES Storage Structure, 136 Spencer Street, Garton	2001	81,900.00	60		3		
80000282	Building	Small Storage Shed, 27 Treatment Plant Road, Garton	2001	3,080.00	60		3		
80000284	Building	Postmans Ridge Public Hall, 199 Murphy's Creek Road, Murphy's Creek	1981	433,950.00	80		4		
80000285	Building	Postmans Ridge Hall Toilet, 199 Murphy's Creek Road, Murphy's Creek	1981	43,680.00	80		4		
80000286	Building	Ladbroke Transfer Station Office, Village Road, Ladbroke	2009	8,160.00	20		3		
80000287	Building	Garden Shed, 36 Tolpat Crescent, Lockyer Waters	2009	17,800.00	60		2		
80000288	Building	Garden Shed, 24 Bertrand Avenue, Kensington Grove	2009	9,760.00	60		2		
80000289	Building	Ladbroke Youth Centre, Ambrose Street, Ladbroke	1996	151,600.00	20		2		
80000290	Building	Workshop Shed, 75b Philip Road, Grantham	1995	54,800.00	60		4		
80000291	Building	Shed, 75b Philip Road, Grantham	1995	19,250.00	60		4		
80000292	Building	Garden Shed, Salford Road, Garton	2001	3,675.00	60		3		
80000293	Building	Blenheim Public Hall, 14 Mount Berryman Road, Blenheim	1960	570,750.00	30		3		
80000294	Building	Ladbroke Saltyard Toilets, Rosewood - Ladbroke Road, Ladbroke	1981	41,040.00	80		4		
80000295	Building	Edenore Grove Fire Brigade, 3 Isador Street, Edenore Grove	2006	109,320.00	60		1		
80000296	Building	Parking Cover 2 Ladbroke Depot, Rosewood - Ladbroke Road, Ladbroke	1984	101,350.00	60		4		
80000297	Building	Ladbroke Salford Main Ring, Rosewood - Ladbroke Road, Ladbroke	1999	147,825.00	60		4		
80000298	Building	Ladbroke Park Toilet Block, 41 Princess Street, Ladbroke	1976	110,080.00	80		4		
80000299	Building	Emergency Culture Shed, 81 Tenthill Creek Road, Garton	2007	4,050.00	60		2		
80000300	Building	Storage Shed 1, 81 Tenthill Creek Road, Garton	2007	5,150.00	60		2		
80000301	Building	Storage Shed 2, 81 Tenthill Creek Road, Garton	2007	4,700.00	60		2		
80000302	Building	Foreman Storage Shed 2, 81 Tenthill Creek Road, Garton	2007	65,400.00	60		2		
80000303	Building	Dangerous Goods Shed, 81 Tenthill Creek Road, Garton	2007	2,600.00	60		2		
80000304	Building	Facilities Maintenance Storage Shed 1, 81 Tenthill Creek Road, Garton	2007	8,800.00	60		2		
80000305	Building	Facilities Maintenance Storage Shed 2, 81 Tenthill Creek Road, Garton	2007	4,450.00	60		2		
80000306	Building	Covered Parking Shed 20 Bays Garton Depot East, 81 Tenthill Creek Road, Garton	2007	55,590.00	60		2		
80000307	Building	Oil Storage Dunga, Rosewood - Ladbroke Road, Ladbroke	2004	4,680.00	60		4		
80000308	Building	Park Storage Shed, Rosewood - Ladbroke Road, Ladbroke	1992	19,700.00	60		4		
80000309	Building	Oil Foreman's Shed, Rosewood - Ladbroke Road, Ladbroke	1992	30,450.00	60		4		
80000310	Building	Entrance Hut at Pioneer Village, 92 Dayton Street, Ladbroke	1976	11,640.00	80		4		
80000311	Building	Crisis Centre Shed, 25 Frame Street, Ladbroke	2008	27,750.00	60		1		
80000312	Building	Forest Hill Recreation Bureau Ladies Toilets, 24 Highway Street, Forest Hill	2006	67,920.00	80		4		
80000313	Building	Rental House Carport, 2 Shop Street, Grantham	2012	13,160.00	80		1		
80000314	Building	House Store Room at Historical Village, Lake Apex, Garton	1976	70,200.00	80		4		
80000315	Building	House at Historical Village, Lake Apex, Garton	1976	275,600.00	80		4		
80000316	Building	School Residence at Historical Village, Lake Apex, Garton	1976	240,710.00	80		4		
80000317	Building	Lodging at Historical Village, Lake Apex, Garton	1976	31,050.00	80		4		
80000318	Building	Upper Tenthill Congregation Chapel at Historical Village, Lake Apex, Garton	1976	76,800.00	80		4		
80000319	Building	General Store at Historical Village, Lake Apex, Garton	1976	37,920.00	80		4		
80000321	Building	Historical Museum at Historical Village, Lake Apex, Garton	1976	378,600.00	80		4		
80000322	Building	Store Building 1 at Historical Village, Lake Apex, Garton	1992	7,350.00	60		4		
80000323	Building	Store Building 2 at Historical Village, Lake Apex, Garton	1992	9,550.00	80		4		
80000324	Building	Toilet Block at Historical Village, Lake Apex, Garton	1976	21,120.00	80		4		
80000325	Building	Zochle Produce Shed at Historical Village, Lake Apex, Garton	1968	94,160.00	60		4		
80000326	Building	Garton Fire Station at Historical Village, Lake Apex, Garton	1976	114,600.00	80		4		
80000327	Building	BT-Centenary Machinery Shed at Historical Village, Lake Apex, Garton	1968	76,980.00	60		4		
80000328	Building	Logan Shed at Historical Village, Lake Apex, Garton	1968	166,560.00	60		4		

LOCKYER VALLEY REGIONAL COUNCIL - BUILDINGS & FACILITIES SERVICE MANAGEMENT PLAN

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Asset_ID	Sub_Category	Asset_Name	Year_Acquired	CRF_Now	Updated Useful Life	Renewal Cost	Condition (1-5)	Function (1-5)	Capacity/Utilisation (1-5)
80000329	Building	Sub Hut at Historical Village, Lake Apex, Garton	1976	59,400.00	80		4		
80000330	Building	Wheelwright and Blacksmith Shop at Historical Village, Lake Apex, Garton	1976	139,000.00	80		4		
80000331	Building	Gravelton Railway Station at Historical Village, Lake Apex, Garton	1976	228,000.00	80		4		
80000332	Building	Machinery Shed, Lake Apex, Garton	2007	112,200.00	60		3		
80000333	Building	Lions Park Public Toilet, Garton - Helidon Road, Lower Tenhill	2011	74,400.00	60		1		
80000334	Building	Callal Park Caravan, 43 Princess Street, Garton	2009	164,280.00	15		1		
80000335	Building	Callal Park Change Rooms, 43 Princess Street, Garton	2012	79,200.00	20		1		
80000337	Building	Antennies, Garton Aquatic Centre, Spencer Street, Garton	2014	1,345,560.00	50		1		
80000338	Building	Clubhouse, Garton Aquatic Centre, Spencer Street, Garton	2014	577,500.00	50		1		
80000339	Building	50m Pool Pumphouse, Garton Aquatic Centre, Spencer Street, Garton	2014	488,500.00	50		1		
80000340	Building	LTS Pool Pumphouse, Garton Aquatic Centre, Spencer Street, Garton	2014	350,000.00	50		1		
80000341	Building	Equipment Shed, Garton Aquatic Centre, Spencer Street, Garton	2014	299,700.00	50		1		
80000342	Building	Callal Park Storage Building 43 Princess Street, Garton Unidentified Donga moved there?	2009	28,800.00	10		3		
80000343	Building	Men's Shed Toilets, Garton Building Building Salvage Road, Garton	2016	41,200.00	30		3		
80000344	Building	Vietnam Vets Donga at the Laidley Salvayard	2012	70,229.23	30		1		
80000350	Building Component	Laidley Regional Office Sub-Structure, 9 Spicer Street Laidley	1957	211,401.68	80		4		
80000351	Building Component	Laidley Regional Office Super Structure, 9 Spicer Street Laidley	1957	1,298,610.32	80		4		
80000352	Building Component	Laidley Regional Office Finishes, 9 Spicer Street Laidley	1999	362,402.88	25		4		
80000353	Building Component	Laidley Regional Office Fittings, 9 Spicer Street Laidley	2005	151,007.20	25		4		
80000354	Building Component	Laidley Regional Office Services, 9 Spicer Street Laidley	1987	996,007.92	25		4		
80000360	Building Component	Community Centre Helidon Hall Sub-Structure 15 Arthur Street, Helidon	1991	139,365.00	80		3		
80000361	Building Component	Community Centre Helidon Hall Super-Structure 15 Arthur Street, Helidon	1991	743,280.00	80		3		
80000362	Building Component	Community Centre Helidon Hall Finishes 15 Arthur Street, Helidon	2009	278,780.00	25		3		
80000363	Building Component	Community Centre Helidon Hall Fittings 15 Arthur Street, Helidon	2011	46,455.00	25		3		
80000364	Building Component	Community Centre Helidon Hall Services 15 Arthur Street, Helidon	2004	140,670.00	25		3		
80000370	Building Component	Laidley Recreation Reserve Indoor Gym Complex Sub-Structure, Whites Road Laidley	2011	87,212.40	80		1		
80000371	Building Component	Laidley Recreation Reserve Indoor Gym Complex Super-Structure, Whites Road Laidley	2011	639,557.60	80		1		
80000372	Building Component	Laidley Recreation Reserve Indoor Gym Complex Finishes, Whites Road Laidley	2015	203,495.60	25		1		
80000373	Building Component	Laidley Recreation Reserve Indoor Gym Complex Fittings, Whites Road Laidley	2015	116,283.20	25		1		
80000374	Building Component	Laidley Recreation Reserve Indoor Gym Complex Services, Whites Road Laidley	2014	466,991.20	25		1		
80000375	Building Component	Garton Indoor Equestrian Centre Sub-Structure, Woodlands Road, Garton	1996	390,607.20	60		3		
80000376	Building Component	Garton Indoor Equestrian Centre Super-Structure, Woodlands Road, Garton	1996	1,560,573.60	60		3		
80000377	Building Component	Garton Indoor Equestrian Centre Finishes, Woodlands Road, Garton	2010	139,524.00	20		3		
80000378	Building Component	Garton Indoor Equestrian Centre Fittings, Woodlands Road, Garton	2012	111,619.20	20		3		
80000379	Building Component	Garton Indoor Equestrian Centre Services, Woodlands Road, Garton	2006	558,095.00	20		3		
80000385	Building Component	Garton Pool Change Rooms and Conveniences Sub-Structure, 23 East Street, Garton	1967	80,000.00	20		5		
80000386	Building Component	Garton Pool Change Rooms and Conveniences Finishes, 23 East Street, Garton	1967	160,000.00	10		5		
80000387	Building Component	Garton Pool Change Rooms and Conveniences Fittings, 23 East Street, Garton	2002	40,000.00	10		5		
80000388	Building Component	Garton Pool Change Rooms and Conveniences Services, 23 East Street, Garton	2007	25,000.00	10		5		
80000389	Building Component	Garton Pool Change Rooms and Conveniences Finishes, 23 East Street, Garton	1992	20,000.00	25		5		
80000390	Building Component	Garton Main Workshop Sub-Structure, 81 Tenhill Creek Road, Garton	2004	243,784.89	60		3		
80000391	Building Component	Garton Main Workshop Super-Structure, 81 Tenhill Creek Road, Garton	2004	704,267.46	60		3		
80000392	Building Component	Garton Main Workshop Finishes, 81 Tenhill Creek Road, Garton	2013	81,261.63	20		3		
80000393	Building Component	Garton Main Workshop Fittings, 81 Tenhill Creek Road, Garton	2014	54,174.42	20		3		
80000394	Building Component	Garton Main Workshop Services, 81 Tenhill Creek Road, Garton	2010	270,872.10	20		3		
80000408	Building	Laidley Cemetery Shed, South Street, Laidley	2010	34,090.25	30		3		
80000412	Building	Mower Shed, 81 Tenhill Creek Road, Garton	2010	18,986.20	30		3		
80000413	Building	Post Compound Covered Parking Shed 5 Days Garton Depot, 81 Tenhill Creek Road, Garton	2010	31,656.47	30		3		
80000414	Building	Transportable Toilet Block 6899 Male and Female Men disabled ablation, 81 Tenhill Creek Road, Garton	2010	49,861.25	30		3		
80000416	Building	Removable Pre Van/Donga Kitchen Caddroom and Freezer 81 Tenhill Creek Road, Garton	2010	6,261.94	30		3		

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Appendix K – Non Replacement of Council Buildings

Reference No.	Property	Depreciation \$
Commercial Rental		
1	75a Philips Road, Main Residence, 75a Philips Road, Grantham	6,104
2	75a Philips Road, Chemical Shed, Grantham	265
3	75a Philips Road, Garage Main Residence, Grantham	393
4	75a Philips Road, Machinery/Hay Shed, 75a Philips Road, Grantham	1,346
5	75a Philips Road, Workshop, Grantham	0
6	75b Philips Road, Garage Rental House, Grantham	273
7	75b Philips Road, Rental House, Grantham	5,096
8	75b Philips Road, Shed, Grantham	321
9	75b Philips Road, Workshop, Grantham	913
10	Sales Office of Laidley Sale Yards, Laidley - Rosewood Road, Laidley	2,331
11	Gatton Saleyards, Garden Shed, Saleyard Road, Gatton	61
12	Laidley Saleyards, Main Ring, 2107 Rosewood - Laidley Road, Laidley	2,464
13	Laidley Saleyards, Toilets, 2107 Rosewood - Laidley Road, Laidley	513
	Sub-Total	20,081
Community Housing Crisis		
14	Clarks Lane Units 1, 2 & 3, Clarks Lane, Gatton	5,544
15	Clarks Lane Units 4, 5 & 6, Clarks Lane, Gatton	5,355
16	Cochrane Street Units 1, 2 & 3, 46 Cochrane Street, Gatton	5,265
17	Cochrane Street Units 4, 5 & 6, 44 Cochrane Street, Gatton	6,283
18	Crisis Centre House, 25 Frome Street, Laidley	1,400
19	Crisis Centre House, 369 Smithfield Road, Gatton	3,993
20	Crisis Centre House, 48 Cochrane Street, Gatton	2,199
21	Crisis Centre House, Car Garage (9 x 6m) with roller doors, Smithfield Rd	548
22	Crisis Centre House, Machinery Shed (35x10m), Smithfield Road, Gatton	3,010
23	Crisis Centre House, Shed, 25 Frome Street, Laidley	463
24	Unit 1, 46 Cochrane Street, Carport, Gatton	86
25	Unit 2, 46 Cochrane Street, Carport, Gatton	101
	Sub-Total	34,247
Commercial		
26	Commercial Office Building, 119 Spencer Street Cnr William Street, Gatton	2,241
27	Commercial Property, 115 Spencer Street, Gatton	6,501
28	Commercial Building, 33B Victoria St., Forest Hill	5,211
29	Rented Shed, 28 Anzac Avenue, Grantham	5,360
	Sub-Total	19,313
Council Administration		
30	Gatton Admin, Disaster Mangement Donga, 26 Railway Street, Gatton	2,696
31	Gatton Admin, Garage in Carpark, 26 Railway Street, Gatton	519
32	Gatton Admin, Training Donga, 26 Railway Street, Gatton	3,440
34	Laidley Admin Building, 9 Spicer Street, Laidley	37,750
	Sub-Total	44,405
Council Depot/Works		
35	Gatton Depot, Covered Parking Shed 40 Bays West, 81 Tenthill Creek Road, Gatton	1,310
36	Gatton Depot, Donga 1, 81 Tenthill Creek Road, Gatton	2,916
37	Gatton Depot, Donga 2, 81 Tenthill Creek Road, Gatton	2,835
38	Gatton Depot, Donga 3, 81 Tenthill Creek Road, Gatton	2,880
39	Gatton Depot, Donga 4, 81 Tenthill Creek Road, Gatton	2,916
40	Gatton Depot, Donga 5, 81 Tenthill Creek Road, Gatton	2,954
41	Gatton Depot, Donga 6, 81 Tenthill Creek Road, Gatton	2,913
42	Gatton Depot, Store Shed 1, 81 Tenthill Creek Road, Gatton	750
43	Gatton Depot, Store Shed 2, 81 Tenthill Creek Road, Gatton	750
44	Laidley Depot, Cages external, Laidley-Rosewood Road Laidley	100
45	Laidley Depot, Chemical Store Donga, Laidley - Rosewood Road, Laidley	568
46	Laidley Depot, Community Services Building, 2109 Rosewood-Laidley Road, Laidley	5,043
47	Laidley Depot, Main Workshop, Rosewood - Laidley Road, Laidley	12,876
48	Laidley Depot, Nursery, Rosewood - Laidley Road, Laidley	0
49	Laidley Depot, Oil Storage Donga, Rosewood - Laidley Road, Laidley	78
50	Laidley Depot, Old Foremans Shed, Rosewood - Laidley Road, Laidley	514
51	Laidley Depot, Parking Cover 1, Rosewood - Laidley Road, Laidley	1,130

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62	Laidley Depot, Parking Cover 2, Rosewood - Laidley Road, Laidley	1,723
63	Laidley Depot, Parks Storage Shed, Rosewood - Laidley Road, Laidley	328
64	Laidley Depot, Records Storage Shed, Rosewood - Laidley Road, Laidley	603
65	Laidley Depot, Steel Office, Laidley-Rosewood Road, Laidley	0
66	Laidley Depot, Steel Store, Laidley-Rosewood Road, Laidley	1,260
67	Laidley Depot, Timber Store, Laidley-Rosewood Road, Laidley	0
	Sub-Total	44,346
Child Care		
68	Gatton Child Care Centre, Garage, Lake Apex Drive, Gatton	232
69	Gatton Child Care Centre, Lake Apex Drive, Gatton	10,483
60	Kensington Grove Child Care Centre, 24 Bertrand Avenue, Kensington Grove	3,936
61	Kensington Grove Child Care, Garden Shed, 24 Bertrand Avenue, Kensington Grove	163
	Sub-Total	14,812
Community		
62	Cahill Park, AFL Demountable Kitchen Donga 43 Princess Street, Gatton	892
63	Carrolsdale Tennis Courts Building, 1092 Gatton - Clifton Road, Ma Ma Creek	620
64	Gatton Depot, Removable Pie Van/Donga, 81 Tenthill Creek Road, Gatton	313
65	Gatton Depot, Transportable Toilet Block 6899 Male and Female Non-disabled ablution, 81 Tenthill Creek Road, Gatton	623
66	Gatton Depot, Transportable Toilet Block 6900 Disabled and Ambulant ablution, 81 Tenthill Creek Road, Gatton	623
67	Gatton Indoor Equestrian Centre, Woodlands Road, Gatton	48,569
68	Gatton Pool, Change Rooms, 23 East Street, Gatton	0
69	Gatton Pool, Equipment Building, 23 East Street, Gatton	0
70	Gatton Pool, Kiosk, 23 East Street, Gatton	0
71	Gatton Pool, Storage Shed, 23 East Street, Gatton	0
33	Gatton Shire Hall, 50 North Street, Gatton	38,145
72	Gatton Showgrounds, Farriers Shed, 136 Spencer Street, Gatton	1,686
73	Gatton Showgrounds, Red Brick Toilets, 136 Spencer Street, Gatton	0
74	Gatton Showgrounds, Spray Booth, Woodlands Road, Gatton	250
75	Gatton Showgrounds, Yellow Toilets, 136 Spencer Street, Gatton	0
76	Grantham Butter Factory, 6 Victor Street, Grantham	12,656
77	Helidon Community Hall, 15 Arthur Street, Helidon	19,356
78	Helidon Donation Demountable, School Street, Helidon	1,160
79	Helidon Information Booth, Railway Street, Helidon	0
80	Helidon Tennis Club, Store Room, 28-32 Arthur Street, Helidon	56
81	Helidon Tennis Clubhouse, 28-32 Arthur Street, Helidon	1,281
82	Indoor Equestrian Centre, Amenities, Woodlands Road, Gatton	1,875
83	Indoor Equestrian Centre, Large Stables, Woodlands Road, Gatton	5,645
84	Indoor Equestrian Centre, Stables, Woodlands Road, Gatton	4,375
85	Kensington Grove Hall, Bertrand Avenue, Kensington Grove	3,800
86	Laidley Cultural Centre, 3 Laidley-Plainland Road, Laidley North	62,923
87	Laidley Cultural Centre, Squash Crt, Laidley-Plainland Road, Laidley North	0
88	Laidley Cultural Centre, Tennis Club House, 3 Laidley-Plainland Road, Laidley North	1,548
89	Laidley Cultural Centre, Tennis Crt, Laidley-Plainland Road, Laidley North	1,250
90	Laidley Pool, Pool Storage Shed, 44 John Street, Laidley	399
91	Laidley Pool, Pump House, 44 John Street, Laidley	714
92	Laidley Pound, Laidley-Rosewood Road, Laidley	1,826
93	Laidley Rec Reserve, Canteen/Bar, Whites Road, Laidley	1,494
94	Laidley Rec Reserve, Storage Facility, Whites Road, Laidley	2,453
95	Laidley Sports Complex, Grandstand, Whites Road, Laidley	1,438
96	Laidley Swimming Pool, Club Facility, 44 John Street, Laidley	891
97	Laidley Swimming Pool, Kiosk, 44 John Street, Laidley	3,711
98	Lockyer Waters Community Hall, 36 Topaz Crescent, Lockyer Waters	3,746
99	Lockyer Waters Community Hall, Garden Shed, 36 Topaz Crescent, Lockyer Waters	213
100	Murphys Creek Office Donga DoC014, 18 Jessie Lane, Murphys Creek	4,288
101	Withcott CWA Hall, 4 Biggs Road, Withcott	2,078
102	Withcott CWA Hall, Toilets, 4 Biggs Road, Withcott	462
103	Forest Hill Rec Reserve, Cricket Clubhouse, 24 Railway Street, Forest Hill	989
104	Forest Hill Rec Reserve, Tennis Clubhouse, 24 Railway Street, Forest Hill	664
	Sub-Total	230,951
Historical		

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105	Das Neumann Haus, Cnr William & Patrick Sts, Laidley	5,375
106	Das Neumann Haus, Garage 4 Bay, Cnr William & Patrick Streets, Laidley	560
107	Historical Village, Bi-Centenary Machinery Shed, Lake Apex, Gatton	1,283
108	Historical Village, Fire Station, Lake Apex, Gatton	1,433
109	Historical Village, General Store, Lake Apex, Gatton	474
110	Historical Village, Grantham Railway Station, Lake Apex, Gatton	2,850
111	Historical Village, Helidon Soldiers Memorial Hall, Lake Apex, Gatton	1,401
112	Historical Village, Historical Village, Lake Apex, Gatton	4,733
113	Historical Village, House Store Room, Lake Apex, Gatton	878
114	Historical Village, House, Lake Apex, Gatton	2,820
115	Historical Village, Lockup, Lake Apex, Gatton	388
116	Historical Village, Logan Shed, Lake Apex, Gatton	2,776
117	Historical Village, School Residence, Lake Apex, Gatton	3,003
118	Historical Village, Slub Hut, Lake Apex, Gatton	743
119	Historical Village, Store Building 1, Lake Apex, Gatton	123
120	Historical Village, Store Building 2, Lake Apex, Gatton	119
121	Historical Village, Toilet Block, Lake Apex, Gatton	264
122	Historical Village, Upper Tenthill Congregation Chapel, Lake Apex, Gatton	960
123	Historical Village, Wheelwright and Blacksmith Shop, Lake Apex, Gatton	1,738
124	Historical Village, Zischke Produce Shed, Lake Apex, Gatton	1,569
125	Jessies Cottage, 18 Jessie Lane, Murphys Creek	1,290
126	Neilsons Place, 130 Patrick Street, Laidley	9,438
127	Pioneer Village, Accessioning Building, 92 Drayton Street, Laidley	0
128	Pioneer Village, Agricultural Shed, 92 Drayton Street, Laidley	1,217
129	Pioneer Village, Blacksmith Shop, 92 Drayton Street, Laidley	1,155
130	Pioneer Village, Butcher Shop, 92 Drayton Street, Laidley	784
131	Pioneer Village, Carriage Display Building, 92 Drayton Street, Laidley	1,086
132	Pioneer Village, Church, 92 Drayton Street, Laidley	893
133	Pioneer Village, Cow Bails Shed, 92 Drayton Street, Laidley	551
134	Pioneer Village, Dairy, 92 Drayton Street, Laidley	360
135	Pioneer Village, Entrance Hut, 92 Drayton Street, Laidley	146
136	Pioneer Village, Jail House, 92 Drayton Street, Laidley	619
137	Pioneer Village, Machinery Shed, 92 Drayton Street, Laidley	670
138	Pioneer Village, Museum, 92 Drayton Street, Laidley	1,443
139	Pioneer Village, Post Office, 92 Drayton Street, Laidley	512
140	Pioneer Village, School, 92 Drayton Street, Laidley	1,692
141	Pioneer Village, Shelter Shed, 92 Drayton Street, Laidley	688
142	Pioneer Village, Shire Chambers, 92 Drayton Street, Laidley	1,290
143	Pioneer Village, Slab Cottage, 92 Drayton Street, Laidley	969
144	Pioneer Village, Timber Industry Display, 92 Drayton Street, Laidley	1,468
145	Pioneer Village, Toilet Block, 92 Drayton Street, Laidley	2,604
146	Pioneer Village, Tractor Shed, 92 Drayton Street, Laidley	2,218
147	Pioneer Village, Wagon Display Building, 92 Drayton Street, Laidley	166
148	Pioneer Village, Workshop, 92 Drayton Street, Laidley	576
	Sub-Total	66,325
Grand Total		473,480

LOCKYER VALLEY REGIONAL COUNCIL - BUILDINGS & FACILITIES SERVICE MANAGEMENT PLAN

Service Management Plan (Assets) Disaster Management



Document Control

This page will be re-issued every time amendments are made to controlled documents. Amended documents will have their revision status and issue date updated accordingly.

Version	Clause(s)	Changes	Author	Issue Date
0	All	Initial Document Creation	Peter Hillcoat	2017
1				
2				
3				
4				

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Flood Warning Infrastructure & State Emergency Service assets

The assets included in this plan include the following:

- Flood warning Infrastructure
- SES assets
- Maintenance of Fire Trails

Background

Lockyer Valley Regional Council (LVRC) maintains a network of flood warning infrastructure within the LVRC Local Government Area (LGA). This infrastructure includes a range of CCTV cameras and river height and rainfall gauges and is integral to the LVRC Disaster Management intelligence gathering process and forms part of the larger regional oversight of emerging flood situations and catchment conditions. In addition to the CCTV cameras and gauges is a flood warning siren located in Grantham.

LVRC Disaster Management also manages the maintenance of fire trails throughout the Lockyer Valley. The fire trails within the maintenance plan are restricted to land parcels owned by Lockyer Valley Regional Council and do not include private or State controlled land.

LVRC Disaster Management also manages certain assets allocated to the Lockyer Valley State Emergency Service. SES Fleet and plant assets are *not* included in this document.

Council's Asset Management Goal in managing Disaster Management infrastructure assets is to meet the required level of service for each asset category in the most cost effective manner for present and future operations.

The key elements of Council's Disaster Management infrastructure asset management are:

- Taking a life cycle approach
- Developing cost-effective management strategies for the long term
- Providing a defined level of service and monitoring performance
- Understanding and meeting the demands of growth through demand management and infrastructure investment
- Managing risks associated with asset failures
- Sustainable use of physical resources and
- Continuous improvement in asset management practices.

The Asset Management Plan and supporting Sections are fundamental to the achievement of these key elements of asset management. The cornerstones of the Plan are:

- Defining levels of service – specifies the services and levels of service to be provided by Council for each category of infrastructure
- Condition assessment – specifies the technical tools used to assess the condition of each asset
- Life cycle management – how Council will manage its existing and future Disaster Management assets to provide the required services
- Financial summary – what funds are required to provide the required services
- Asset management practices – how assets will be managed and the tools it will use to accomplish this
- monitoring – how the Plan will be monitored to ensure it is meeting Council's objectives
- Asset management improvement (Expansion) plan

Camera Infrastructure

Locality	Camera_Type	Waterway
Glenore Grove	PTZ Camera	Near Lockyer Creek
Mulgowie	PTZ Camera	Near Laidley Creek
Mulgowie	Static Camera	Laidley Creek
Murphys Creek	Static Camera	Near Murphys Creek
Blenheim	PTZ Camera	Sandy Creek
Forest Hill	PTZ Camera	Near Sandy Creek
Laidley	PTZ Camera	Narda Lagoon

River Height/RAIN Gauge Infrastructure

Locality	Gauge_Name	Gauge_Type	Operating_Agency
Lilydale	Flagstone Creek	Rainfall & River Height AL	LVRC
Forest Hill	Forest Hill	Rainfall & River Height AL	LVRC
Preston	Gormans Gap	Rainfall AL	LVRC
Junction View	Junction View	Rainfall & River Height AL	LVRC
Upper Lockyer	Upper Lockyer	Rainfall & River Height AL	LVRC
Mount Whitestone	Ma Ma Creek	Rainfall & River Height AL	LVRC
Blenheim	Moon Road	Rainfall & River Height AL	LVRC
		Rainfall AL & Repeater	
Ma Ma Creek	Mount Petersen	Station	LVRC
Mulgowie	Mulgowie	Rainfall & River Height AL	LVRC
		Rainfall AL & Repeater	
Murphys Creek	Paradise Creek Road	Station	LVRC
Mount Berryman	Rockside Mountain	Rainfall AL	LVRC
Grantham	Sandy Creek Road	Rainfall & River Height AL	LVRC
		Rainfall AL & Repeater	
Laidley Creek West	Schultz Lookout	Station	LVRC
Murphys Creek	Spring Bluff	Rainfall & River Height AL	LVRC
Seventeen Mile	Upper Sandy Creek	Rainfall AL	LVRC
Lefthand Branch	Upper Tenthill	Rainfall AL	LVRC
Crowley Vale	Warrego Highway	Rainfall & River Height AL	LVRC
Blenheim	Woodlands Road	Rainfall & River Height AL	LVRC
Black Duck Creek	Goltz Road	Rainfall AL	LVRC
East Haldon	Upper Blackfellow	Rainfall AL	LVRC
Toowoomba RC	West Haldon	Rainfall AL	LVRC
Withcott	Withcott	Rainfall AL	LVRC
Mount Sylvia	Mt Sylvia	Rainfall AL	LVRC
Toowoomba RC	Fifteen Mile	Rainfall AL	LVRC
Forest Hill	Whiteway Road	Rainfall & River Height AL	
Laidley	Narda Lagoon	Rainfall & River Height AL	
Mulgowie	66 Mulgowie Road	Rainfall & River Height AL	
Mulgowie	86-88 Mulgowie Road	Rainfall & River Height AL	
Thornton	Mt Berryman Road	Rainfall AL	
Thornton	Main Camp Creek Road	Rainfall AL	
Townson	Townson	Rainfall AL	

Maintenance Regime

Cameras and Gauges

All cameras and gauges have maintenance carried out annually by Council staff who have been trained to enable them to carry out the work. Where cameras are co-located with stream height/rainfall gauges then where possible maintenance will include all infrastructure located on site.

Below is an example of the maintenance carried out during inspection.

122	Special			
123	Features	Station Name: Whiteway Road	OP WO 3038038	Completed by: Ray Tate & Michelle Kocsis Date: 15/06/2016
124	3m Tower with camera	Battery (clean & check)	no	
125	dual orifices	Solar Panel (clean & check)	cleaned & visual check	
126	1 - downside of creek culvert	Antenna (clean & check)	visual check	
127	2 - at drainpipe on Whiteway	Rain Gauge (clean & check)	visual check	
128	Rd east of infrastructure	River Line (purge)	line purged - appears to purge both - both orifices clear	
129		Gas Consumption (check usage acceptable)	HS40	
130	Difficult to open cabinet due to space restrictions	Site Clearing (describe action taken/ required)	clear - mowed	
131		Other action taken (describe)		
132	Key 44	Notes (identify hazards or considerations)	Sharp edges along solar panel / unable to open cabinet door once on tower - investigate options for improving safety when opening door	
133				

For reasons of efficiency, some spare parts are carried on board while carrying out scheduled maintenance and replacement of parts is carried out if required.

Risk

- Inherent:

The location of Flood Warning infrastructure by design makes it somewhat vulnerable to damage that may be caused by flood events. For example it is necessary to have river height gauges and cameras installed as near as possible to key areas to give the best possible outcome for flood intelligence purposes.

This inherent risk has been mitigated as much as practicable by installing the equipment as close as possible to relevant waterways to achieve the required results whilst keeping damage potential to

a minimum. The equipment is also mounted on elevated robust poles to further reduce the risk of damage. This mounting infrastructure also minimizes the risk of vandalism.

- Maintenance:

Preventative and reactive maintenance is critical in maintaining a reliable network of flood warning infrastructure. The maintenance regime which is currently in place is adequate to achieve the required level of reliability across the network.

Grantham Flood Warning System (Siren)

The Grantham Flood Warning System is designed to be automatically self-testing and does so on a continual basis. Audible testing is carried on a six monthly basis - 1 June and 1 December each year. Community engagement may take place prior to testing in the form of a mail-out informing them of the upcoming test.

The siren system is considered maintenance-free by the manufacturer and as such there is no physical infrastructure maintenance program in place.

As the scheduled testing is automated and overseen by Council staff, there is no cost incurred for this procedure.

As an annual inspection is recommended by the supplier, inspections will be scheduled to be carried out by qualified personnel on an annual basis as recommended.

Risk

- Inherent:

This infrastructure is located in an area where the chance of flood-event related damage occurring is extremely remote. The design of the equipment also minimises the opportunity for vandalism. If the equipment were to suffer damage regardless of the cause then a dedicated contractor will be utilised to rectify the issues as soon as possible.

- Maintenance:

The design and build of the equipment enables it to self-test and report autonomously on a continual basis. If any anomaly occurs then it is investigated promptly by LVRC Disaster Management staff and/or contractors. The equipment has proven to be extremely reliable to date.



2. About the System

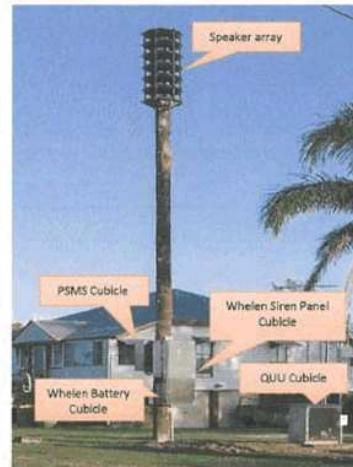
2.1 General Information

The Grantham system comprises a Whelen WPS2906 Mass Notification device interfaced to a Prospect Siren Management System (PSMS).

Both systems are DC powered. The siren system is 24VDC and the PSMS is 12VDC. AC power is used to maintain the batteries. The AC power is supplied from the Queensland Urban Utilities switchboard which is to the right of the siren installation. The AC power supply is filtered and has surge protection devices installed.

A C20 circuit breaker, located in the QUU cubicle, protects the QUU equipment from any malfunction of the siren equipment.

The battery chargers and batteries for both the Whelen and PSMS panels are located in the Whelen panel. The Whelen batteries in the lower compartment and the PSMS battery in the upper compartment.



The PSMS automatically monitors and controls the sirens inbuilt test functions, a twice yearly noon day test (June 1 and December 1) and activates the siren system based on either the receipt of an SMS or via our web monitoring and control system (eagle io).

For security the PSMS will only accept an SMS from registered mobile numbers.

Likewise the eagle io web SCADA is only accessible by registered users.

The system is programmed to play the Whoop tone followed by a pre-recorded message once activated.

The Whoop tone will sound for 60 seconds followed by the pre-recorded message.

¹State Emergency Service

SES assets relating to Disaster Management are limited to items such as white goods and furniture, and other miscellaneous items that may be purchased by the Social Club that will become a Council asset.

Assets such as vehicles, plant and equipment and buildings are included in the asset plans of other relevant Council departments such as Fleet Management and Infrastructure.

Fire Trails

In July 2014, a Strategic Bushfire Management Multi Agency Reference Group was initiated to support the development of a multi-agency regional approach to bushfire management. The group acted only in an advisory capacity and all management decisions remained with the respective agencies and LDMG. It should be noted the reference group does not replace the Bushfire Sub-Committee, but assist in providing advice to the sub-committee.

The group membership consists of the following agencies (individual representatives from agencies vary dependent on subject matter expertise required at the time of meeting):

- Lockyer Valley Regional Council – Disaster Management (DM)
- Lockyer Valley Regional Council – Infrastructure Works Services (IWS)
- Lockyer Valley Regional Council – Environment
- Queensland Fire & Emergency Services – Rural Fire
- Queensland Fire & Emergency Services – Lockyer Valley Rural Fire Brigades
- Queensland Parks & Wildlife Services (QPWS)
- Transport & Main Roads (TMR)
- Queensland Rail (QR)

The group conducted a series of meetings to identify strategic regional fire trails and agency owned freehold parcels and land reserves.

Process:

Literature review

Review current Bushfire Management Sub Plan and Annexures

Identify historic fire trails

Develop criteria for determining and assessing fire trail priority

Identify regional priority fire trails (**not all RFS Brigades within Lockyer Valley attended workshops**)

Visually represent Strategic Bushfire Trails on MapInfo Layer

Determine required trail construction for each trail

Rank priority construction of each identified trail based on criteria

Identify LVRC Freehold Properties within high and medium bushfire hazard zones

With guidance from QFES the reference group developed criteria for assessing the priority and location of both existing fire trails and for the establishment of new fire trail for the region is as follows:

A: Directly protects life and property

B: Indirectly protects life and property

C: Divides parcels of land or provides access route for emergency response vehicles

A series of regionally significant fire trails were identified, for the purpose of determining priority ranking only trails identified on LVRC land were considered in the ranking. The rationale for such a decision that council only hold jurisdiction on LVRC owned assets. The

establishment of any of the additional noted fire trails would require land owners to be responsible for the construction and/or maintenance and associated costs of fire trails.

It should be noted that the establishment and/or improvement of existing fire trails may encourage unauthorised usage by residents, to combat this installation of gates or similar to restrict access of vehicles should be considered and budgeted for.

Fire Trail Management

Currently the management of fire trails falls to the Disaster Management team as Infrastructure Works and Services do not have the capability to manage them. Fire trails managed by Council are those on Council controlled land only. Fire trails and their management on private land are the responsibility of the landholder.

The budget to carry out fire trail works is currently managed by Disaster Management.

Risk

The maintenance of fire trails throughout the Lockyer Valley is critical in maintaining access for Rural Fire Service Queensland (RFSQ). Access is required for the monitoring of fuel loads as well during times of response to actual fire events.

Should fire trails not be maintained to a satisfactory level then there is a risk that RFSQ will not be able to respond to fire events adequately thereby exposing the community to unnecessary levels of risk to fire events. This potentially higher risk level could also expose Lockyer Valley Regional Council to unnecessary risk due to not maintaining the fire trails to an acceptable of upkeep.

Expansion Plan

It is envisaged that looking forward there will be the need and opportunity to expand the network of flood warning infrastructure across the region. This strategic outlook may eventuate if preliminary works are undertaken to enable the installation of infrastructure such as CCTV cameras, and rainfall and river height gauges.

Accordingly a strategic financial outlook has been included in the costing sheet included in this plan.

Level of Service

In general terms the acceptable minimum level of service for Disaster Management Warning System assets is determined by:

Reliability

- Due to the nature of the infrastructure and its use in determining flood risk, either as a planning tool or as a means of responding to an emerging event, it is imperative that the equipment works as expected when it is called upon to do so.

Usability

- The ability to easily operate the equipment to achieve the outcomes required. It is also important to be able to train new users of the equipment by simple and efficient means.

Relevance to the network

- The equipment should be able to maintain its effectiveness as a component in the overall infrastructure network and stand the test of time. If the equipment is no longer able to maintain its effectiveness or relevance in the network either in its current form or by means of upgrade then it should be considered for replacement or decommissioning.

Cost effectiveness

- If it becomes apparent that the equipment is no longer the best value for money option to carry out its task then other alternate options should be considered. This situation may occur due to factors such as the inability to be upgraded further as required, or the introduction to the market of newer more efficient technology.

Costings

Costs

Description	Detailed Description	Initial Capital Cost	Annual Maintenance Costs	Annual Associated Dashboards	Additional Parts & Labour 5 Years
Flood Warning Infrastructure					
Flood Early Warning System and Siren Grantham		99,000.00	1,500.00	1,500.00	10,000.00
Flood Early Warning Systems Woodlands Road Inc. flashing lights, camera & river height gauge	Rain/River/Camera/Automated signage	113,000.00	2,500.00	1,500.00	5,000.00
Rain ALERT stations x 13		130,000.00	2,500.00		5,000.00
Rain / River Height ALERT stations x 15		375,000.00	2,500.00		5,000.00
Rain ALERT/Repeater stations x 3		36,000.00	2,500.00		5,000.00
Rain/River Height ALERT/Camera stations x 2 - Narda lagoon, Whitway Rd		120,000.00	5,000.00	1,500.00	5,000.00
Cameras stand alone x 4 Spring Bluff, Mulgowie (Creek view), Mulgowie School Road, Glenore Grove		120,000.00	6,000.00	4,000.00	5,000.00
Sand Bagging machines x 2		60,000.00	1,000.00		2,000.00
SES					
Gatton SES Storage Structure	Shipping container	5,000.00			
Sand Bays x 2 concrete walls and floor;SES Building Forest Hill & Laidley	Sand bays	20,000.00			
Furniture & Fittings - SES Forest Hill		28,000.00			
SES Equipment 2015-2016	SES Equipment	49,000.00			
SES 5 x Dell Computers and Accessories	SES Computers	15,000.00	1,000.00		20,000.00
Local Disaster Coordination Centre					
Local Disaster Coordination Centre Fitout		50,000.00			10,000.00
		Total	Total	Total	Total
		\$1,220,000	\$24,500	\$8,500	\$72,000
* Costings for expansion plans are estimates only and are subject to need, budget and resources.					

Capital Improvement Program (Expansion Plan)													
Description	No. of Units as at 2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	10 Year Expansion Plan Total Capital Costs	10 Year Expansion Plan Additional Annual Costs
Flood Early Warning Systems Woodlands Road Inc	1					120,000.00							
Flashing lights, camera & river height gauge	13			20,000.00								120,000.00	2,500.00
Rain ALERT stations	15		25,000.00			25,000.00	20,000.00			20,000.00		60,000.00	12,000.00
Rain / River Height ALERT stations	3					15,000.00			25,000.00			75,000.00	
Rain ALERT/Repeater stations (Currently 3 in 2016)	2					60,000.00						15,000.00	
Rain/River Height ALERT/Camera stations x 2 - Narda Lagoon, Whitway Rd	4				40,000.00						40,000.00	80,000.00	
Cameras stand alone x 4 Spring Bluff, Mulgowie (Creek view), Mulgowie School Road, Glenore Grove		5,000.00	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00	50,000.00	2,000.00
Software & Dashboard Upgrades					5,000.00							10,000.00	
Local Disaster Coordination Centre Fitout					5,000.00					5,000.00			
												Total	Total
												\$470,000	16,500.00

1 x additional unit
3 x additional units
3 x additional units
3 x additional units
1 x additional unit
1 x additional unit
2 x additional units



Fleet

Service Management Plan

January 2017

Document Control					
Rev No	Date	Revision Details	Author	Reviewer	Approver
V1	20/01/2017	Initial Draft	John Keen	Matthew Burdett	
V2	31/01/2017	2 nd draft	John Keen	Matthew Burdett	
V3	2/02/2017	Final	John Keen	Matthew Burdett	

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1 EXECUTIVE SUMMARY

This services management plan (SMP) describes the fleet assets provided to the organisation as a means to deliver services to the community and the considerations that need to be made to ensure that the provision of these assets is done in a sustainable and equitable manner, now and into the future.

What Does This Plan Cover?

The fleet assets are valued at \$9.9m (WDV) as at 30 June 2016 and are apportioned as shown in Figure 1-1.

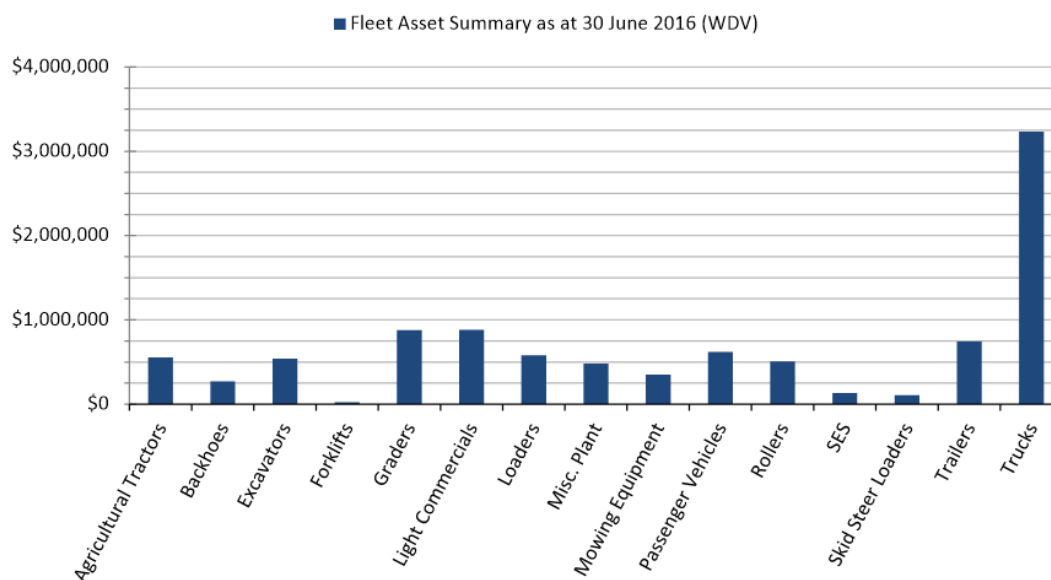


FIGURE 1-1 FLEET ASSET SUMMARY (WDV)

Fleet comparison, Initial cost to acquire, compared with the current written down value and accumulated depreciation.

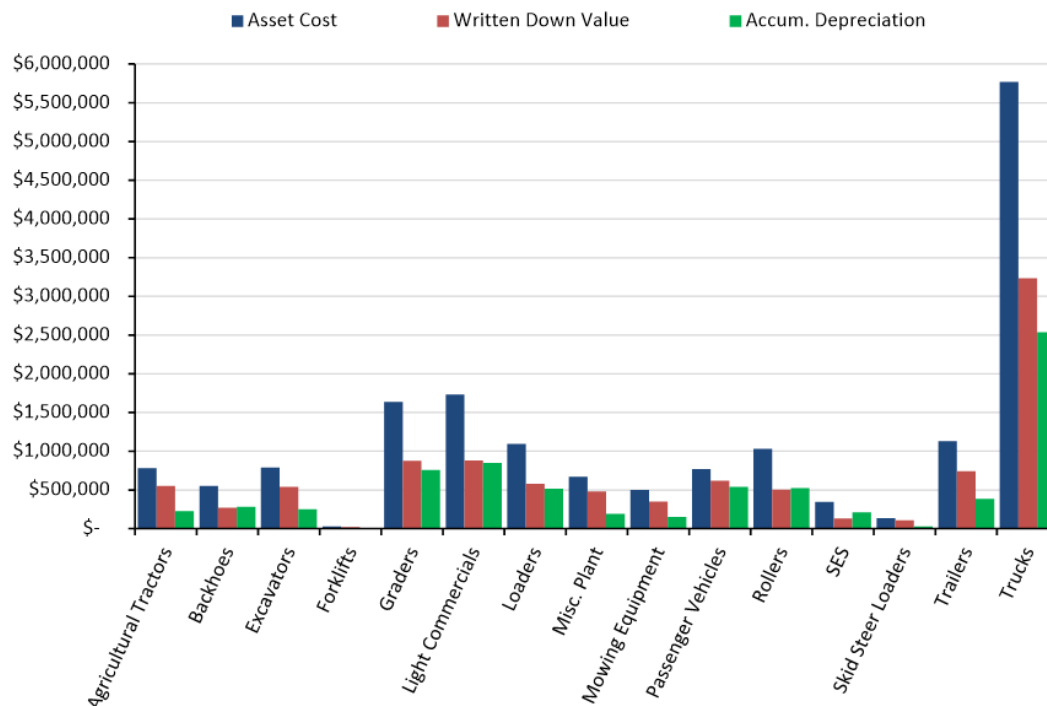


FIGURE 1-2 FLEET ASSET CONSUMPTION
TABLE 1-1: BREAK DOWN OF FLEET COMPOSITION AND PERCENTAGE CONSUMED PER PLANT TYPE

Plant Type	Qty	Asset Cost	Written Down Value	Accumulated Depreciation	% of Asset Base Consumed
Agricultural Tractors	8	\$ 781,843	\$ 553,878	\$ 227,965	29%
Backhoes	4	\$ 553,816	\$ 272,290	\$ 281,526	51%
Excavators	5	\$ 789,876	\$ 540,369	\$ 249,507	32%
Forklifts	2	\$ 29,823	\$ 22,888	\$ 6,935	23%
Graders	5	\$ 1,636,302	\$ 877,564	\$ 758,739	46%
Light Commercials	50	\$ 1,730,634	\$ 879,997	\$ 850,637	49%
Loaders	4	\$ 1,095,795	\$ 578,820	\$ 516,975	47%
Miscellaneous Plant	96	\$ 672,496	\$ 480,603	\$ 191,893	29%
Vegetation Control	27	\$ 499,907	\$ 348,869	\$ 151,038	30%
Passenger Vehicles	22	\$ 768,642	\$ 619,063	\$ 539,112	70%
Rollers	9	\$ 1,029,612	\$ 505,008	\$ 524,603	51%
State Emergency	21	\$ 344,940	\$ 132,661	\$ 212,279	62%
Skid Steer Loaders	2	\$ 136,367	\$ 106,699	\$ 29,668	22%
Trailers	37	\$ 1,128,284	\$ 741,674	\$ 386,610	34%
Trucks	49	\$ 5,770,402	\$ 3,233,600	\$ 2,536,802	44%
		\$ 16,968,740	\$ 9,893,983	\$ 7,464,289	44%

*Pre-rationalisation 2016

1.1 EXPENDITURE ANALYSIS

Expenditure is incurred on fleet assets in three main areas, these being:

- Operations and maintenance - day to day costs to keep the assets in a serviceable condition and to slow the rate of deterioration. Maintenance, repairs, fuel, tyres, registration and insurance are all considered operations and maintenance expenses.
- Renewals - replacing assets with like for like to deliver the same level of service, at or near the end of the assets economic life. Generally fleet items are replaced like for like unless the service delivery changes or the equipment becomes functionally obsolescent. At end of life each piece of equipment is reviewed for need, fit for purpose and service delivery appropriateness.
- New/upgrade - replacing fleet items with a new or improved item to provide a higher level of service than was previously provided or a new service, i.e. different configuration of truck and trailer to drive efficiencies, reviewing utilisation and either disposing of an item or multiple items and replacing with a new item not previously held by Council to provide a better more efficient service outcome.

The required expenditure analysis has been undertaken to understand what it costs to own, operate, maintain and replace Council's fleet assets over a 10 year planning horizon, this is based on what is currently understood of the services and likely demand over the 10 year planning period.

1.1.1 REPAIRS AND MAINTENANCE EXPENDITURE

The actual R&M expenditure can be seen in Figure 1-3. For the 2016/17 financial year the figures have been pro-rated based on the expenditure to date. The increase in the purely mechanical maintenance effort can be attributed to the ageing of the fleet due to insufficient renewal funding that has been made available overtime.

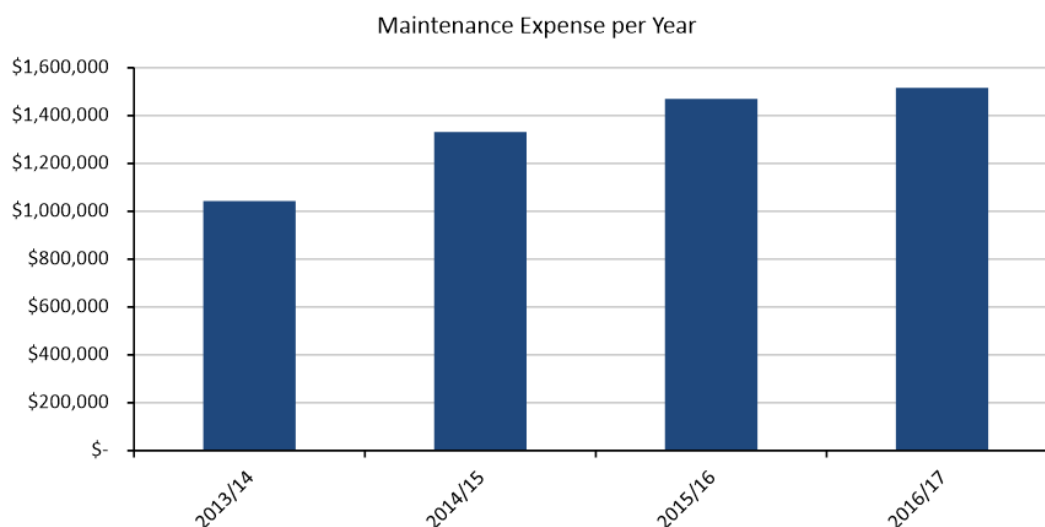


FIGURE 1-3 MAINTENANCE AND REPAIRS EXPENDITURE (MECHANICAL MAINTENANCE EFFORT - TIME ON TOOLS)

1.1.2 OWNING AND OPERATING COST ANALYSIS

The cost to own and operate the fleet includes the following expenses:

- Depreciation
- Registration
- Insurance
- Fuel and Oils
- Tyres
- Parts
- Labour
- Workshop Consumables
- Environmental Compliance

The total cost to own and operate the fleet has been on a downward trend since 2012/13 with a reduction in costs of \$1.47m from the 2012/13 financial year to 2015/16. These savings have been made from a gradual rationalisation of the fleet since the 2011 floods and will likely stabilise once the fleet is right sized to match the desired levels of service that the community is willing and able to afford and agreed to by Council.

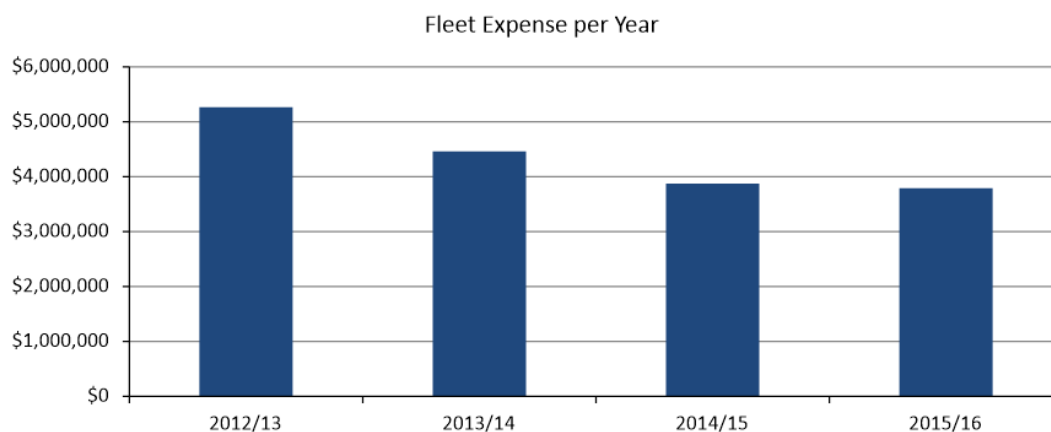
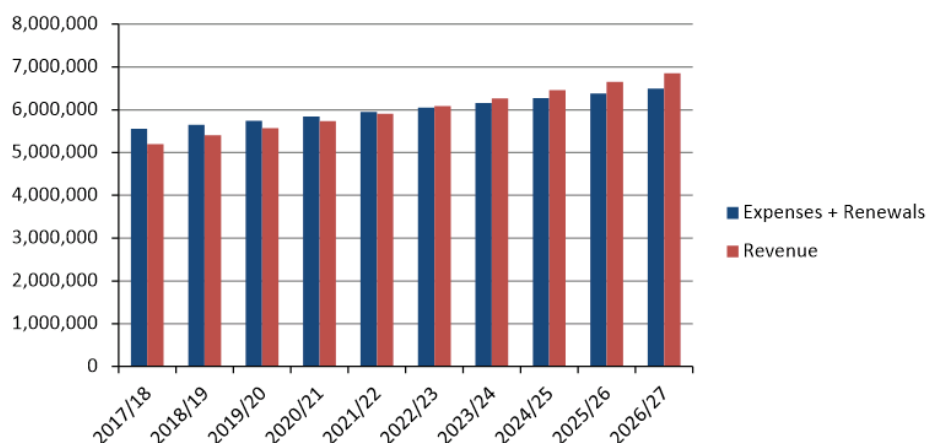
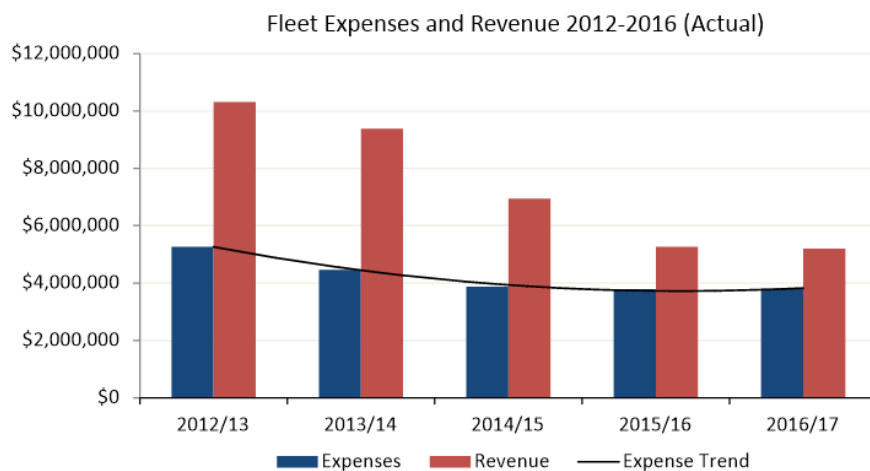


FIGURE 1-4 TOTAL FLEET EXPENDITURE



Fleet expenses and revenue have been modelled to return the fleet business to a self-funding model by 2022/23. Underlying factors that may influence the fleet expenses is the age of the fleet requiring more unscheduled maintenance over time and the risk of catastrophic component failure which has two impacts, it is expensive to fix and may not add residual value to the plant item repaired. The second impact may come if Council does not fund appropriate levels of replacement.

If revenue is left at the present level for next year and then increased by 4% the following year and then by 3% per year from then on, the difference between revenue and expense could assist to fund the current deficit in fleet replacement. This would allow the fleet to be bought back to a sustainable level, with further savings possible through improvements in utilisation and rationalisation.

The intent of owning and operating a fleet is to enable service provision to the community in the most cost effective manner. The fleet should break even and any amount of revenue above the total owning and operating costs is revenue that does not need to be raised and places an unfair burden on the revenue source.

TABLE 1-2. FLEET REVENUE AND EXPENSES 2017 - 2026 (PROPOSED).

Year	Expenses + Renewals	Revenue	Dep'n	Exp Nett	Rev Nett
2017/18	5,552,106	5,199,000	1,150,000	4,402,106	-353,106
2018/19	5,647,159	5,406,960	1,150,000	4,497,159	-240,199
2019/20	5,744,588	5,569,169	1,150,000	4,594,588	-175,419
2020/21	5,844,452	5,736,244	1,150,000	4,694,452	-108,208
2021/22	5,946,814	5,908,331	1,150,000	4,796,814	-38,482
2022/23	6,051,734	6,085,581	1,150,000	4,901,734	33,847
2023/24	6,159,277	6,268,149	1,150,000	5,009,277	108,871
2024/25	6,269,509	6,456,193	1,150,000	5,119,509	186,684
2025/26	6,382,497	6,649,879	1,150,000	5,232,497	267,382
2026/27	6,498,309	6,849,375	1,150,000	5,348,309	351,066
	60,096,445	60,128,880	11,500,000	48,596,445	32,435

Table 1-2 above shows that if Council were to commit the revenue earned by Fleet to turn around the lack of investment in this asset class then it would be possible to return the Fleet asset base to a sustainable position over the planning period. This would require fleet revenue to be increased by 4% in 2018/19 and then by 3% per annum from then on for the remainder of the planning period.

1.1.3 RENEWAL EXPENDITURE ANALYSIS

Through the analysis conducted for this SMP, Table 1-3 details the funding requirements to replace the existing fleet with like for like items at the replacement lives detailed in Table 7-2. Due to the limited replacement activities that have been undertaken in the preceding years there is a significant funding requirement to bring the fleet replacement back into line with acceptable industry standards. Failure to address this issue will lead to increasing maintenance expenditure and less reliability of the fleet items in service. Table 9-1 on pg. 30 gives a detailed breakdown of the assets due for replacement per year over the 10 year planning horizon.

TABLE 1-3 FUNDING REQUIREMENTS (10 YEAR) FOR RENEWALS BASED ON CURRENT LTFP (2016 VALUES)

	\$ (10 year)
Renewal Cost (Gross exc GST)	21,885,000
Disposals	4,416,750
Nett	17,468,250
LTFP	13,107,000
Surplus/Deficit (10 year)	\$ -4,361,250

Based on the current replacement schedule and the funding available in the current LTFP there is a funding shortfall of \$4,361,000 over the 10 year planning period, provided that Council is able to achieve the anticipated disposal values over this period.

1.1.4 NEW/UPGRADE EXPENDITURE ANALYSIS

There are currently no new items of plant and fleet that have been identified to be added to the fleet, this may change as improvements in technology and work practices occur which drive efficiencies and will be included in future iterations of the SMP as Council becomes aware of these opportunities.

One matter that may impact this going forward is Council's future Waste Strategy. If the decision is made to move away from landfill operations into long haul operations and the decision is made to do this in-house then there may be a significant investment needed to resource this operation. There has been no allowance made for this in the iteration of the SMP.

1.1.5 OVERALL VIEW

The funding available for the fleet services is not adequate to keep the service sustainable over the 10 year planning period. The lack of funding to support the replacement program is inadequate when compared to the current LTFP.

What are our Options?

Council has the option to fund appropriate service provision through a range of methods:

- Revenue can be managed to provide sufficient funding to deliver the agreed levels of service.
- Funding can be redistributed to or from other asset classes to ensure that all asset classes receive the appropriate funding.
- Fleet revenue earned above owning and operating costs could be distributed to allow the fleet replacement program to return to a sustainable level.
- Other fleet provision models could be explored.

1.2 SMP IMPROVEMENT PLAN

In order to maintain current Fleet service levels over the next 10 years, Council will need to allow, on average \$1.75m (nett) per year to replace existing assets as they come to the end of their life.

It is recommended that the improvement plan, set out at the end of this SMP, be implemented. The improvement plan highlights the necessity for the following:

Review and improve;

- Long term financial planning to adequately cover Fleet requirements.
- Capital replacement programming to ensure all Fleet types are accounted for.

These reviews if completed will ensure that Council is delivering value for money to the ratepayer through the provision of services at the lowest cost in a sustainable manner.

2 INTRODUCTION

2.1 BACKGROUND

This fleet service management plan is to demonstrate responsive management of services provided by Lockyer Valley Regional Council's assets, compliance with regulatory requirements, and to communicate funding needed to provide the required levels of service over a 10 year planning period.

The Lockyer Valley Regional Council fleet assets include the assets contained within Table 2-1 below:

TABLE 2-1. FLEET BREAKDOWN

Plant Type	Qty's
Agricultural Tractors	8
Backhoes	3
Excavators	3
Forklifts	2
Graders	4
Light Commercials	48
Loaders	4
Misc. Plant	96
Vegetation Control (Mowing Equipment)	16
Passenger Vehicles	20
Rollers	10
SES	23
Skid Steer Loaders	2
Trailers	51
Trucks	52

This service management plan is to be read in conjunction with

- Council Corporate Plan 2012-2017
- Lockyer Valley Regional Council Community Plan 2012-2022
- Lockyer Valley Regional Council Customer Service Charter
- Lockyer Valley Regional Council Operational Plan 2015-2016

2.2 COUNCIL'S GOALS AND OBJECTIVES FOR FLEET SERVICES

Council operates and maintains the fleet to achieve the following strategic objectives:

- Meet legislative requirements
- Ensure that Council's fleet services and assets are provided in a sustainable manner, with the appropriate levels of service to customers
- Safeguard Council assets including physical assets and employees by implementing appropriate management strategies and providing appropriate financial resources for those services
- Ensure resources and operational capabilities are identified and responsibility for service delivery and management is allocated
- Ensure that the fleet service provides full functionality and reliability
- Ensure the fleet is planned appropriately to cater for future service delivery growth and risk mitigation
- Maximise the asset's useful life whilst minimising lifecycle expenditure
- Maintain a high level of satisfaction in the delivery of fleet services to our customers

2.3 THE PURPOSE OF THIS FLEET SERVICES MANAGEMENT PLAN

The purpose of this plan is to:

1. Improve our understanding of the fleet assets and services managed by ensuring access to quality data describing the fleet and its condition
2. Provide a framework of alignment for the fleet assets and the levels of service derived from the assets
3. Improve the organizational capabilities for the management of the fleet assets and services they provide
4. Improve confidence levels in future programs for replacement, provision and maintenance programs with the projected funding requirements understood to deliver the required services
5. Provide guidance for the Council in continuous improvement and working towards advanced service management planning

2.4 KEY STAKEHOLDERS

Key stakeholders in the preparation and implementation of this Plan are shown in Table 2-2.

TABLE 2-2. KEY STAKEHOLDERS

Key Stakeholder	Role in Service management plan
Councillors	<ul style="list-style-type: none"> Represent needs of community/shareholders; Allocate resources to meet Council's objectives in providing services while managing risks; Ensure organisation is financially sustainable; and Custodians of the assets and services, providing the interface with the community related to levels of service and good governance / management practices.
CEO	<ul style="list-style-type: none"> Manage operational activities and future strategic planning direction.
Executive Manager Infrastructure Works and Service	<ul style="list-style-type: none"> Manage delivery of the Service management plans and initiatives; Fleet replacement planning and delivery; and Operational and service levels, data information and analysis.
Executive Manager Corporate and Community Services	<ul style="list-style-type: none"> Long Term Financial Plans and operational financial data; and Defining information requirements for Audit and reporting purposes.
Community & Ratepayers	<ul style="list-style-type: none"> End user of services.
State and Commonwealth Government	<ul style="list-style-type: none"> Various statutory bodies responsible for vehicle standards and safety.
Council Staff	<ul style="list-style-type: none"> Directly involved with the renewal, maintenance and operation of the fleet and the management framework, both operationally and financially; and Delivery of operational plans informed by this Services Management Plan.
Emergency Services	<ul style="list-style-type: none"> Use of fleet services provided by Council; and Respond to community needs and emergency situations.

2.5 DEFINITIONS

2.5.1 ASSET MANAGEMENT MATURITY

This service management plan is prepared as a 'core' service management plan over a 10-year planning period. It is prepared to meet minimum legislative and organisational requirements for sustainable service delivery and long term financial planning and reporting.

Core asset management is a 'top down' approach where analysis is applied at the 'system' or 'network' level.

It should be noted that the projected renewal details have been calculated based on 'advanced' asset management techniques using information for individual assets. This 'bottom up' approach supports the development of activities and programs to deliver agreed service levels in a financially sustainable manner.

3 CONTEXT

3.1 CORPORATE REQUIREMENTS

This service management plan is prepared under the direction of Council's vision, mission, goals and objectives.

Our vision

"We will deliver sustainable services to enhance the liveability of our community while embracing our economic, cultural and natural diversity"

Our mission

"Lead, Engage, Empower"

Council will exercise its duty of care to ensure that the fleet is managed in accordance with all statutory and regulatory requirements. Management of fleet risks is covered in Section 5 of this plan.

3.2 LEGISLATIVE REQUIREMENTS

Council is required to meet legislative and regulatory requirements in relation to the provision of services through assets. Key relevant legislation is shown in Table 3-1.

TABLE 3-1. LEGISLATIVE REQUIREMENTS

Legislation	Requirement
Local Government Act [s. 104(5)]	Sets out role, purpose, responsibilities and powers of local governments including the preparation of a long term financial plan supported by asset management plans for sustainable service delivery. The system of financial management established by a local government must include— (a) the following financial planning documents prepared for the local government— (i) a 5-year corporate plan that incorporates community engagement; (ii) a long-term asset management plan; (iii) a long-term financial forecast;
Local Government Regulation (2012) [s.167] [s.168]	Preparation of long-term service management plan, the plan continues in force for the period stated in the plan unless the local government adopts a new long-term service management plan, and the period stated in the plan must be 10 years or more. A local government's long-term service management plan must provide for strategies to ensure the sustainable management of the assets mentioned in the local government's asset register and the infrastructure of the local government; and state the estimated capital expenditure for renewing, upgrading and extending the assets for the period covered by the plan; and be part of, and consistent with, the long-term financial forecast.
Australian Accounting Standards	Set out the financial reporting standards relating to the (re)valuation and depreciation of Assets.
Transport Operations (Road Use Management) Act 1999	Provides for the effective and efficient management of road use across the State
Disability Discrimination Act 1992 and other relevant disability legislation	Have consideration of, adhere to and fulfil the requirements of the DDA and other relevant legislation.
Conservation and Land Management Act 1984	Regulations and requirements that the regional council must comply with relating to the use of land and vegetation.

4 LEVELS OF SERVICE

4.1 COMMUNITY CONSULTATION

Consultation with the community regarding the management of fleet assets is rarely undertaken; rather the services that the fleet assets help to deliver are the focus of Councils community consultation. Fleet is seen as an enabler to the effective delivery of services, allowing services to be delivered where and when they are needed in the most cost effective manner. The Council has developed a Customer Service Charter for sharing information with and receiving feedback from the community. Specifically to the Lockyer Valley the elected Councillors are seen as an effective conduit to receive and understand the needs and concerns of the ratepayers and to provide this feedback through to Council management for appropriate actions and considerations.

4.2 LEVELS OF SERVICE

4.2.1 COMMUNITY LEVELS OF SERVICE

Community levels of service are not relevant to fleet services. Fleet is an internal service to the organisation, providing 'fit for purpose' items to allow the efficient delivery of services to the community.

4.2.2 TECHNICAL LEVELS OF SERVICE

Technical Levels of Service - are operational or technical measures of performance. These technical measures relate to the allocation of resources to best achieve the desired service delivery outcomes.

Council's current service levels are detailed in the tables below; these have been drafted based on anecdotal and historic information.

TABLE 4-1. CURRENT SERVICE LEVELS

Classification	Fleet		
Service Statement	Lockyer Valley Regional Council has good quality, well maintained fleet that complies with regulatory requirements and is 'fit for purpose' for the intended use.		
Performance Measure	Internal customers' satisfaction with the performance of plant and fleet services is high.		
Service Factors	Internal Levels of Service	Technical Levels of Service	Performance Measures
Quality			
Condition	Well maintained fleet items Fleet items are available when required Fleet is generally in good condition	<u>Operations & Maintenance</u> <ul style="list-style-type: none"> Inspect fleet on a routine basis to identify condition and to identify defects Vehicles/plant is serviced to OEM recommendations Maintain fleet/vehicles in a tidy, safe, and functional condition <u>Renewal</u> <ul style="list-style-type: none"> Renew/replace fleet items when the funding is provided sufficient to undertake this task Replace fleet items at or nearing its end of economic life. 	<ul style="list-style-type: none"> 100% of assets inspected annually 100% of OEM recommended services undertaken annually <ul style="list-style-type: none"> 10 year replacement program developed Funding needs developed and communicated
Function			
Fit for Purpose	Fleet items perform the intended task	<ul style="list-style-type: none"> When replacing fleet items new technologies and methods of service delivery are explored Customers are consulted with their fleet requirements Fleet items when operated within manufacturers performance limits complete the intended tasks efficiently 	<ul style="list-style-type: none"> Business cases presented when seeking new plant items not previously held Customers sign off on fleet specifications before procuring
Capacity/Utilisation	Fleet items are utilised within industry accepted benchmarks	<ul style="list-style-type: none"> Fleet utilisation compared to industry benchmarks for reasonableness 	<ul style="list-style-type: none"> Reporting on fleet utilisation undertaken regularly

5 FUTURE DEMAND

5.1 DEMAND FORECAST

Factors affecting future demand for fleet services include what services Council delivers to the community, these services in turn are influenced by; population projections, demographics, seasonal factors, vehicle ownership, consumer preferences and expectations, economic factors, agricultural practices, environmental awareness, etc. Fleet requirements are tied to the quantity and type of services supplied to the Lockyer Valley community. Known demand impacts for the Lockyer Valley in relation to impacts on service delivery are summarised in Table 5-1.

TABLE 5-1. DEMAND FACTORS, PROJECTIONS AND IMPACT ON SERVICES

Demand factor	Present position	Projection	Impact on services
Population	38,312 persons (2014)	Increase population to 63,000 by 2031.	Increased demand for services (based on projected population position).
Demographic	Median age 37 (2011)		An aging population will have a nominal increase in the need for infrastructure services, principally associated with access. (E.g. Footpaths, access to buildings and facilities, aged care, medical services etc.)
Tourism	Approximately 304,000 visitors per annum.		Tourism increases will result in a nominal increase in usage of infrastructure, particularly those providing access to and servicing tourist attractions.
Housing	In 2015, 260 residential dwellings were approved.	Potential infill housing and take up of current land stocks.	New dwelling starts across the region do not indicate significant demand for additional infrastructure assets or services; however Council will need to maintain contributed assets.

Demand for new fleet services will be managed through a combination of managing existing assets, upgrades, provision of new assets to meet demand and demand management. Demand management practices may include non-asset based solutions, insuring against risks, appropriate risk mitigation strategies and managing failures.

TABLE 5-2. DEMAND MANAGEMENT PLAN SUMMARY

Fleet	
Service Activity	Demand Management Plan
Demand for new fleet items not previously held	<ul style="list-style-type: none"> Business case developed with all options considered including delivering services from non-asset based solutions Review current fleet holdings for excess capacity
Infrastructure creep from growth	<ul style="list-style-type: none"> Fleet holdings matched to service delivery Flexible approach to fleet services with fleet held to provide core service delivery and peaks in outputs managed by non - owned fleet solutions
Revenue Management	<ul style="list-style-type: none"> Manage financial resources to correlate with trending deterioration of assets and commit to fleet replacement program appropriately funded
Increased fleet age	<ul style="list-style-type: none"> Accept proposed fleet useful lives contained in this SMP Ensure effective maintenance regimes are undertaken Review utilisation to ensure that fleet holdings are 'right sized' for Councils agreed service provision Plan to make the fleet business sustainable over this planning period

The Demand Management Planning process will need to be applied to all fleet types, to ensure that the Council understands the funding requirements to deliver the necessary fleet and what is required going forward to adequately provide the fleet items to provide services to the community.

6 RISK MANAGEMENT

Council has a 'duty of care' to the community in relation to the management of all assets. This covers the various phases of supply, commissioning and use of the fleet assets through to operations and maintenance of the assets.

The risk management framework derives from:

- Risks associated with the loss of service by the failure of critical assets
- Financial risks from a lack of due diligence in the management of funding for the renewal, maintenance and operation of the assets to provide agreed levels of service
- Operational risks where data and information are not used to competently manage the risks associated with the delivery of fleet related services i.e. maintenance practices, replacement programs, regulatory inspections, environmental harm mitigation.

6.1 RISK ASSESSMENT

Council undertakes regular inspection regimes of all of its fleet assets. OEM recommended service schedules are adhered to. Our heavy truck fleet is inspected fortnightly as an increased level of servicing to ensure that our highest risks are managed.

The acceptable risk level in relation to public safety depends very much on the likelihood and consequence descriptors used for the assessment. Lockyer Valley Regional Council chose to use conservative criteria for consequence. For example, the first two categories, "Insignificant" and "Minor" have no health impact. The Risk assessment is based on the formal assessment processes described in the standard and represented in Table 6-1 below.

TABLE 6-1: RISK ASSESSMENT PROCESS (SOURCE: AS/NZS 4360:2004 RISK MANAGEMENT)

LIKELIHOOD	CONSEQUENCES				
	1	2	3	4	5
	Negligible	Minor	Moderate	Major	Catastrophic
A. Rare	L	L	L	M	H
B. Unlikely	L	L	M	H	H
C. Possible	L	M	M	H	E
D. Likely	M	M	H	E	E
E. Almost Certain	M	H	H	E	E

Note the condition assessment 1 – 5 rating scale is aligned to the likelihood assessment level in the risk management process.

A reasonable rule of thumb for "take the risk" would be "medium" or less. However, the decision on taking action to reduce a risk depends on two factors:

- the magnitude of the risk, and
- the cost/difficulty of action to reduce the risk.

Thus there will be cases when it is sensible to reduce a "Low" risk and others when it may not be practical to reduce a "High" or "Extreme" risk

6.2 RISK TREATMENT

The risk treatments nominated in Table 7 have regard for the practical approach to risk management based on:

- Available resources, (and skills);
- Funding; and
- Fleet needs based on the magnitude and consequence of the risk.

The treatments also have regard for the factors that Council can capably manage to ensure that the risks are minimised.

TABLE 6-2. RISK TREATMENTS FOR RISK CATEGORIES

Risk Category	Control / Treatment
L = Low Risk	<ul style="list-style-type: none"> • Inspect • Manage risk by routine procedures • Typically, response within 48 hours
M = Moderate Risk	<ul style="list-style-type: none"> • Inspect and mitigate • Management responsibility must be specified • Typically, response within 24 hours
H = High Risk	<ul style="list-style-type: none"> • Inspect and mitigate, if cannot be eliminated immediately 'tag out' • Risk and management strategy identified in Services Management Plan • Typically, immediate to short term response, (make safe)
E = Extreme Risk	<ul style="list-style-type: none"> • Inspect, mitigate where possible, take out of service immediately • Risk and management strategy identified in Services Management Plan • Typically, immediate response and remedy as far as is practicable

For each identified risk Council can elect to adopt one of the following positions:

- Take the risk,
- Transfer the risk,
- Treat the risk, or
- Terminate the risk.

6.2.1 PRIORITISING RISKS FOR TREATMENT

Risk events classified as extreme should be prioritised when defining and implementing risk treatment strategies and risk controls.

Table 8 records the critical risks (as identified) for incidents with the fleet assets, together with the cause, likelihood, risk rating and risk treatment, (both short and long term). It is not possible to identify all possible risks.

TABLE 6-3. CRITICAL RISKS/ INCIDENTS AND TREATMENTS FOR FLEET ASSETS

ASSET AT RISK	RISK ID	CRITICAL INCIDENT	CAUSE	LIKELIHOOD	RISK RATING	RISK TREATMENT PLAN
Fleet Item	F01	Engine failure	Age/condition of item leads to catastrophic failure	Possible	Moderate	<ul style="list-style-type: none"> Addressed through fleet replacement program, if failure occurs, beyond economic repair analysis undertaken to determine whether or not engine replacement is viable
Fleet Item	F02	Major component failure	Age/condition of item leads to catastrophic failure	Possible	Moderate	<ul style="list-style-type: none"> Addressed through fleet replacement program, if failure occurs, beyond economic repair analysis undertaken to determine whether or not component replacement is viable
Fleet Item	F03	Vehicle damage	Traffic accident	Possible	Moderate	<ul style="list-style-type: none"> Report to police immediately (potentially) Insure
Fleet Item	F04	Vehicle damage	Willful	Possible	Moderate	<ul style="list-style-type: none"> Address through employee 'Code of Conduct' Report to police immediately (potentially) Insure
Fleet Item	F05	Brake failure	Failure of component	Possible	Moderate	<ul style="list-style-type: none"> Addressed through regular servicing, increased servicing on heavy truck/trailer fleet
Fleet Item	F06	Item stolen	Theft of fleet item	Possible	Low	<ul style="list-style-type: none"> Report to police immediately GPS tracking in vehicle will aid recovery Minor items - address through employee 'code of conduct' Investigate Insure

7 LIFECYCLE MANAGEMENT PLAN

Lifecycle planning uses current asset and financial data to detail how Council will manage and operate the assets to deliver sustainable levels of service (defined in Section 3) while optimising life cycle costs.

The diagram below demonstrates the asset management 'whole of life' approach:

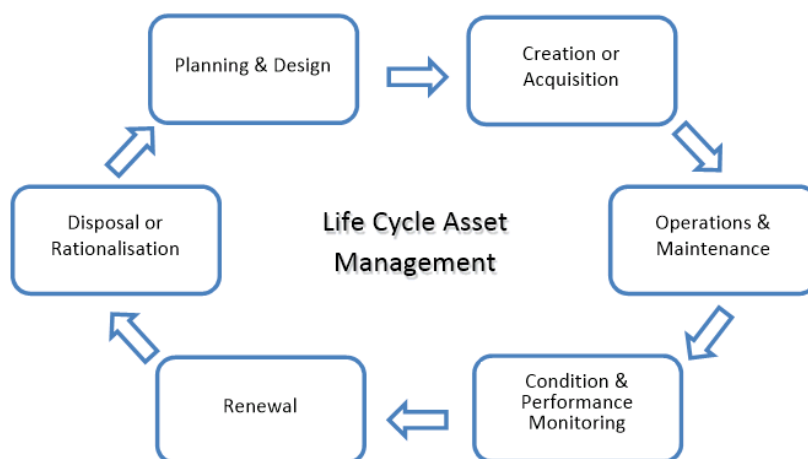


FIGURE 7-2: ASSET LIFECYCLE

Source: IIMM

7.1 INPUT DATA AND PARAMETERS

7.1.1 DATA CONFIDENCE

This lifecycle assessment is based on Council's, financial data and asset register as detailed in Section 7.1. The data is considered to have an accuracy rating of 2 in accordance with the rating scale in Table 7-1.

TABLE 7-1. DATA CONFIDENCE RATING

Grade	Description	Accuracy
1	Accurate	100%
2	Minor inaccuracies	± 5%
3	50% estimated	± 20%
4	Significant data estimated	± 30%
5	All data estimated	± 40%

(Section 4.3.7 of the *International Infrastructure Management Manual (IIMM) Version 3.0, 2006*)

7.1.2 ADOPTED USEFUL LIVES AND RESIDUAL VALUES OF FLEET ASSETS

A fleet asset's useful life is defined as a period over which the asset is operated to a point where it becomes cost prohibitive to keep the asset in service or the derived level of service has declined to an unacceptable level (i.e. the equipment is no longer reliable). This period can be significantly impacted by Council's maintenance and utilisation practices. Optimising fleet replacement based on purely theoretical methodologies is not deemed appropriate as the results are not achievable in the current economic environment. The useful life of a fleet asset is initially based on experience in service and compared with industry benchmarks for like equipment.

The remaining useful lives of the fleet assets are based on:

- Inspections by a suitably qualified person
- Calculated from acquisition dates and adopted asset lives
- Moderated by local experience of plant and fleet in service within the LVRC region

Council's current approach is to use the acquisition date of the equipment and the adopted useful life to determine a future replacement year.

Council's adopted useful lives and anticipated residual values at time of disposal for each asset type are shown in Table 10 below.

TABLE 7-2. FLEET ASSET LIVES AND RESIDUAL VALUES (ADOPTED)

Plant Type	Life	% Residual
Agricultural Tractors	10	25%
Backhoes	10	20%
Excavators	10	20%
Loaders	12	20%
Graders	12	25%
Rollers (Vibratory)	12	20%
Rollers (Multi - Tyred)	15	15%
Skid Steer Loaders	5	20%
Slashers (Implement)	10	5%
Vegetation Control (Mowers)	6	15%
Specialised Plant - (Road Stabilisation Unit)	10	10%
Specialised Plant - (Wide Area Mowers)	7	15%
Specialised Plant - (Truck Mounted Crane)	10	0%
Heavy Truck (22,500 GVM)	12	20%
Medium Truck (8001 to 16000 GVM)	12	20%
Light Truck (5000 to 8000 GVM)	12	20%
Heavy Trailers (over 4000 GVM)	15	20%
Medium Trailers (1000 to 4000 GVM)	15	10%
Light Trailers (under 1000GVM)	15	10%
Light Commercial Vehicles	6	25%
Passenger Vehicles	6	25%
SES Vehicles and plant	10	20%
SES Trailers (other than boat trailers)	15	10%

The useful lives contained within Table 7-2 are generally slightly higher than the standard local government industry accepted useful lives for fleet assets, however these adopted lives have been proven to be acceptable based on the Councils own experience of operating this equipment in service over many years in the local environment.

7.2 PLANNING

The planning process involves all actions that result in the procurement, disposal or upgrade of fleet assets. It takes into account policies, strategies and plans adopted by Council, customer consultation, relevant standards and regulatory requirements to provide options based on whole of life costs and fit for purpose, to deliver the desired level of service to customers. Replacement schedules are prepared annually, which are based on useful lives and acquisition dates. Items that are becoming uneconomic to remain in service are identified, to inform what else is due for replacement each year. A plant replacement schedule is submitted as a budget bid and final replacement

schedules are devised based on the level of approved funding received each budget cycle. This process has created a significant backlog of fleet items that are now overdue for replacement.

Prior to any equipment being replaced an analysis of the service derived from the plant item is undertaken to ensure that:

1. The service is still warranted, and
2. The item of plant is fit for purpose to assist with the service delivery.

7.2.1 New/Upgrade Fleet Planning

New/upgraded fleet items are those that provide:

- New asset that did not previously exist, or
- Upgrade or improvement of an existing asset beyond its existing capacity to deliver a higher level of service and/or a more efficient work practice to deliver a lower cost of service.

The need for new/upgraded fleet items are identified from various sources including:

- Service level reviews
- Work practice reviews
- Utilisation reviews
- At time of fleet replacement to determine 'fit for purpose' to deliver the appropriate service
- Driven by the existing fleet item becoming technologically obsolescent
- Considered due to the availability of an external funding source to deliver a new service

Final approval to acquire a new item of plant is when the item has been approved through the capital replacement budget.

7.2.2 Maintenance Planning

Current maintenance management is undertaken based on historical practices, original equipment manufacturers (OEM) recommendations, understanding of local operational conditions and industry trends.

The maintenance service objectives are to:

- To maintain fleet assets in a safe, serviceable and tidy condition, displaying a defensible 'duty of care' within Council's financial and physical constraints to the satisfaction of Council and customers
- Maintain and preserve the functionality and value of the existing assets
- Ensure the provision of an affordable standard of customer service ensuring that our customers are provided with the requirements to deliver the agreed services to the community in the most cost effective manner

Fleet assets have programmed inspections undertaken that cover safety, incident investigations, defect identification, and condition assessment. Maintenance works are programmed to ensure that fleet is protected and reliable and that council is managing its risk exposure, both physical and financial.

7.3 MAINTENANCE STRATEGIES

Maintenance activities include:

- Undertaking maintenance activities through a planned maintenance approach to reduce maintenance costs and improve maintenance outcomes
- Undertaking analysis to determine the most cost-effective split between planned and unplanned maintenance activities (50 – 70% planned is desirable),
- Reviewing current and required skill levels of staff and implementing training and development opportunities
- Identifying under or over utilised assets and recommending options
- Maintaining a knowledge of asset criticality
- Working with customers to understand their needs
- Servicing at times that minimise the impact to service delivery

- Supporting the local economy through procuring a high % of requirements locally
- Undertaking BER (beyond economic repair) analysis, prior to repair to ensure fiscal due diligence

Council services and maintains the fleet assets in line with OEM recommendations as well as consults with internal customers to ensure continuity of service delivery to our internal and external customers. Council understands the local operating conditions and ensures that high risk plant items receive an increased level of servicing to ensure they remain in a safe and serviceable condition for operational service delivery throughout the region.

7.4 REPLACEMENT PLAN

This plan provides indicative program information for the renewal of fleet assets. The replacement plan can be found in Table 9-1 on pg. 31 of this SMP.

The program includes the funding requirements and any funding 'Renewal Gap', (the difference between 10 year budget allocation and 10 year renewal needs).

7.5 DISPOSAL PLAN

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

No assets have been identified for possible decommissioning and disposal; rather all current fleet assets would be replaced at the end of their economic life or if they were to fail prematurely based on what is currently known of the required service delivery across the region. Council recently undertook a fleet utilisation review (prior to the writing of this plan) that saw a number of items disposed of. The reduction in overall fleet numbers has been accommodated in the data used in the preparation of financial forecasts and replacement programs contained within this SMP.

8 FLEET ASSET ANALYSIS

8.1 ASSUMPTIONS

This section details the key assumptions made in presenting the information contained in this service 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 analysis and forecasts. In the preparation of replacement forecasts and programs it has been assumed the Council will continue to deliver fleet services in the current manner and at the current levels.

This Plan is based on:

- valuation data held in Technology One as of December 2016;
- Current fleet holdings

Further, this plan will need to be updated annually to reflect changes to fleet inventory, values and fleet management practices.

Key assumptions made in this service management plan are:

- SMP is adopted and implemented
- Replacement strategy will be adopted and funded
- Funding priorities are based on bringing the fleet replacement into line with the requirements of this SMP
- Existing maintenance funding levels will be maintained
- No sudden extensive changes in current fleet management practices
- Expected and adopted asset useful lives will be achieved

8.2 ASSET CLASS SUMMARY

The fleet assets covered by this SMP are shown in Table 8-1. Replacement values are based on analysis undertaken in December 2016

TABLE 8-1. FLEET ASSETS COVERED BY THIS PLAN

Asset Type	Units	Replacement Cost
Agricultural Tractors	8	\$695,000
Backhoes	3	\$540,000
Excavators	3	\$325,000
Graders	4	\$1,700,000
Rollers (Vibratory & Multi - Tyred)	10	\$1,495,000
Loaders	4	\$1,160,000
Forklifts	2	\$32,000
Heavy Trucks (22,500 GVM)	19	\$4,240,000
Medium Trucks (8001 to 16000 GVM)	7	\$1,335,000
Light Trucks (5000 to 8000 GVM)	26	\$2,132,000
Heavy Trailers (Trailers over 4000 GVM)	12	\$833,000
Medium Trailers (Trailers 1000 to 4000 GVM)	31	\$323,000
Light Trailers (Trailers under 1000 GVM)	8	\$20,000
Passenger Vehicles (Sedans & Wagons)	20	\$814,000
Light Commercial Vehicles (Utilities & Vans)	48	\$1,894,000
SES (Vehicles & Plant)	23	\$558,000
Skid Steer Loaders	2	\$140,000
Slashers (Implements)	7	\$70,000
Specialised Plant (Wide Area Mowers)	2	\$235,000
Specialised Plant (Truck Mounted Crane)	1	\$50,000
Specialised Plant (Road Stabilisation Unit)	1	\$170,000
Vegetation Control (Mowers)	16	\$245,000
<i>Total</i>		\$19,006,000

*Post rationalisation 2016

8.2.1 SUMMARY OF FUTURE OPERATIONS AND MAINTENANCE EXPENDITURES

Future operations and maintenance expenditure is shown in Figure 8-1. In addition, an allowance for a 2.5% per year increase in expenditure has been included to account for anticipated growth.

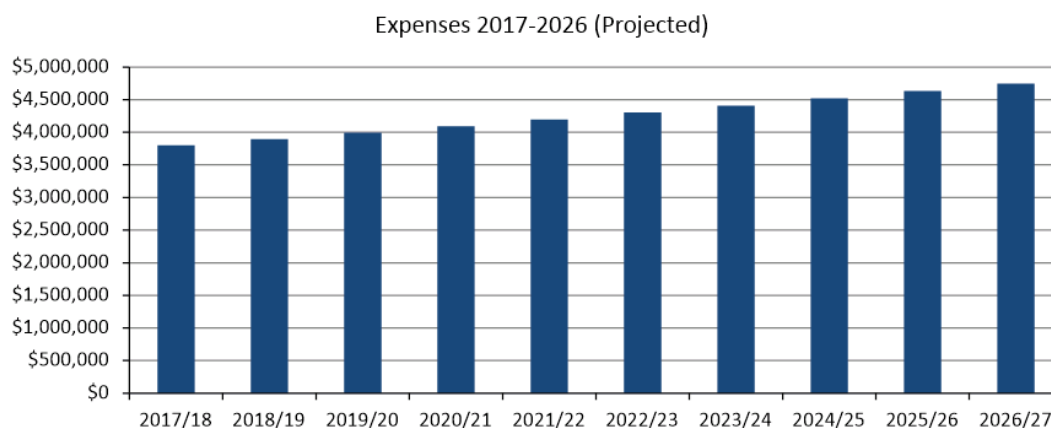


Figure 8-1 Fleet Forecast Operations & Maintenance Expenditure

8.2.2 SUMMARY OF FUTURE RENEWAL AND REPLACEMENT EXPENDITURE

Projected future replacement expenditures are forecast to increase over time. The current adopted growth rate for the region (population) is less than 2% per year, which does not necessarily equate to a growth in required fleet assets. Increased demand for fleet will in the first instance be managed through utilisation and optimisation reviews.

For Council to be sustainable it is assumed that the assets will be renewed in line with the assets consumption (depreciation). The Local Government Act 2009 and Regulations 2012 set a target of 90% of depreciation to be spent annually on asset renewal as one of the indicators of financial sustainability.

The projected renewal estimates are summarised in Figure 8-2. Note that all amounts are shown in 2016 values.

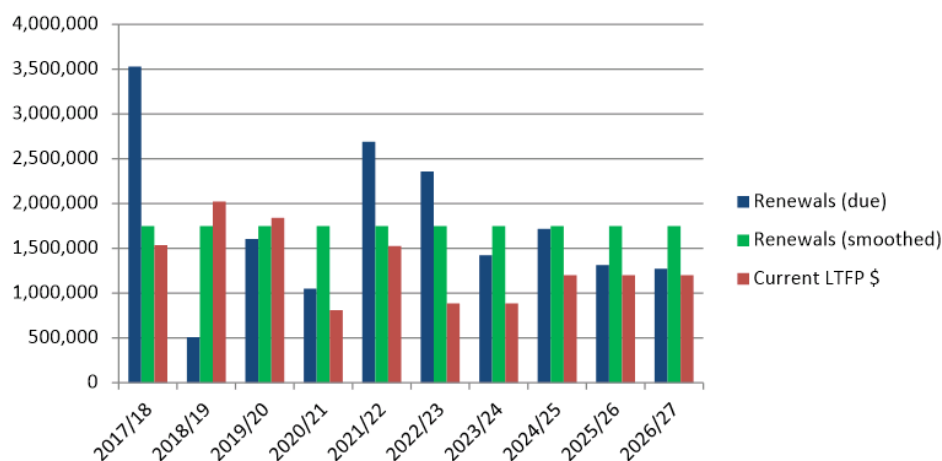


Figure 8-2 Fleet Assets Renewal Profile (2017-2026)

Council's fleet renewal program is based on the age of the assets and the predicted end of life has been assessed from the inventory records and a projected replacement program developed. The comparison of the renewal projections is shown against the current LTFP in Figure 8-2.

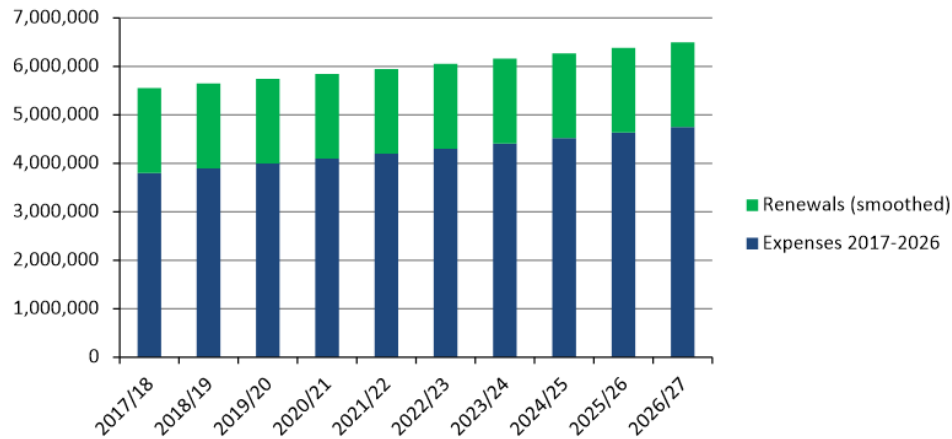


Figure 8-3 Fleet Assets Renewal and Expenses Profile (2017-2026)

Figure 8-3 above details the smoothed expenditure to own, operate and replace the necessary fleet over the 10 year planning period.

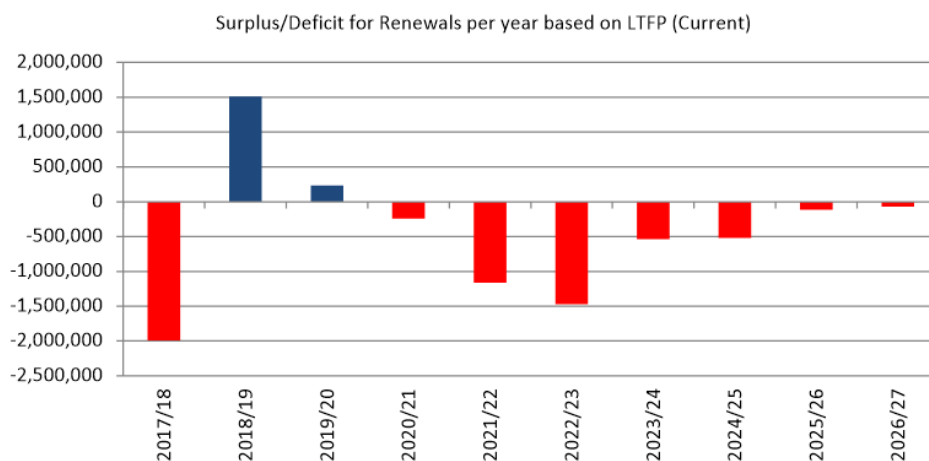


Figure 8-4 Surplus/Deficit of available funding in the current LTFP for Replacement of Fleet Assets

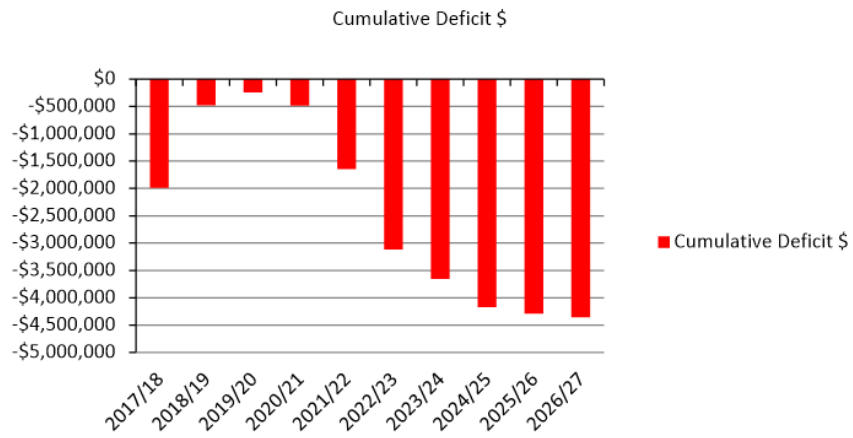


Figure 8-5 Cumulative deficit for necessary fleet replacement (2017-2026)

9 FLEET ASSET FINANCIAL ANALYSIS

9.1 EXPENDITURE PROJECTIONS FOR LONG TERM FINANCIAL PLAN

Table 9-1 Funding requirements (10 Year) for Renewals

[illegible]

TABLE 9-2 FINDING REQUIREMENTS (10 YEAR) FOR RENEWALS COMPARED TO CURRENT LTFP (2016 VALUES)

Receivable Cost (Gross etc GST)	5 (10 year)
Depreciable	21,880,000
Net	4,416,750
LTIP	17,468,250
Surplus/Deficit (50 year)	11,107,000
	\$ -4,361,250

9.2 FINANCIAL RECOMMENDATIONS

One of Council's main objectives is to deliver agreed levels of service to its customers; fleet is an enabler of this service provision. To do this Council must continue to renew its fleet assets and keep them in an operable state, continue to maintain the items to ensure reliability and reduce risk. Council continuously looks for more efficient means of delivering services to the community at the lowest possible unit cost. Through a focus on understanding Councils provision of services to the community, Fleet has been undertaking reviews and rationalisation to support efficient and effective service delivery across the organisation and region.

The funding allocations set out in the currently adopted long term financial plan do not align well with the forecast and planned expenditure for fleet. It is recommended that the long term financial plan be reviewed to meet the forecast expenditure shown in this report. Failure to do so will result in a likely loss of reliability and deteriorating financial position for the fleet business with increasing costs and diminishing returns.

To return the fleet to a sustainable level, Council has a number of options;

- Use the revenues generated by Fleet to fund a planned replacement of overdue fleet items over time
- Continue reviewing utilisation and 'fit for purpose' to 'right size the fleet' to assist with delivering affordable services
- Explore different fleet provision models

10 PLAN IMPROVEMENT AND MONITORING

10.1 PERFORMANCE MEASURES

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

- The degree to which the required cash flows identified in the development of the final Plan are incorporated into Council's long term financial plan and Community/Strategic Planning processes and documents,
- The degree to which the detailed replacement programs are implemented
- The degree to which the existing and projected service levels and service consequences (what we cannot do), risks and residual risks are incorporated into the Council's Strategic Plan and associated plans,
- The Asset Renewal Funding Ratio achieving the target of 1.0.

10.2 IMPROVEMENT PLAN

A service management improvement plan generated from this service management plan is shown in Table 10-1.

TABLE 10-1 IMPROVEMENT PLAN

Task No	Task	Responsibility	Resources Required	Timeline
1.	Undertake an annual review and update of this SMP	John Keen		1sr qtr. 2018
2.	Align the Long Term Financial Plan to the expenditure forecasts found in this SMP.	Tony Brett		March 2018
3.	Review fleet data and confirm asset lives and condition.	Matt Burdett/Don Neumann		June 2018
4.				

10.3 MONITORING AND REVIEW PROCEDURES

This Plan will be reviewed prior to budget preparation and amended to recognise any material changes in service levels and/or resources available to provide those services as a result of the budget decision process.

11 APPENDICES

- Appendix A Transport Asset Type Analysis
- Appendix B Asset Management Practices
- Appendix C Glossary

APPENDIX A FLEET ASSET TYPE ANALYSIS

A.1 AGRICULTURAL TRACTORS

The tractor assets covered by this SMP are shown in Table A.1. Values are based on asset book details contained within Technology One and replacement costs as at 2016.

Table A.1. Tractors

Sub-Category	Asset Number	Acquired Year	Renewal Year	Asset Cost	Replacement Cost
Ag Tractor	F1000190	2005	2017	\$46,324	\$90,000
Ag Tractor	F1000179	2009	2019	\$65,279	\$90,000
Ag Tractor	F1000178	2009	2019	175,000	200,000
Ag Tractor	F1000194	2009	2019	\$60,409	\$65,000
Ag Tractor	F1000185	2011	2021	\$50,818	\$55,000
Ag Tractor	F1000430	2013	2023	\$186,000	\$210,000
Ag Tractor	F1000492	2015	2025	\$82,669	\$90,000
Ag Tractor	F1000506	2015	2025	\$42,669	\$90,000

Tractor age information and remaining useful life is summarised in Figure A.1 below.

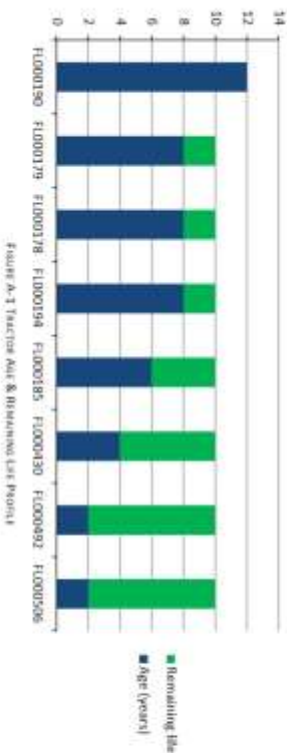


Figure A.1 Tractor Age & Remaining Life Profile

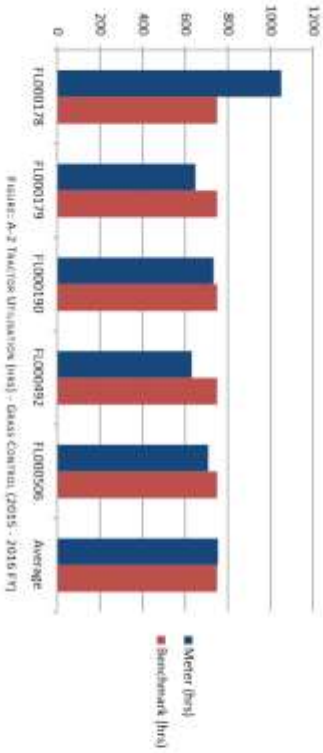


Figure A.2 Tractor Utilization (hrs) - Gass Control (2015 - 2016 FY)

Council operates eight (8) tractors, five (5) of which are used for grass control on roadsides, one (1) is used for the road stabilisation unit, one (1) is used at the Ladbroke Recreation Reserve and one (1) is located at the Ladbroke Cemetery.

A.2 BACKHOES

The backhoe assets covered by this SMP are shown in Table A.2. Values are based on asset book details contained within Technology One and replacement costs as at 2016.

Table A.2. Backhoes

Sub-Category	Asset Number	Acquired Year	Renewal Year	Asset Cost	Replacement Cost
Backhoe	F1000144	2005	2015	78,140	180,000
Backhoe	F1000154	2010	2020	190,500	180,000
Backhoe	F1000442	2014	2024	164,371	180,000

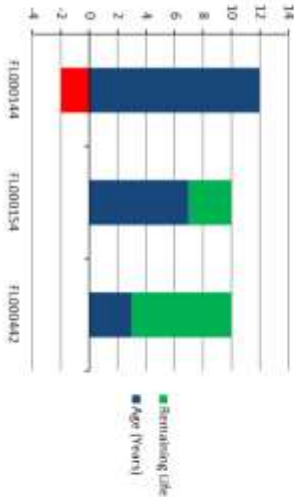


Figure A.3 Backhoe Age & Remaining Life Profile

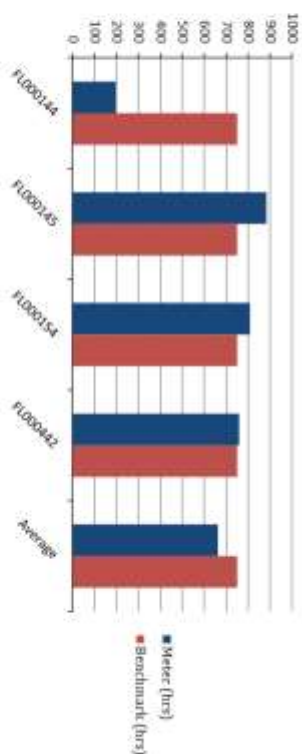


Figure A.4 Backhoe Utilization (hrs) (2015 - 2016 FY)

Council operates four (4) backhoes, three (3) of which are used for general civil works across the region, one (1) is used as a yard backhoe at the Garton Depot for operational convenience. One (1) backhoe F1000145 is being disposed of in line with the fleet utilisation review undertaken in 2016.

A.3 EXCAVATORS

The excavator assets covered by this SMP are shown in Table A-3. Values are based on asset book details contained within Technology One and replacement costs as at 2016.

Table A-3. Excavators

Sub Category	Asset Number	Acquired Year	Renewed Year	Asset Cost	Replacement Cost
Excavator	FL000159	2011	2021	30,000	30,000
Excavator	FL000546	2015	2026	84,867	85,000
Excavator	FL000552	2016	2026	299,942	300,000

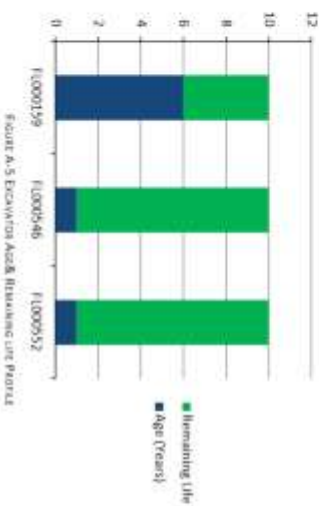


Figure A-5. Excavator Asset Remaining Life Profile

Council operates three (3) excavators on civil and parks and gardens works across the region. Council's excavator fleet has been reviewed and realigned to achieve a more efficient mix of capabilities. Council has a 36 tonne, 5 tonne and a 1 tonne excavator to allow Council's own workforce to undertake the majority of tasks. Excavation that is excessively deep or hard will require Council to bring in a large excavator infrequently to undertake these types of tasks.

A.4 GRADERS

The grader assets covered by this SMP are shown in Table A-4. Values are based on asset book details contained within Technology One and replacement costs as at 2016.

Table A-4. Graders

Sub Category	Asset Number	Acquired Year	Renewed Year	Asset Cost	Replacement Cost
Grader	FL000141	2007	2019	303,384	425,000
Grader	FL000150	2009	2017	354,500	425,000
Grader	FL000168	2010	2022	399,300	425,000
Grader	FL000171	2012	2024	329,590	425,000

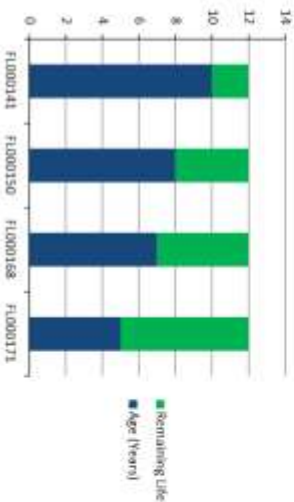


Figure A-6. Grader Asset Remaining Life Profile

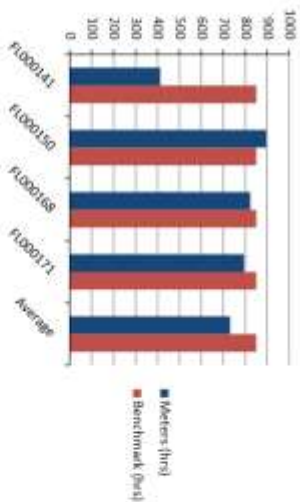


Figure A-7. Grader Utilization (km) (2015 - 2016 FY)

Council operates four (4) graders on road construction and maintenance activities across the region. Since the end of the flood restoration works Council has reduced its fleet of graders by two (2) units. This is reflective of the return to business as usual post restoration works. The apparent underutilisation of FL000141 was due to an extended period where an operator was on unplanned leave due to factors outside of Council's control.

A.5 LOADERS

The loader assets covered by this SMP are shown in Table A-5. Values are based on asset book details contained within Technology One and replacement costs as at 2016.

Table A-5: Loaders

Sub-Category	Asset Number	Acquired Year	Renewal Year	Asset Cost	Replacement Cost
Loader	FLO00143	2007	2018	253,435	320,000
Loader	FLO00167	2009	2019	280,850	320,000
Loader	FLO00151	2010	2020	307,100	320,000
Loader	FLO00155	2011	2017	254,410	280,000

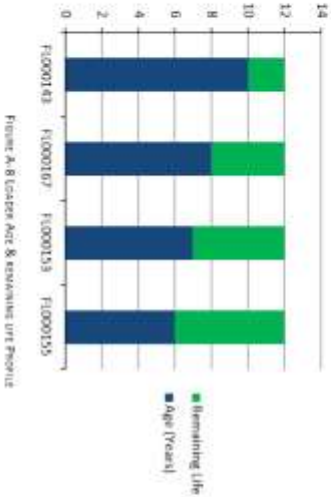


Figure A-8: Loader Age & Remaining Life Profile

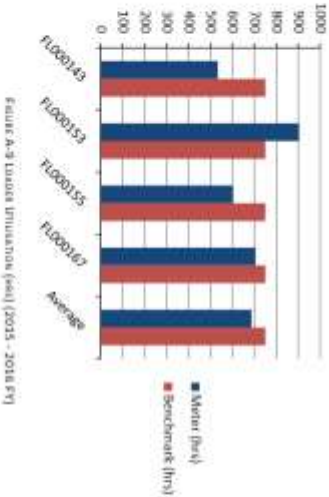


Figure A-9: Loader Utilization (hrs) (2015 - 2016 FY)

Council operates four (4) front end loaders, three (3) on civil works across the region and one (1) is used at waste management facilities for handling green waste, recycled glass and general waste. Loader utilization is dependent on the type of work and materials used for road construction and maintenance activities across the region.

A.6 ROLLERS

The roller assets covered by this SMP are shown in Table A-6. Values are based on asset book details contained within Technology One and replacement costs as at 2016.

Table A-6: Rollers

Sub-Category	Asset Number	Acquired Year	Renewal Year	Asset Cost	Replacement Cost
Roller	FLO00166	2004	2018	52,128	180,000
Roller	FLO00146	2006	2021	130,513	180,000
Roller	FLO00161	2006	2018	26,527	50,000
Roller	FLO00164	2007	2019	36,388	40,000
Roller	FLO00165	2008	2020	140,650	180,000
Roller	FLO00149	2009	2014	178,167	180,000
Roller	FLO00151	2010	2022	156,750	180,000
Roller	FLO00169	2010	2022	155,114	180,000
Roller	FLO00172	2011	2023	139,875	180,000

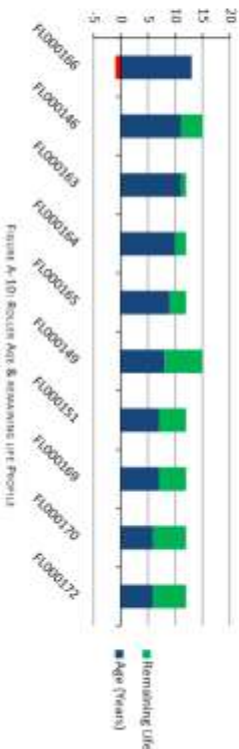


Figure A-10: Roller Age & Remaining Life Profile

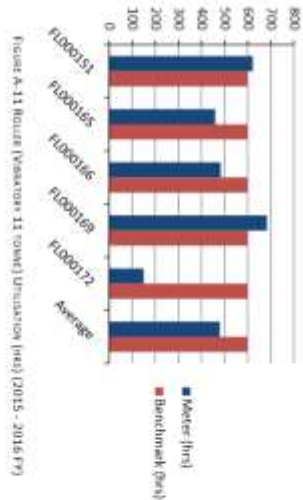


Figure A-11: Roller Utilization (hrs) (2015 - 2016 FY)

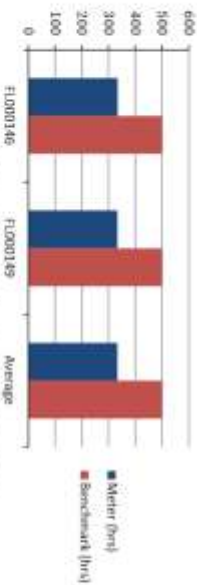


Figure A-12 Rollers (Main Tread) Utilization (m) (2013 - 2016 FY)

Council operates nine (9) rollers on civil works across the region. Five (5) are 11 tonne smooth drum, vibratory rollers, two (2) are multi-tyred rollers, one (1) is a small twin drum vibratory roller and one (1) is a trench roller. The 11 tonne smooth drum rollers are tied to the construction and maintenance crews with one spare to cover peak periods of activity and can be fitted with, pad foot shells to undertake the compaction of earthworks when required. The multi-tyred rollers are undersized due to the nature of the compaction work that they are used for, mainly final finishing of pavements. The small twin drum roller utilization is tied to the number of small pavement repairs that are undertaken in any one year.

A.7 SKID STEER LOADERS

The skid steer loader assets covered by this SMO are shown in Table A-7. Values are based on asset book details contained within Technology One and replacement costs as at 2016.

Table A-7. Skid Steer Loaders

Sub-Category	Asset Number	Acquired Year	Renewal Year	Asset Cost	Replacement Cost
Skid Steer	E1000158	2011	2016	45,000	45,000
Skid Steer	E1000547	2016	2021	91,367	110,000

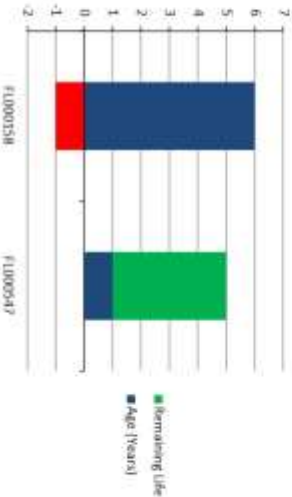


Figure A-13 Skid Steer Loader Age & Remaining Life Period

Council operates two (2) skid steer loaders. Council recently purchased a Cat 279D skid steer loader as part of the fleet rationalisation review. This will allow Council work crews to undertake work in house without the reliance on contractors that previously existed. E1000158 is a small tracked skid steer loader that was donated to Council to assist with the flood recovery works. It is primarily used by the parks and gardens crews for cemetery and parks maintenance. Even though it is sharing as over consumed, Council would retain this item of plant due to its operational convenience and low usage when compared to industry benchmarks.

A.8 TRUCKS

The truck assets covered by this SMP are shown in Tables A.8, A.9 and A.10. Values are based on asset book details contained within Technology One and replacement costs as of 2016.

Table A.8: Heavy Trucks

Sub Category	Asset Number	Acquired Year	Renewal Year	Asset Cost	Replacement Cost
Heavy Truck	F1000116	2000	2018	32,653	220,000
Heavy Truck	F1000116	2004	2018	87,056	200,000
Heavy Truck	F1000117	2005	2018	151,120	200,000
Heavy Truck	F1000118	2005	2019	143,969	220,000
Heavy Truck	F1000121	2007	2019	140,230	220,000
Heavy Truck	F1000138	2008	2020	153,451	220,000
Heavy Truck	F1000123	2009	2021	205,298	220,000
Heavy Truck	F1000124	2009	2021	180,233	220,000
Heavy Truck	F1000125	2009	2021	180,233	220,000
Heavy Truck	F1000129	2010	2022	210,900	220,000
Heavy Truck	F1000130	2010	2022	238,200	280,000
Heavy Truck	F1000139	2010	2022	177,202	220,000
Heavy Truck	F1000140	2010	2022	173,146	220,000
Heavy Truck	F1000131	2012	2024	213,955	220,000
Heavy Truck	F1000132	2012	2024	203,810	220,000
Heavy Truck	F1000426	2013	2025	274,591	250,000
Heavy Truck	F1000427	2013	2025	273,945	250,000
Heavy Truck	F1000429	2013	2025	256,741	220,000
Heavy Truck	F1000419	2014	2026	278,258	250,000

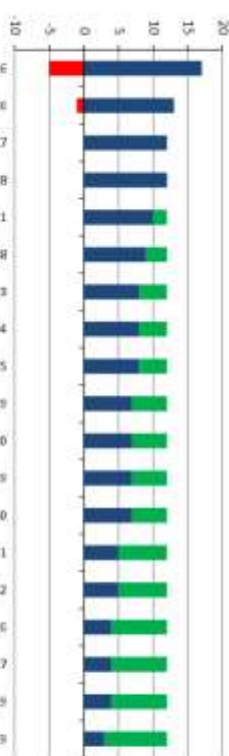


Figure A.8: 14 Heavy Trucks (22500 GVW) Age & Remaining Life Profile

County operates a fleet of nineteen (19) heavy trucks across the region on road construction and maintenance activities. These trucks are in truck and log, water truck, prime mover, jetpumper and tiger configurations.

Table A.9: Medium Trucks

Sub Category	Asset Number	Acquired Year	Renewal Year	Asset Cost	Replacement Cost
Medium Truck	F1000277	1997	2019	65,000	95,000
Medium Truck	F1000135	2004	2019	48,119	120,000
Medium Truck	F1000137	2005	2020	72,206	120,000
Medium Truck	F1000122	2006	2021	66,549	100,000
Medium Truck	F1000126	2009	2019	292,762	150,000
Medium Truck	F1000127	2010	2022	105,577	120,000
Medium Truck	F1000411	2014	2026	366,774	380,000

County operates a fleet of seven (7) medium trucks across the region in roll operations and library services. Trucks in this class include the mobile library, road maintenance unit, street sweeper and various infrastructure delivery support trucks.

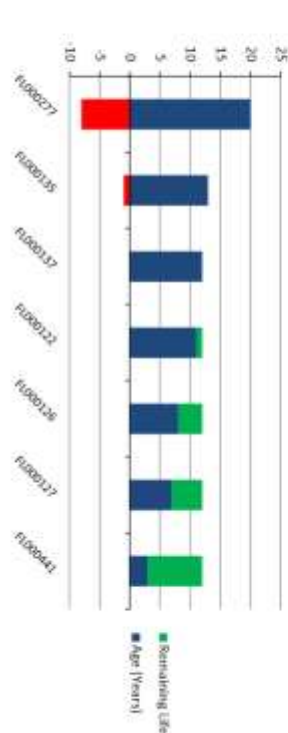


Figure A.9: 7 Medium Trucks (8001 to 16000 GVW) Age & Remaining Life Profile

Sub Category	Asset Number	Acquired Year	Renewal Year	Asset Cost	Replacement Cost
Light Truck	F1000090	2002	2018	19,235	82,000
Light Truck	F1000091	2004	2018	35,961	82,000
Light Truck	F1000106	2005	2018	16,510	82,000
Light Truck	F1000092	2005	2018	40,041	82,000
Light Truck	F1000105	2005	2018	15,344	82,000
Light Truck	F1000093	2007	2019	34,642	82,000
Light Truck	F1000094	2007	2019	56,428	82,000
Light Truck	F1000095	2007	2019	56,428	82,000
Light Truck	F1000096	2008	2020	50,000	82,000
Light Truck	F1000098	2009	2021	67,270	82,000
Light Truck	F1000099	2009	2021	67,270	82,000
Light Truck	F1000107	2009	2021	67,270	82,000
Light Truck	F1000108	2009	2021	67,270	82,000
Light Truck	F1000100	2010	2022	60,868	82,000
Light Truck	F1000101	2010	2022	83,352	82,000
Light Truck	F1000109	2010	2022	82,560	82,000
Light Truck	F1000110	2010	2022	84,172	82,000
Light Truck	F1000111	2010	2022	65,582	82,000
Light Truck	F1000112	2011	2023	72,891	82,000
Light Truck	F1000113	2011	2023	72,891	82,000
Light Truck	F1000102	2012	2024	57,625	82,000
Light Truck	F1000548	2016	2028	82,388	82,000
Light Truck	F1000549	2016	2028	73,485	73,485
Light Truck	F1000551	2016	2028	73,485	73,485

County operates a fleet of twenty five (25) light trucks across the region in civil operations, workshop services, parks and street tree waste collection and a 25 seater bus. Trucks in this class include the crew cab job trucks, rubbish compactors, 25 seater bus and various infrastructure delivery support trucks.



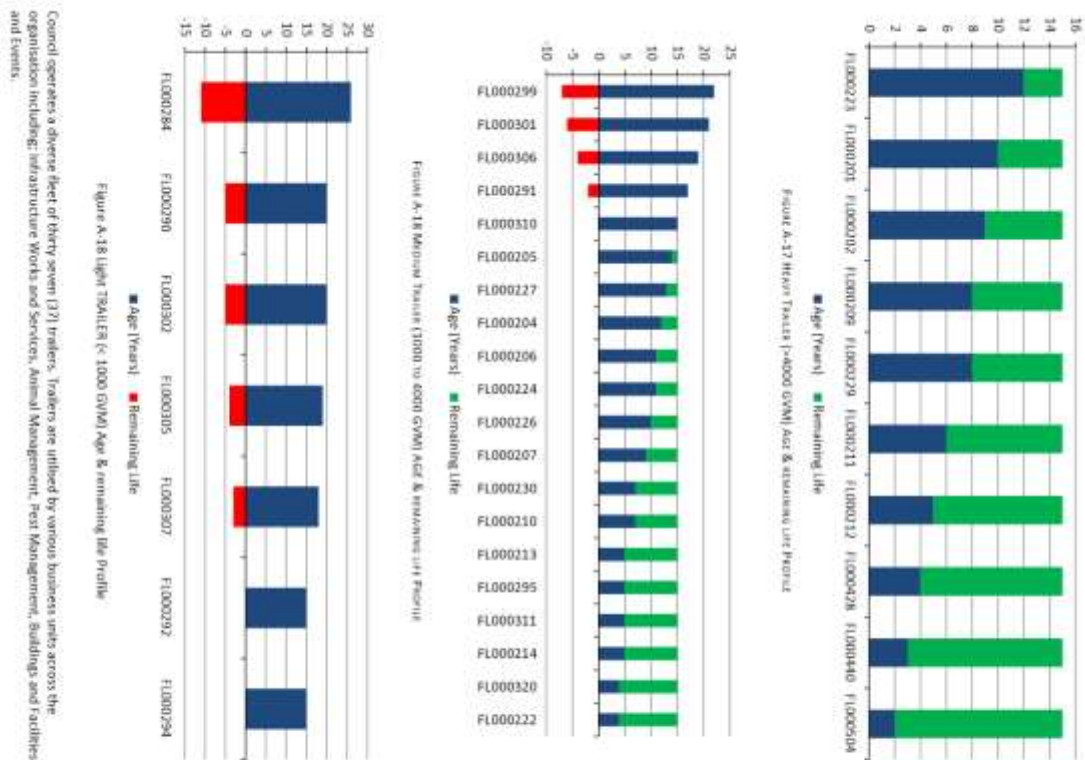
FIGURE A-16: LIGHT TRUCK (5000 TO 8000 GVM) AGE & REMAINING LIFE PROFILE

A.9 TRAILERS

The Trailer assets covered by this SMP are shown in Table A-11. Values are based on asset book details contained within Technology One and replacement costs as of 2016.

TABLE A-11: TRAILERS

Sub Category	Asset Number	Acquired Year	Renewal Year	Asset Cost	Replacement Cost
Heavy Trailer	FL000023	2005	2020	40,171	75,000
Heavy Trailer	FL000031	2007	2022	46,440	75,000
Heavy Trailer	FL000070	2008	2020	56,680	75,000
Heavy Trailer	FL000029	2009	2021	67,046	75,000
Heavy Trailer	FL000029	2009	2021	67,046	75,000
Heavy Trailer	FL000011	2011	2023	63,511	75,000
Heavy Trailer	FL000012	2012	2024	70,174	75,000
Heavy Trailer	FL000048	2013	2025	68,648	75,000
Heavy Trailer	FL000040	2014	2026	78,574	75,000
Heavy Trailer	FL000004	2015	2027	17,816	17,500
Medium Trailer	FL000098	1995	2010	4,500	4,500
Medium Trailer	FL000031	1996	2011	8,500	8,500
Medium Trailer	FL000036	1998	2013	3,000	3,000
Medium Trailer	FL000091	2000	2015	3,936	4,500
Medium Trailer	FL000010	2002	2017	3,000	4,500
Medium Trailer	FL000005	2003	2018	1,332	4,500
Medium Trailer	FL000027	2004	2019	7,715	10,000
Medium Trailer	FL000044	2005	2020	5,130	7,500
Medium Trailer	FL000006	2006	2021	8,149	10,000
Medium Trailer	FL000024	2006	2021	4,575	6,000
Medium Trailer	FL000026	2007	2022	16,991	18,000
Medium Trailer	FL000007	2008	2023	12,547	13,000
Medium Trailer	FL000030	2010	2025	7,081	8,500
Medium Trailer	FL000010	2010	2025	20,183	25,000
Medium Trailer	FL000013	2012	2027	8,789	8,000
Medium Trailer	FL000095	2012	2027	9,500	9,500
Medium Trailer	FL000011	2012	2027	12,500	12,500
Medium Trailer	FL000014	2012	2027	8,780	8,000
Medium Trailer	FL000020	2013	2028	4,544	23,790
Medium Trailer	FL000022	2013	2028	40,277	44,250
Light Trailer	FL000084	1991	2011	3,335	5,000
Light Trailer	FL000090	1997	2018	950	3,000
Light Trailer	FL000032	1997	2018	1,500	3,000
Light Trailer	FL000005	1998	2018	2,500	3,000
Light Trailer	FL000037	1998	2019	1,500	3,000
Light Trailer	FL000092	2002	2022	1,336	3,000
Light Trailer	FL000094	2002	2022	1,900	3,000



Council operates a diverse fleet of thirty seven (37) trailers. Trailers are utilized by various business units across the organisation including; Infrastructure Works and Services, Animal Management, Pest Management, Buildings and Facilities and Events.

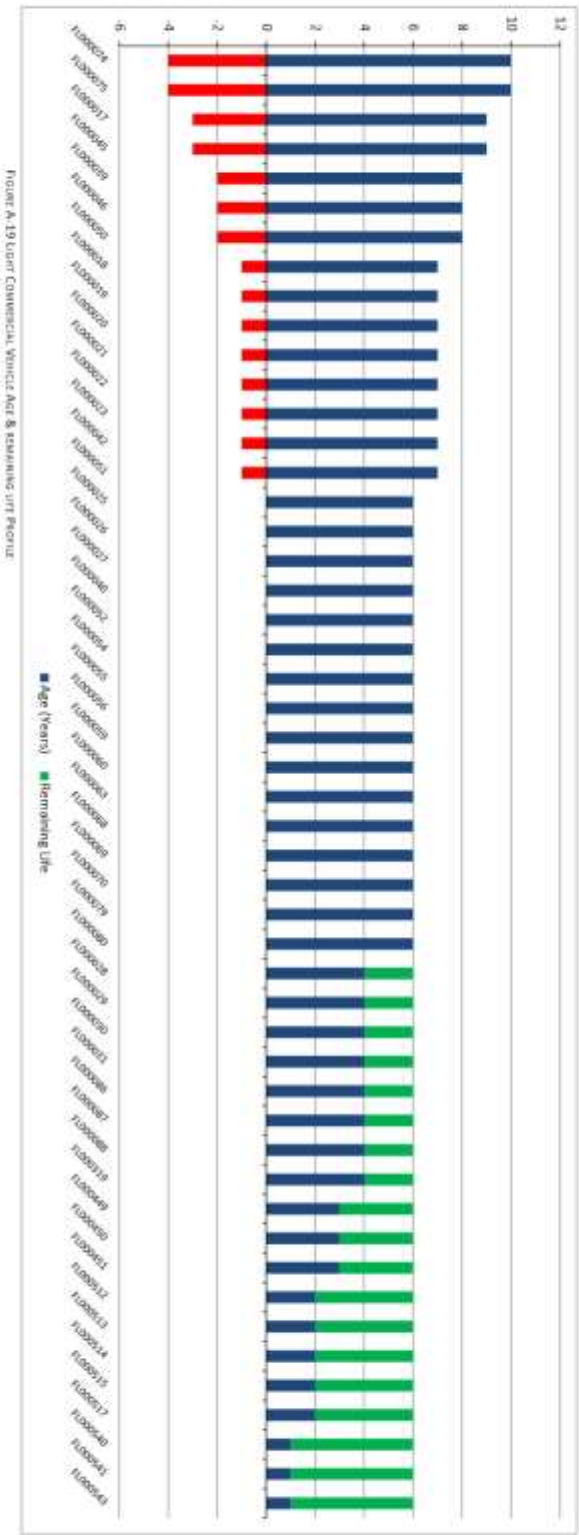
A.10 LIGHT COMMERCIAL VEHICLES

The light commercial vehicle assets covered by this S&P are shown in Table A-12. Vehicles are based on asset book details contained within Technology One and replacement costs as of 2016.

TABLE A-17. Light Commercial Vehicles

Sub Category	Asset Number	Acquired Year	Renewal Year	Asset Cost	Replacement Cost
Light Commercial	F1000070	2007	2018	28,142	42,000
Light Commercial	F1000075	2007	2018	23,360	32,000
Light Commercial	F1000017	2006	2016	32,318	38,000
Light Commercial	F1000045	2008	2018	37,386	42,000
Light Commercial	F1000039	2009	2018	25,408	32,000
Light Commercial	F1000046	2009	2018	31,528	42,000
Light Commercial	F1000050	2009	2018	29,838	42,000
Light Commercial	F1000018	2010	2018	27,353	32,000
Light Commercial	F1000020	2010	2016	24,136	32,000
Light Commercial	F1000021	2010	2016	24,136	32,000
Light Commercial	F1000022	2010	2018	28,788	38,000
Light Commercial	F1000023	2010	2018	31,634	38,000
Light Commercial	F1000042	2010	2018	34,406	38,000
Light Commercial	F1000051	2010	2018	20,620	32,000
Light Commercial	F1000025	2011	2018	45,624	42,000
Light Commercial	F1000025	2011	2018	22,587	38,000
Light Commercial	F1000026	2011	2018	27,915	38,000
Light Commercial	F1000027	2011	2018	27,915	38,000
Light Commercial	F1000040	2011	2018	23,430	32,000
Light Commercial	F1000052	2011	2018	46,788	42,000
Light Commercial	F1000054	2011	2018	31,536	42,000
Light Commercial	F1000055	2011	2018	31,545	42,000
Light Commercial	F1000056	2011	2018	32,000	42,000
Light Commercial	F1000059	2011	2018	42,446	42,000
Light Commercial	F1000060	2011	2018	44,456	42,000
Light Commercial	F1000063	2011	2018	32,118	42,000
Light Commercial	F1000068	2011	2018	39,578	42,000
Light Commercial	F1000068	2011	2018	35,657	42,000
Light Commercial	F1000070	2011	2018	32,584	42,000
Light Commercial	F1000079	2011	2018	35,266	42,000
Light Commercial	F1000080	2011	2018	44,200	48,000
Light Commercial	F1000028	2013	2020	25,415	32,000
Light Commercial	F1000029	2013	2020	25,415	32,000
Light Commercial	F1000030	2013	2020	34,903	38,000
Light Commercial	F1000031	2013	2020	34,903	38,000
Light Commercial	F1000086	2013	2020	38,285	42,000
Light Commercial	F1000087	2013	2020	41,894	42,000
Light Commercial	F1000088	2013	2020	41,894	42,000
Light Commercial	F1000110	2013	2020	37,610	42,653
Light Commercial	F1000440	2014	2021	49,063	55,000
Light Commercial	F1000450	2014	2021	39,380	42,000
Light Commercial	F1000451	2014	2021	37,844	42,000
Light Commercial	F1000512	2015	2022	43,698	45,000
Light Commercial	F1000513	2015	2022	43,698	45,000
Light Commercial	F1000514	2015	2022	43,698	45,000
Light Commercial	F1000515	2015	2022	43,698	45,000
Light Commercial	F1000517	2015	2022	39,340	40,000
Light Commercial	F1000540	2016	2023	32,920	32,000
Light Commercial	F1000541	2016	2023	36,124	32,000
Light Commercial	F1000543	2016	2023	43,637	46,000

Countl operates a diverse fleet of fifty (50) Light Commercial Vehicles. Light Commercial vehicles include: utilities, both two wheel drive and four wheel drive and commercial vans. These vehicles are utilised by various business units across the organisation including: Infrastructure Works and Services, Animal Management, Pest Management, Buildings and Facilities, Plumbing and Building, Health and Regulatory Services and Events.



A.11 PASSENGER VEHICLES

The passenger vehicle assets covered by this SMP are shown in Table A-13. Replacement values are based on asset book details contained within Technology One and replacement costs as of 2016.

Table A-13. Passenger Vehicles

Sub Category	Asset Number	Acquired Year	Renewal Year	Asset Cost	Replacement Cost
Passenger Vehicle	F1000006	2010	2018	25,493	27,871
Passenger Vehicle	F1000016	2010	2018	31,511	35,000
Passenger Vehicle	F1000024	2010	2018	63,353	67,250
Passenger Vehicle	F1000010	2011	2018	33,451	38,000
Passenger Vehicle	F1000061	2011	2018	32,470	38,000
Passenger Vehicle	F1000064	2011	2018	30,294	38,000
Passenger Vehicle	F1000065	2011	2018	28,296	32,000
Passenger Vehicle	F1000071	2011	2018	31,695	38,000
Passenger Vehicle	F1000072	2012	2018	27,129	32,000
Passenger Vehicle	F1000013	2012	2018	27,165	32,000
Passenger Vehicle	F1000043	2012	2018	25,868	35,000
Passenger Vehicle	F1000081	2012	2018	59,490	64,500
Passenger Vehicle	F1000082	2012	2018	48,940	48,900
Passenger Vehicle	F1000083	2012	2018	33,419	38,000
Passenger Vehicle	F1000086	2012	2018	33,891	38,000
Passenger Vehicle	F1000118	2013	2019	43,182	46,000
Passenger Vehicle	F1000148	2014	2020	35,746	40,000
Passenger Vehicle	F1000455	2014	2020	29,023	38,000
Passenger Vehicle	F1000456	2014	2020	24,481	32,000
Passenger Vehicle	F1000477	2015	2021	47,553	50,000
Passenger Vehicle	F1000539	2016	2022	53,601	64,000

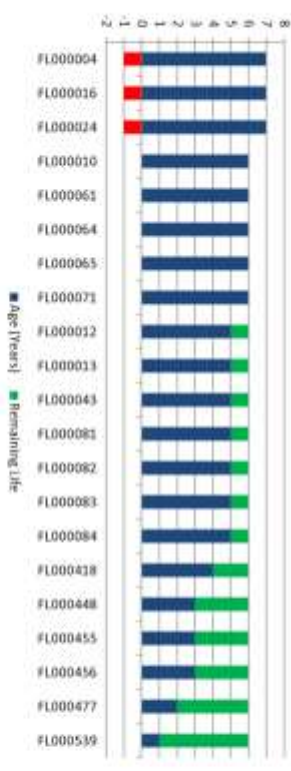


Figure A-20. Passenger Vehicle Age & Remaining Life Profile

Council operates a diverse fleet of twenty-one (21) passenger vehicles. Passenger vehicles include: sedan, station wagons and four wheel drive and all-wheel drive wagons. These vehicles are part of a vehicle pool that allows access to vehicles for all staff members to provide services across the region and when travelling on Council business.

A.12 SES VEHICLES AND PLANT

SES vehicles and plant assets covered by this SMP are shown in Table A-14. Replacement values are based on asset book details contained within Technology One and replacement costs as of 2016.

Table A-14. SES Vehicles and Plant

Sub Category	Asset Number	Acquired Year	Renewal Year	Asset Cost	Replacement Cost	Type	Description
SES	F1000260	2000	2018	6,680	35,000	Boat	Swift Aluminium Twin Door
SES	F1000267	2004	2019	25,000	25,000	Boat	Blue Aluminium V Hull Inboard
SES	F1000259	2004	2019	35,000	35,000	Boat	Horizon Aluminium Patrol
SES	F1000253	2012	2027	21,499	21,499	Boat	Gerrim Inflatible Rigid Boat
SES	F1000216	2000	2018	12,500	15,000	Boat Trailer	Boat Trailer - Dunbars
SES	F1000215	2004	2019	13,363	12,500	Boat Trailer	Boat Trailer
SES	F1000213	2012	2027	2,500	2,500	Boat Trailer	Boat Trailer - Sales
SES	F1000217	2004	2019	3,000	12,500	Boat Trailer	Tetowder Boat Trailer
SES	F1000077	2006	2018	21,843	42,000	Light	Toyota Hilux SR 4WD Dual Cab
SES	F1000073	2007	2019	51,070	65,000	Light	Toyota Troop Carrier 4WD
SES	F1000076	2007	2019	16,034	42,000	Light	Toyota Hilux 4WD Dual Cab
SES	F1000275	2007	2019	64,595	65,000	Light	Toyota Troop Carrier 4WD
SES	F1000058	2011	2023	59,809	65,000	Light	Toyota Troop Carrier 4WD
SES	F1000097	2001	2019	14,682	50,000	Light Truck	Merida Cab Chassis Truck
SES	F1000218	1995	2018	4,500	5,000	Trailer	Nathan Tandem Axle Rescue
SES	F1000220	1985	2000	3,000	2,000	Trailer	Bedford Single Axle Trailer
SES	F1000303	2000	2015	1,500	1,500	Trailer	Bus Trailer
SES	F1000223	2001	2021	3,000	5,000	Trailer	AAA Engineering Rescue Trailer
SES	F1000309	2002	2022	8,500	9,000	Trailer	Wade Pig Trailer
SES	F1000219	2007	2027	8,000	9,000	Trailer	AAA Engineering Tandem Box



Figure A-21. SES Vehicle and Plant Age & Remaining Life Profile

Council provides vehicles and plant to assist the provision of emergency services through the local State Emergency Service units. Vehicles and plant are bought through a cost sharing arrangement with the state government. SES vehicles and plant includes: troop carriers, trailers, boats and various trailers. Generally this equipment is held for a long time due to its low usage. A critical requirement for SES vehicles and plant is reliability.

APPENDIX B ASSET MANAGEMENT PRACTICES

Lockyer Valley Regional Council is currently using the *Technology One* financial system for asset accounting processes and related reporting functions. Asset data included in the system is directly integrated with the financial system.

The intention is to record, further develop and consolidate the processes used for asset and services management, and then review the systems available which will complement those processes.

The finance module is the responsibility of the Finance Department. The Infrastructure and Finance departments are jointly responsible for ensuring the integrity of the system and contained data.

Technology One has an Asset Database module that Council uses to monitor their assets. In this way the asset and financial data bases can be aligned.

The key information flows into this service management plan are:

- Council corporate and operational plans,
- Fleet assets information,
- Current levels of service and expenditures,
- Projections of various factors affecting future demand for services and new assets acquired by Council,
- Future capital works programs,
- Financial asset values.

The key information flows from this service management plan are:

- The projected Replacement Program and trends,
- The resulting budget and long term financial plan expenditure projections,
- Financial sustainability indicators.

These will impact the Long Term Financial Plan, Strategic Longer-Term Plan, annual budget and departmental business plans and budgets.

Standards, guidelines and policy documents referenced in this service management plan are:

- Lockyer Valley Regional Council Corporate Plan (2013-2018).
- Lockyer Valley Regional Council Operational Plan (2016/2017).
- Lockyer Valley Regional Council Asset Management Policy.
- Applicable Australian Standards associated with asset maintenance and vehicle standards.

APPENDIX C GLOSSARY

Asset

A resource controlled by an entity as a result of past events and from which future economic benefits are expected to flow to the entity. Infrastructure assets are a sub-class of property, plant and equipment which are non-current assets with a life greater than 12 months and enable services to be provided.

Asset class

A group of assets having a similar nature or function in the operations of an entity, and which, for purposes of disclosure, is shown as a single item without supplementary disclosure.

Asset condition assessment

The process of continuous or periodic inspection, assessment, measurement and interpretation of the resultant data to indicate the condition of a specific asset so as to determine the need for some preventative or remedial action.

Asset management (AM)

The combination of management, financial, economic, engineering and other practices applied to physical assets with the objective of providing the required level of service in the most cost effective manner.

Average annual asset consumption (AAAC)*

The amount of an Council's asset base consumed during a reporting period (generally a year). This may be calculated by dividing the depreciable amount by the useful life (or total future economic benefits/service potential) and totalled for each and every asset OR by dividing the carrying amount (depreciated replacement cost) by the remaining useful life (or remaining future economic benefits/service potential) and totalled for each and every asset in an asset category or class.

Borrowings

A borrowing or loan is a contractual obligation of the borrowing entity to deliver cash or another financial asset to the lending entity over a specified period of time or at a specified point in time, to cover both the initial capital provided and the cost of the interest incurred for providing this capital. A borrowing or loan provides the means for the borrowing entity to finance outlays (typically physical assets) when it has insufficient funds of its own to do so, and for the lending entity to make a financial return, normally in the form of interest revenue, on the funding provided.

Capital expenditure

Relatively large (material) expenditure, which has benefits, expected to last for more than 12 months. Capital expenditure includes renewal, expansion and upgrade. Where capital projects involve a combination of renewal, expansion and/or upgrade expenditures, the total project cost needs to be allocated accordingly.

Capital expenditure - expansion

Expenditure that extends the capacity of an existing asset to provide benefits, at the same standard as is currently enjoyed by existing beneficiaries, to a new group of users. It is discretionary expenditure, which increases future operations and maintenance costs, because it increases the Council's asset base, but may be associated with additional revenue from the new user group, eg. extending a drainage or road network, the provision of an oval or park in a new suburb for new residents.

Capital expenditure - new

Expenditure which creates a new asset providing a new service/output that did not exist beforehand. As it increases service potential it may impact revenue and will increase future operations and maintenance expenditure.

Capital expenditure - renewal

Expenditure on an existing asset or on replacing an existing asset, which returns the service capability of the asset up to that which it had originally. It is periodically required expenditure, relatively large (material) in value compared with the value of the components or sub-components of the asset being renewed. As it reinstates existing service potential, it generally has no impact on revenue, but may reduce future operations and maintenance expenditure if completed at the optimum time, eg. resurfacing or resheeting a material part of a road network, replacing a material section of a drainage network with pipes of the same capacity, resurfacing an oval.

Capital expenditure - upgrade

Expenditure, which enhances an existing asset to provide a higher level of service or expenditure that will increase the life of the asset beyond that which it had originally. Upgrade expenditure is discretionary and often does not result in additional revenue unless direct user charges apply. It will increase operations and maintenance expenditure in the future because of the increase in the Council's asset base, eg. widening the sealed area of an existing road, replacing drainage pipes with pipes of a greater capacity, enlarging a grandstand at a sporting facility.

Capital funding

Funding to pay for capital expenditure.

Capital grants

Monies received generally tied to the specific projects for which they are granted, which are often upgrade and/or expansion or new investment proposals.

Capital investment expenditure

See capital expenditure definition

Capitalisation threshold

The value of expenditure on non-current assets above which the expenditure is recognised as capital expenditure and below which the expenditure is charged as an expense in the year of acquisition.

Carrying amount

The amount at which an asset is recognised after deducting any accumulated depreciation / amortisation and accumulated impairment losses thereon.

Class of assets

See asset class definition

Component

Specific parts of an asset having independent physical or functional identity and having specific attributes such as different life expectancy, maintenance regimes, risk or criticality.

Cost of an asset

The amount of cash or cash equivalents paid or the fair value of the consideration given to acquire an asset at the time of its acquisition or construction, including any costs necessary to place the asset into service. This includes one-off design and project management costs.

Current replacement cost (CRC)

The cost the entity would incur to acquire the asset on the reporting date. The cost is measured by reference to the lowest cost at which the gross future economic benefits could be obtained in the normal course of business or the minimum it would cost, to replace the existing asset with a technologically modern equivalent new asset (not a second hand one) with the same economic benefits (gross service potential) allowing for any differences in the quantity and quality of output and in operating costs.

Depreciable amount

The cost of an asset, or other amount substituted for its cost, less its residual value.

Depreciated replacement cost (DRC)

The current replacement cost (CRC) of an asset less, where applicable, accumulated depreciation calculated on the basis of such cost to reflect the already consumed or expired future economic benefits of the asset.

Depreciation / amortisation

The systematic allocation of the depreciable amount (service potential) of an asset over its useful life.

Economic life

See useful life definition.

Expenditure

The spending of money on goods and services. Expenditure includes recurrent and capital.

Fair value

The amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties, in an arm's length transaction.

Funding gap

A funding gap exists whenever an entity has insufficient capacity to fund asset renewal and other expenditure necessary to be able to appropriately maintain the range and level of services its existing asset stock was originally designed and intended to deliver. The service capability of the existing asset stock should be determined assuming no additional operating revenue, productivity improvements, or net financial liabilities above levels currently planned or projected. A current funding gap means service levels have already or are currently falling. A projected funding gap if not addressed will result in a future diminution of existing service levels.

Heritage asset

An asset with historic, artistic, scientific, technological, geographical or environmental qualities that is held and maintained principally for its contribution to knowledge and culture and this purpose is central to the objectives of the entity holding it.

Impairment Loss

The amount by which the carrying amount of an asset exceeds its recoverable amount.

Investment property

Property held to earn rentals or for capital appreciation or both, rather than for:

- (a) Use in the production or supply of goods or services or for administrative purposes; or
- (b) Sale in the ordinary course of business.

Key performance indicator

A qualitative or quantitative measure of a service or activity used to compare actual performance against a standard or other target. Performance

indicators commonly relate to statutory limits, safety, responsiveness, cost, comfort, asset performance, reliability, efficiency, environmental protection and customer satisfaction.

Level of service

The defined service quality for a particular service/activity against which service performance may be measured. Service levels usually relate to quality, quantity, reliability, responsiveness, environmental impact, acceptability and cost.

Life Cycle Cost

1. **Total LCC** The total cost of an asset throughout its life including planning, design, construction, acquisition, operation, maintenance, rehabilitation and disposal costs.
2. **Average LCC** The life cycle cost (LCC) is average cost to provide the service over the longest asset life cycle. It comprises annual operations, maintenance and asset consumption expense, represented by depreciation expense. The Life Cycle Cost does not indicate the funds required to provide the service in a particular year.

Life Cycle Expenditure

The Life Cycle Expenditure (LCE) is the actual or planned annual operations, maintenance and capital renewal expenditure incurred in providing the service in a particular year. Life Cycle Expenditure may be compared to average Life Cycle Cost to give an initial indicator of life cycle sustainability.

Loans / borrowings

See borrowings.

Maintenance

All actions necessary for retaining an asset as near as practicable to its original condition, including regular ongoing day-to-day work necessary to keep assets operating, eg road patching but excluding rehabilitation or renewal. It is operating expenditure required to ensure that the asset reaches its expected useful life.

- **Planned maintenance**
Repair work that is identified and managed through a maintenance management system (MMS). MMS activities include inspection, assessing the condition against failure/breakdown criteria/experience, prioritising scheduling, actioning the work and reporting what was done to develop a maintenance history and improve maintenance and service delivery performance.

- **Reactive maintenance**
Unplanned repair work that is carried out in response to service requests and management/supervisory directions.
- **Significant maintenance**
Maintenance work to repair components or replace sub-components that needs to be identified as a specific maintenance item in the maintenance budget.
- **Unplanned maintenance**
Corrective work required in the short-term to restore an asset to working condition so it can continue to deliver the required service or to maintain its level of security and integrity.

Maintenance and renewal gap

Difference between estimated budgets and projected required expenditures for maintenance and renewal of assets to achieve/maintain specified service levels, totalled over a defined time (e.g. 5, 10 and 15 years).

Maintenance and renewal sustainability index

Ratio of estimated budget to projected expenditure for maintenance and renewal of assets over a defined time (e.g. 5, 10 and 15 years).

Maintenance expenditure

Recurrent expenditure, which is periodically or regularly required as part of the anticipated schedule of works required to ensure that the asset achieves its useful life and provides the required level of service. It is expenditure, which was anticipated in determining the asset's useful life.

Materiality

The notion of materiality guides the margin of error acceptable, the degree of precision required and the extent of the disclosure required when preparing general purpose financial reports. Information is material if its omission, misstatement or non-disclosure has the potential, individually or collectively, to influence the economic decisions of users taken on the basis of the financial report or affect the discharge of accountability by the management or governing body of the entity.

Modern equivalent asset

Assets that replicate what is in existence with the most cost-effective asset performing the same level of service. It is the most cost efficient, currently available asset which will provide the same stream of services as the existing asset is capable of producing. It allows for technology changes and, improvements and efficiencies in production and installation techniques

Net present value (NPV)

The value to the Council of the cash flows associated with an asset, liability, activity or event calculated using a discount rate to reflect the time value of money. It is the net amount of discounted total cash inflows after deducting the value of the discounted total cash outflows arising from eg the continued use and subsequent disposal of the asset after deducting the value of the discounted total cash outflows.

Non-revenue generating investments

Investments for the provision of goods and services to sustain or improve services to the community that are not expected to generate any savings or revenue to Council, eg. parks and playgrounds, footpaths, roads and bridges, libraries, etc.

Operations expenditure

Recurrent expenditure, which is continuously required to provide a service. In common use the term typically includes, eg power, fuel, staff, plant equipment, on-costs and overheads but excludes maintenance and depreciation. Maintenance and depreciation is on the other hand included in operating expenses.

Operating expense

The gross outflow of economic benefits, being cash and non-cash items, during the period arising in the course of ordinary activities of an entity when those outflows result in decreases in equity, other than decreases relating to distributions to equity participants.

Pavement management system

A systematic process for measuring and predicting the condition of road pavements and wearing surfaces over time and recommending corrective actions.

PMS Score

A measure of condition of a road segment determined from a Pavement Management System.

Rate of annual asset consumption

A measure of average annual consumption of assets (AAAC) expressed as a percentage of the depreciable amount (AAAC/DA). Depreciation may be used for AAAC.

Rate of annual asset renewal

A measure of the rate at which assets are being renewed per annum expressed as a percentage of depreciable amount (capital renewal expenditure/DA).

Rate of annual asset upgrade

A measure of the rate at which assets are being upgraded and expanded per annum expressed as a percentage of depreciable amount (capital upgrade/expansion expenditure/DA).

Recoverable amount

The higher of an asset's fair value, less costs to sell and its value in use.

Recurrent expenditure

Relatively small (immaterial) expenditure or that which has benefits expected to last less than 12 months. Recurrent expenditure includes operations and maintenance expenditure.

Recurrent funding

Funding to pay for recurrent expenditure.

Rehabilitation

See capital renewal expenditure definition above.

Remaining useful life

The time remaining until an asset ceases to provide the required service level or economic usefulness. Age plus remaining useful life is useful life.

Renewal

See capital renewal expenditure definition above.

Residual value

The estimated amount that an entity would currently obtain from disposal of the asset, after deducting the estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.

Revenue generating investments

Investments for the provision of goods and services to sustain or improve services to the community that are expected to generate some savings or revenue to offset operating costs, eg public halls and theatres, childcare centres, sporting and recreation facilities, tourist information centres, etc.

Risk management

The application of a formal process to the range of possible values relating to key factors associated with a risk in order to determine the resultant ranges of outcomes and their probability of occurrence.

Section or segment

A self-contained part or piece of an infrastructure asset.

Service potential

The total future service capacity of an asset. It is normally determined by reference to the operating capacity and economic life of an asset. A measure of service potential is used in the not-for-

profit sector/public sector to value assets, particularly those not producing a cash flow.

asset's ability to generate net cash inflows, where the entity would, if deprived of the asset, replace its remaining future economic benefits.

Service potential remaining

A measure of the future economic benefits remaining in assets. It may be expressed in dollar values (Fair Value) or as a percentage of total anticipated future economic benefits. It is also a measure of the percentage of the asset's potential to provide services that is still available for use in providing services (Depreciated Replacement Cost/Depreciable Amount).

Source: IPWEA, 2009, Gloss

Strategic Longer-Term Plan

A plan covering the term of office of councillors (4 years minimum) reflecting the needs of the community for the foreseeable future. It brings together the detailed requirements in Council's longer-term plans such as the service management plan and the long-term financial plan. The plan is prepared in consultation with the community and details where Council is at that point in time, where it wants to go, how it is going to get there, mechanisms for monitoring the achievement of the outcomes and how the plan will be resourced.

Specific Maintenance

Replacement of higher value components/sub-components of assets that is undertaken on a regular cycle including pothole repairs, replacement of pump equipment, etc. This work generally falls below the capital/ maintenance threshold and needs to be identified in a specific maintenance budget allocation.

Sub-component

Smaller individual parts that make up a component part.

Useful life

Either:

- (a) the period over which an asset is expected to be available for use by an entity, or
- (b) the number of production or similar units expected to be obtained from the asset by the entity.

It is estimated or expected time between placing the asset into service and removing it from service, or the estimated period of time over which the future economic benefits embodied in a depreciable asset, are expected to be consumed by Council.

Value in Use

The present value of future cash flows expected to be derived from an asset or cash generating unit. It is deemed to be depreciated replacement cost (DRC) for those assets whose future economic benefits are not primarily dependent on the



ICT

Service Management Plan

February 2017

Document Control

This page will be re-issued every time amendments are made to controlled documents. Amended documents will have their revision status and issue date updated accordingly.

Version	Clause(s)	Changes	Author	Issue Date
0.1 Draft	All	Initial Document Creation	Madonna Gibson & Graham Cray	
0.2 Draft	All	Addition of Audio Visual Equipment & Waste CCTV	Madonna Gibson	
1				
2				
3				
4				

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Introduction

Background

The expectations associated with Information and Communication Technology (ICT) levels of service held by Council staff and the community continue to increase. A strategic and planned approach to ICT investment has been taken to ensure that Council can respond to current needs and to anticipate future opportunities.

The ICT Service Management Plan (SMP) complements the following associated planning documents:

- Lockyer Valley Regional Council (LVRC) Corporate Plan
- ICT Strategy 2015 to 2020 and Beyond

Goals and Objectives

Lockyer Valley Regional Council exists to provide services to its community. Many of these services are underpinned by ICT assets. Our goal in managing ICT assets is to meet the defined level of service in the most cost-effective manner for consumers, both present and future. The key elements of ICT asset management are:

- Providing a defined level of service and monitoring performance
- Managing the impact of growth through demand management and ICT investment
- Taking a life cycle approach to developing cost-effective management strategies for the long term that meet the defined level of service
- Identifying, assessing and appropriately controlling risks
- Having a long term financial plan which identifies required, affordable expenditure and how it will be financed.

Key Stakeholders

Stakeholder	Role
Councillors	<ul style="list-style-type: none"> • Represent needs of community/shareholders • Allocate resources to meet Council's objectives in providing services while managing risks • Ensure organisation is financially sustainable • Custodians of the assets and services, providing the interface with the community related to levels of service and good governance / management practices
CEO	<ul style="list-style-type: none"> • Manage operational activities and future strategic planning direction
Executive Manager Corporate and Community Services	<ul style="list-style-type: none"> • Long Term Financial Plans and operational financial data • Defining information requirements for Audit and reporting purposes
Manager Information Services	<ul style="list-style-type: none"> • Manage delivery of initiatives • Capital projects planning and delivery • Operational and service levels, data information and analysis
Council Staff	<ul style="list-style-type: none"> • End user of internal services
Community & Ratepayers	<ul style="list-style-type: none"> • End user of public facing services

Context

This ICT SMP covers the ICT assets that serve the Lockyer Valley Regional Council. ICT assets are provided to enable the capture, organisation, sharing and use of information to meet our strategic objectives, including supporting the organisation in the delivery of services to the community. These assets include ICT applications/software, endpoints and the underpinning ICT network and infrastructure.

In previous years the majority of ICT equipment was purchased outright. However, from the 2013-2014 financial year, this approach moved to the lease of ICT equipment where appropriate e.g. where the value is over \$1,000 with a lifetime of 5 years or less that is used in a controlled environment.

For the purposes of this SMP it is assumed that the current approach will continue; however, there is potential for our use of cloud computing to increase in the coming years. This may result in a reduction of some equipment.

Overview

Asset Classes / Sub Classes

Asset Class	Sub Class	Qty	Estimated Replacement Cost \$*
Desktop Equipment	Desktops	194	233,000
	Monitors	318	95,000
	Laptops	63	126,000
Mobile Devices	Mobile Phones	96	72,000
	Satellite Phones	4	7,000
	Tablets / Semi Ruggedised Windows Tablets	5	14,000
	iPads	22	18,000
Network Equipment	Servers	10	124,000
	Storage	7	130,000
	Network Switches	37	244,000
	UPS	10	40,500
	Firewalls	9	80,000
	Wireless Access Points	25	25,000
	Gateways	4	30,000
	Cabinets, cabling, etc.	-	1,035,000
ICT Applications (intangible assets)**	Major software assets (i.e. TechOne products & Spydus)	3	3,000,000
	Major software license only assets (i.e. Microsoft, Adobe)	2	400,000
	Minor software (GIS, SysAid, Skype)	8	500,000
CCTV Camera Infrastructure***	Cameras	128	205,000
	Servers	4	48,000
	Switches	13	5,000
	UPS	3	2,000
	Poles, Cabinets, Cabling	-	223,000
	Wireless Radio Transceivers	18	6,000
	Waste CCTV Systems	10	52,000
Audio Visual Equipment^	Projectors	7	13,500
	Screens - fixed	4	3,500
	Televisions	28	20,000

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Asset Class	Sub Class	Qty	Estimated Replacement Cost \$*
	Council Chambers Audio System	1	40,000
	LVCC Audio Systems	6	162,000
	LVCC Visual Systems	6	217,000
Other Equipment	Printers	30	342,000
	Mondo Pads	7	91,000
	Plotters / Scanners	2	40,000
TOTAL VALUE			7,643,500

*Estimated replacement costs have been based on current lease and purchase costs of like equipment.

**Intangible asset replacement costs have been estimated using previously defined budget estimates and actual costings which include implementation costs. Software as a Service products have not been included.

***CCTV Infrastructure is inclusive of sites monitored / controlled by Information Services and Waste Management.

^ Audio Visual Equipment is not inclusive of photographic or video cameras and camera equipment.

Service Levels

Service Level Agreements are currently under development and will be added to this plan when completed.

Within the ICT environment there are two aspects to service levels. These are:

- Appropriate assets provided to enable ICT customers to complete their work efficiently and effectively.
- Availability of ICT services in terms of robust systems and resolution of user problems.

In respect to the above, a request's priority is usually determined by assessing its impact and urgency, where:

- Urgency is a measure of how quickly a resolution of the incident is required
- Impact is a measure of the extent of the incident and of the potential damage caused by the incident before it can be resolved.

A draft Incident Priority Model based on urgency and impact is outlined below:

Priority Code	Description	Target Response Time	Target Resolution Time
1	Critical	Immediate	TBA
2	High	TBA	TBA
3	Medium	TBA	TBA
4	Low	TBA	No target

Lifecycle Management

Asset management system

ICT assets are managed using the SysAid (LISA) helpdesk system which associates problem tickets with ICT assets and tracks the history of asset service requests and complaints. The use of this system can assist in improving our ability to effectively manage ICT assets throughout their life cycle. Continuous

improvement of our asset management practices, processes and procedures will ensure an increased maturity in the continuing development of this ICT SMP.

Replacement Planning

For the purpose of this plan, replacement expenditure is the replacement of an asset with equipment suitable for requirements within the same asset class.

Assets requiring replacement are identified using either one of two methods:

- Method 1 uses LISA Asset Register data to project the renewal costs using acquisition year and useful life to determine the renewal year
- Method 2 uses lease dates

Useful Life

The useful lives of assets used to develop projected asset replacement timeframes and expenditures are shown in the following table:

	Asset	Outright purchase / Lease	Expected life	Replacement Timeframe	Comments
Desktop Equipment	Notebooks, desktops, monitors	Lease	4 years	On expiry of lease	Exceptions to lease are QGAP and SES Assets
Mobile Devices	Mobile Phones	Purchase	3 years	On failure or when no longer suitable	Managed as attractive and portable items
	Satellite Phones	Purchase	3 years	On failure or when no longer suitable	Managed as attractive and portable items
	Tablets / iPads	Purchase	3 years	On failure or when no longer suitable	Managed as attractive and portable items
	Semi ruggedised windows tablets	Purchase	3 years	On failure or when no longer suitable	Purchased outright due to life inconsistency and environment they are used in
Network Equipment	Servers, storage	Lease	4 years	4 years or on expiry of lease	
	Network switches	Purchase	8 years	On failure or when no longer suitable	
	UPS	Purchase	5 years		Maintenance agreements may be leveraged to improve lifetime of asset. Batteries may need to be replaced within lifetime of asset
	Firewalls	Purchase	3 years	When no longer suitable	
	Wireless Access Points	Purchase	4 years	On failure or when no longer suitable	
	Gateways	Purchase	5 years	On failure or when no longer suitable	
	Cabinets, copper cabling and fibre cabling	Purchase	15 years	On failure, relocation or when no longer suitable	
ICT Applications / Software (intangible assets)	Major software assets (i.e. Technology One products)	Purchase	10 years	Replacement generally planned at 10 years from initial implementation	Original purchase capitalised with ongoing maintenance being an operational expense.
	Major software	Purchase	3 years	When no longer	Annual payment for use

	Asset	Outright purchase / Lease	Expected life	Replacement Timeframe	Comments
	license only assets (i.e. Microsoft, Adobe etc)			suitable	based on (generally) 3 year agreements.
	Minor software	Purchase	3 years	As required	Generally supported on an annual basis that includes new versions etc. Initial cost determines if capital or operational expense.
	Software as a service (SAAS)	Purchase	N/A	Replacement on failure or when no longer suitable	Cloud based software that is considered operational. Implementation costs capitalised with replacement not scheduled due to the unknown timeframes.
Camera Equipment	Fixed CCTV Cameras	Purchase	5 years	On failure or when no longer suitable	
	Portable Cameras	Purchase	3 years	On failure or when to longer suitable	Managed as attractive and portable items.
Audio Visual Equipment	Projectors	Purchase	5 years	On failure or when no longer suitable	Will move to lease on replacement
	Screens	Purchase	10 years	On failure or when no longer suitable	
	Televisions	Purchase	5 years	On failure or when no longer suitable	
	Control Equipment	Purchase	5 years	On failure or when no longer suitable	
	Speakers, Mics etc	Purchase	10 years	On failure or when no longer suitable	
Other Equipment	Printers	Lease	5 years	On expiry of lease or when required	
	Plotters	Purchase	5 years	On failure or when no longer suitable	
	Scanners	Purchase	5 years	On failure or when no longer suitable	
	Mondo pads	Purchase	5 years	Replacement on failure or when no longer suitable	Existing machines will be replaced with leased items.

Budgeted expenditure for replacement of identified assets is outlined in Appendix A.

SES & QGAP Assets

Due to the unknown use of the SES ICT assets, all will be treated as replace on failure, or when no longer suitable. Time frames will be based generally on five years for budgeting purposes. Assets currently used by SES include notebooks, printers, small MFD's, projectors, standard phones, and a Siemen's phone system. The phone system will be kept under an annual maintenance process for repairs and maintenance.

QGAP assets will also be treated as replace on failure or when no longer suitable. These items (including 2 desktops and 2 monitors) are invoiced to state government.

Current Asset Situation / Condition

Asset	Situation / Condition (As new, Good, Fair, Poor, Very Poor)
Desktop Equipment (Desktops, Laptops, Monitors)	Currently there is a mix of leased and purchased desktops, laptops and monitors. The older purchased equipment will be replaced during the 2017/18 financial year by leased equipment. All equipment will then be on a (mostly) four year lease. Average Condition: Good.
Mobile Devices (iPads, Tablets, Mobile Phones etc)	The Bring Your Own Device (BYOD) strategy may reduce capital cost in respect to smartphones and tablets. One third of iPads are overdue for replacement, but are still functioning well. More than half of Council issued mobile phones will be due for replacement in the 2017/18 financial year with some iPhones currently experiencing issues with battery life. Satellite phones are overdue for replacement but still working well. Average Condition: Fair.
Servers	Council relies on a combination of physical and virtual server technology to deliver requirements. Physical servers which have previously been purchased outright will be replaced with leased equipment on a four yearly cycle. This replacement is due in the current financial year (2016/2017). Average Condition: Good.
Storage	Our existing storage environment is appropriate. Storage requirements are not expected to continue to grow at previous rates as Council moves toward cloud based services. Future storage requirements will be leased on a four yearly cycle. Average Condition: Good.
Security Systems (Firewalls, UPS)	There is a fundamental requirement to protect Council systems, information and physical assets. Firewalls require updating on a regular schedule to keep pace with the changing dynamic of cyber threats. Firewalls are due for replacement during the 2017/2018 financial year. UPS's provide business continuity protection by protecting key physical network infrastructure from unexpected power abnormalities. Average Condition: Good.
Network Infrastructure (Cabinets, cabling, WAP)	The current network infrastructure is variable due to the age of buildings and new cabling being installed on an as required basis. Future renewals and replacements will only be considered on an as needs basis. From a budget perspective operating budget is put aside every year to conduct cabling work. Large building projects will include a cabling component. Average Condition: Fair.
ICT Applications / Software	Technology One enterprise software was introduced at Lockyer Valley Regional Council in 2013. Additional modules will be added as required. At present, most applications / software are hosted on premise, with some cloud based SAAS. Opportunities to move to cloud based solutions are considered based on fit for purpose and cost effectiveness. Average Condition: Good.
CCTV Infrastructure	Current infrastructure is in good condition and operating well. Average Condition: As New.
Audio Visual Equipment	The majority of high value audio visual equipment is installed at the Lockyer Valley Cultural Centre. Given the centre was opened in November 2009, most equipment is due for replacement. Equipment at other locations has been purchased on an 'ad hoc' basis with some being purchased with grant funding. Potentially there is some equipment that may not need to be replaced. Average Condition: Good.
Printers / Plotters / Scanners	Council's current fleet of multifunction devices and smaller printers is on a four year agreement which commenced in August 2015. Two larger printers (A0 and A1) will be due for replacement in the 2017/18 financial year. The large format scanner is overdue for replacement having been procured in September 2007 but is still functioning as required. Average Condition: Good.
Telephony	Council's main telephony system is an application based platform running on servers with headsets and handsets treated as consumables. However, there are some telephone systems still in use at Grantham Butter Factory and the Gatton SES that are maintained and updated under an annual maintenance agreement. Average Condition: Good.

Equipment Disposal

Purchased hardware assets are disposed of externally using an approved third party provider. The entity performing the service must certify that each item has been disposed of securely and in compliance with ISO 9001:2000 (Quality Management Standard) and ISO 14001:2004 (Environmental Management Standard). Data sanitisation and destruction must comply with Australian Government Information Security Controls.

Future Demand

Drivers affecting demand include:

- Information accessibility
- Technological changes
- Financial sustainability
- Asset renewal and maintenance demands
- Customer expectations and continuous improvement

The impact of demand drivers that may affect future service delivery and utilisation of assets is the need for increased investment and resources required to meet demand and maintain existing services.

Managing the Risks

Lockyer Valley Regional Council recognises the need for risk management to feature as a consideration in strategic and operational planning, day to day management and decision making at all levels in the organisation.

As such, there is a commitment to managing and minimising risk by identifying, analysing, evaluating and treating exposures that may impact on Council achieving its objectives and / or the continued efficiency and effectiveness of its operations. An ICT Key Risk Register is currently under development.

The following principles will apply to managing risks relating to ICT assets:

Quality - ICT assets will be maintained in a usable condition. Warranties are included in the procurement process to ensure items are covered for the entirety of their expected life. Warranty claims are processed as required. Where the issue is not covered by warranty, the item will be replaced.

Function - ICT assets will be maintained at a secure and reliable level and associated equipment and tools will be provided to ensure the following key business goals are met:

- Improve customer experience
- Achieve financial sustainability
- Deliver continuous improvement

The main functional consequence of our ICT services is to enable us to deliver more efficient and effective services to our community, and thereby achieve Council's strategic objectives.

Reliability - The ICT network is monitored through actioning user requests and ensuring that maintenance programs are undertaken in a proactive manner with consideration to staffing resource restrictions. We will endeavour to manage these risks by:

- Monitoring and prioritising the risks
- Keeping ICT users informed
- Managing ICT assets throughout their lifecycle

Flexibility - Our ICT strategies balance a due diligence approach through the development of business cases, which examine the cost benefit of various options and offer the flexibility to adapt to emerging trends and opportunities.

Critical assets

Critical assets are those assets which have a high consequence of failure but not necessarily a high likelihood of failure. Within the ICT SMP, the following asset classes/sub classes are considered critical:

- Network equipment
- Major software

By identifying critical assets and critical failure modes, we can target and refine investigative activities, maintenance plans and capital expenditure plans at the appropriate time. Operations and maintenance activities may be targeted to mitigate critical asset failure and maintain service levels. These activities may include increased inspection frequency, higher maintenance intervention levels, etc.

Improvement & Monitoring

A number of assumptions have been made within this plan including:

- Expected asset useful life timeframes will be achieved
- No sudden changes will occur in the condition of assets
- Current service levels will be maintained / no changes in hardware requirements
- The move toward leasing of assets will continue
- Budget allocations will be sufficient to allow replacement within designated timeframes
- Information Services will be responsible for budgeting for replacement of the asset classes and sub classes listed
- Items purchased through grant funding are expected to be replaced through like funding and have not been budgeted for in this plan
- Individual items with a value less than \$500 have not been included with the exception of leased monitors

Asset valuation estimates have been made using:

- Current lease costings
- Cost to purchase 'like' equipment
- Best estimates on value of older equipment

Estimates used will be refined as necessary.

Further improvements to the plan will be undertaken as set out below:

Task	Responsibility	Resources Required	Timeline
Monitor performance and customer satisfaction to better understand asset performance and service delivery	Manager Information Services	Internal resources	Ongoing
Continuous improvement of ICT asset management practices, processes and procedures	Manager Information Services	Internal resources	Ongoing
Update of Asset Management Plan	Manager Information Services	Internal resources	Ongoing

Appendix A

The table below shows the projected budgeted amounts for operational and capital expenditure.

Budget Allocations as at May 2017												
Operational Expenditure	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27		
Desktop Equipment Leases	102,400	102,400	102,400	102,400	102,400	102,400	102,400	102,400	102,400	102,400		
Mobile Phones	48,000	24,000	6,000	48,000	24,000	6,000	48,000	24,000	6,000	48,000		
Tablets/iPad	13,000	9,000	10,000	0	13,000	9,000	10,000	0	13,000	9,000		
Server Leases	32,000	32,000	32,000	32,000	32,000	32,000	32,000	32,000	32,000	32,000		
Storage	41,000	41,000	41,000	41,000	41,000	41,000	41,000	41,000	41,000	41,000		
Software Licences	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000		
Printer Leases	82,000	82,000	82,000	82,000	82,000	82,000	82,000	82,000	82,000	82,000		
Mondo Pad Leases	0	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000		
Totals	759,000	787,000	787,000	787,000	787,000	787,000	787,000	787,000	787,000	787,000		
Capital Expenditure												
Desktop Equipment (not leased)	0	0	0	14,500	0	0	0	0	14,500	0		
Storage	20,000	0	0	0	20,000	0	0	0	20,000	0		
Uninterruptible Power Supplies	9,400	8,500	11,000	0	11,500	9,400	8,500	11,000	0	11,500		
Switches	28,200	39,800	22,400	71,500	53,600	16,000	12,000	0	28,200	39,800		
Firewalls	74,000	0	0	74,000	0	0	74,000	0	0	74,000		
Wireless Access Points	0	25,700	0	0	0	25,700	0	0	0	25,700		
Cabinets & Cabling	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000		
Software	400,000	160,000	1,150,000	310,000	200,000	210,000	2,050,000	660,000	300,000	110,000		
CCTV Camera System	21,000	8,000	34,000	63,000	58,000	65,000	8,000	33,600	63,000	16,000		
Printers/Scanners	35,000	23,000	0	0	0	35,000	23,000	0	0	0		
Audio Visual Equipment	18,800	24,000	45,800	165,600	73,500	3,500	25,000	46,000	0	73,000		
Totals	697,200	357,800	1,324,400	755,500	438,600	425,000	2,265,000	834,600	644,200	310,800		

Service Management Plan
Information and Communication Technology

Version 1.1
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Parks and Open Spaces Service Management Plan

January 2017

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1 EXECUTIVE SUMMARY

This services management plan (SMP) describes the parks and open space assets provided to the community and the considerations that need to be made to ensure that the provision of these assets is done in a sustainable and equitable manner, now and into the future.

What Does This Plan Cover?

The parks and open space services and assets are valued at \$8.44M as at 30 June 2016 and are apportioned as shown in Figure 1-1:

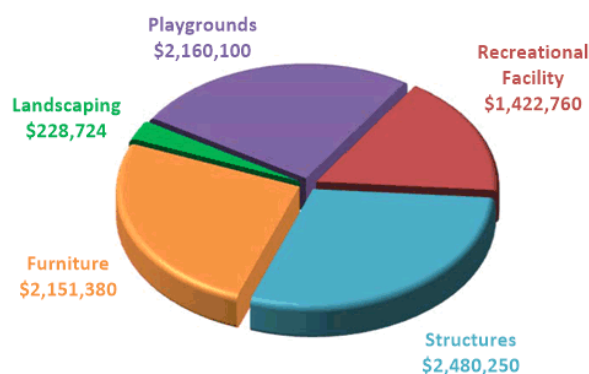


FIGURE 1-1: PARKS AND OPEN ASSETS VALUE SUMMARY

What is the current condition of these assets?

The assets have been assessed as being in good condition overall with only 0.03% or \$2,350 of parks and open space furniture assets in very poor condition and in need of urgent repair, renewal or replacement.

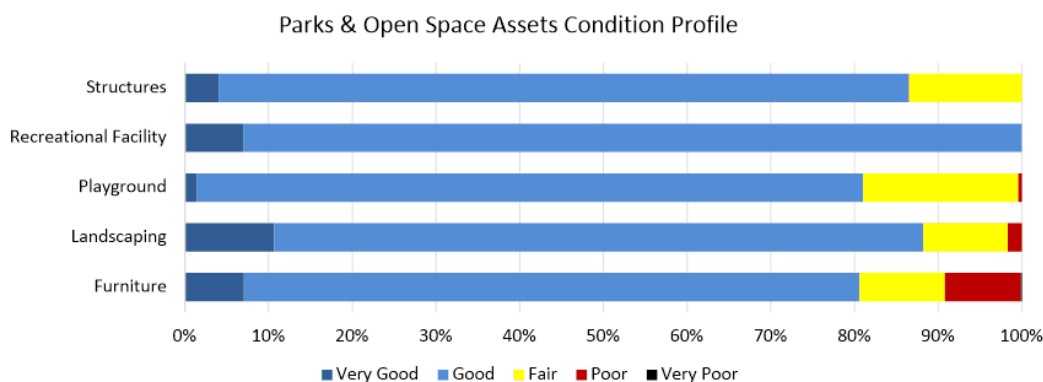


FIGURE 1-2: PARKS AND OPEN SPACE CONDITION PROFILE

1.1 EXPENDITURE ANALYSIS

There are three major categories that make up the total expenditure for Councils parks assets:

- Operations and maintenance - day to day costs to keep the assets in a serviceable condition and to slow the rate of deterioration.
- Renewals - replacing assets with like for like to deliver the same level of service, at or near the end of the assets economic life.
- New/upgrade - replacing assets with a new or improved asset to provide a higher level of service than was previously provided or a new service, i.e. safer road, reduced travel times, improved drainage, providing a service that did not previously exist in that location etc.

The following expenditure analysis has been undertaken to understand what it costs to own, operate, maintain and replace Councils park assets over a 10 year planning period. This is based on what is currently understood of the services and likely demand over that planning period.

1.1.1 OPERATIONS AND MAINTENANCE EXPENDITURE

The forecast operations and maintenance expenditure can be seen in Table 1-1 below. It has been assumed that the current level of maintenance expenditure is the appropriate amount to maintain the assets in a condition that delivers the adopted levels of service however it is recommended that a 'base budget review' be undertaken to confirm the accuracy of current maintenance and operations expenditure levels.

TABLE 1-1: OPERATIONS AND MAINTENANCE EXPENDITURE (\$'000s)

Transport	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	Average
<i>Operations</i>	\$1,281	\$1,388	\$1,423	\$1,458	\$1,495	\$1,532	\$1,570	\$1,610	\$1,883	\$1,931	\$1,557
<i>Maintenance</i>	\$530	\$563	\$578	\$594	\$611	\$628	\$645	\$663	\$681	\$700	\$619
Total	\$1,811	\$1,951	\$2,001	\$2,053	\$2,106	\$2,160	\$2,216	\$2,273	\$2,565	\$2,630	\$2,177

Increases in this expenditure over the next 10 years are due to growth of the population and/or the asset base. The asset base will grow due to both council and developer contributed capital works.

1.1.2 CAPITAL RENEWAL EXPENDITURE

Through the analysis conducted for this service management plan, three types of renewals have been considered;

- Condition based renewals determined by an estimate of the remaining useful life based on the condition of the asset in service (bottom up approach)
- Projected renewals based on the depreciation of the assets (top down approach)
- Planned renewals contained within Councils current capital renewal program

These three expenditure profiles are compared to the Long Term Financial Plan (LTFP) in Table 1-2 below.

TABLE 1-2: RENEWAL EXPENDITURE (\$'000s)

Renewal Type	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	Average
<i>Budgeted</i>	\$165	\$220	\$181	\$150	\$150	\$175	\$365	\$285	\$285	\$285	\$226
<i>Condition</i>	\$5	\$0	\$175	\$59	\$0	\$0	\$0	\$6	\$0	\$341	\$53
<i>Projected</i>	\$188	\$198	\$199	\$200	\$201	\$202	\$203	\$204	\$207	\$208	\$201
<i>Planned</i>	\$190	\$295	\$75	\$75	\$75	\$100	\$100	\$100	\$1,291	\$100	\$240

The condition based renewal analysis, which is considered to be the most accurate, shows that in order to keep park assets delivering the current levels of service of the 10 year planning period Council will need to spend on average \$53,000 per year on asset renewals. The current LTFP exceeds this funding requirement, therefore if the condition based renewal model is adopted the park services can be sustainably provided to existing customers at the current service levels. It's worth noting

however that park assets, more so than other asset types, are not only renewed on the basis of poor condition but also due to service obsolescence. Park assets may be renewed with modern day equivalents purely on the basis of aesthetics or utilisation and this needs to be factored into the assets remaining useful life. There is not currently enough data to accurately predict the full impact of obsolescence on park asset renewal forecasts however it is believed the combined condition and obsolescence funding requirement would be around \$100,000 annualised for the 10 year planning period. Future iterations of this SMP will develop this further and introduce data to support accurate projections.

The differences in expenditure between the projected (based on depreciation), planned and condition based renewal models show that Council's assets are deteriorating slower than expected. This means that if the planned renewals or the depreciation based renewals were adopted assets would be renewed too early.

1.1.3 NEW/UPGRADE CAPITAL EXPENDITURE

Council has detailed a number of capital works projects planned for the next 10 years. The annualised expenditure for these works can be seen against the budget allocation in Table 1-3 below.

TABLE 1-3: NEW/UPGRADE EXPENDITURE (\$'000s)

New/Upgrade Type	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	Average
<i>Budgeted</i>	\$0	\$0	\$0	\$0	\$0	\$0	\$460	\$0	\$0	\$0	\$84
<i>CAPEX Program</i>	\$163	\$540	\$75	\$75	\$75	\$75	\$95	\$75	\$220	\$70	\$146

The total 10 year expenditure estimate based on the current new/upgrade capital works program is \$1,463,000 the allowance in the LTFP is just \$460,000. This leaves a funding shortfall at the end of the 10 year planning period of \$1.03M or an average of \$103K per year. The current CAPEX program has been developed from knowledge and experience of the parks staff incorporating known trends in community park use. A review of the current CAPEX program should be undertaken to ensure it meets community expectations and meets agreed service levels.

1.1.4 OVERALL

The total expenditure (operations and maintenance, renewals, new/upgrade) and the total funding requirements based on the annualised condition renewals are included in and Figure 1-4.

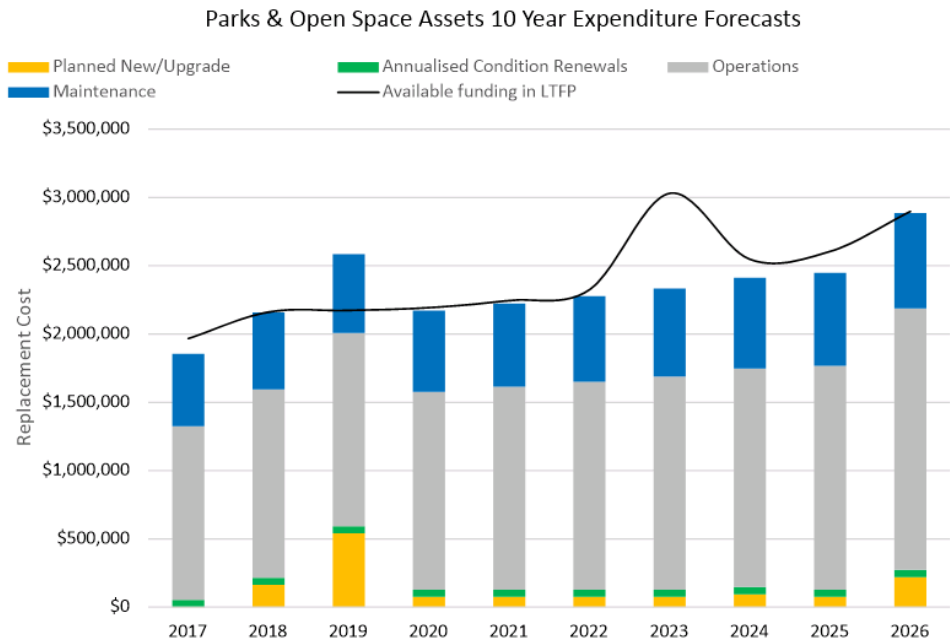


FIGURE 1-3: FUNDING REQUIRED TO DELIVER PARK SERVICES AGAINST AVAILABLE FUNDING IN THE CURRENT LTFP

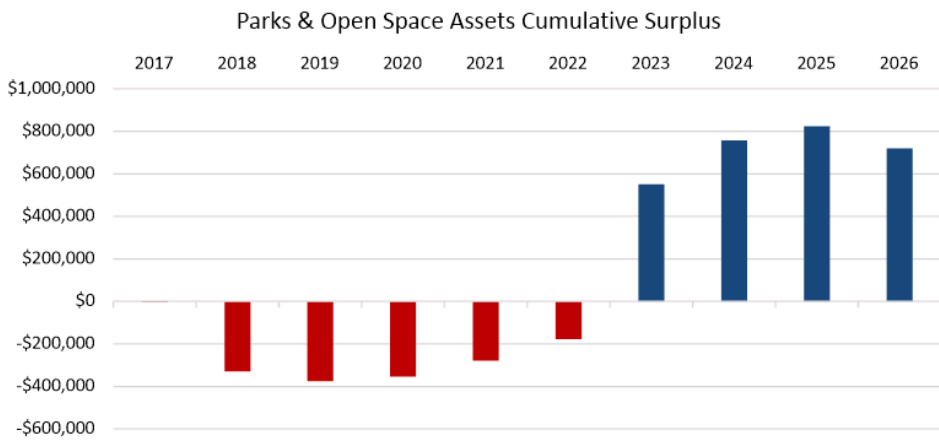


FIGURE 1-4: FUNDING SURPLUS/DEFICIT TO DELIVER PARK SERVICES AGAINST FUNDING IN THE CURRENT LTFP

Assuming the condition based renewal model is adopted, to maintain current service levels over the next 10 years Council will have to spend on average \$2.2M every year for maintenance, operations, and the renewal of existing assets. The total expenditure for all required expenses over the 10 year planning period is \$23,765,868. Council's current LTFP is allocating \$24,485,904 leaving a surplus at the end of the 10 year period of \$720,036. If Council adopts the condition based renewal model the

surplus generated from the improved renewal program can be redistributed to the funding shortfall identified in the New/Upgrade expenditure analysis.

The established growth rate of the Lockyer Valley Regional Council Area is less than 2% per annum (population). The current Capital works program is reflective of this at approximately 1.62% p/a.

What are our Options?

Council has the option to alter the funding allocations through a range of methods;

- Revenue can be managed to provide sufficient funding to deliver the agreed levels of service.
- Funding can be redistributed to, from or within asset classes to ensure that all asset classes and funding allocations receive the appropriate funding.
- Service levels can be changed to better reflect available funds.
- Council can determine what new/upgrade works are undertaken in line with the ability to attract external funds to undertake these works and the ability of Council's own source funding to operate and maintain these assets into perpetuity.
- New/upgrade works from growth will partially come from developer contributed assets that will require more stringent development conditions to ensure that the community is not left with infrastructure that does not perform satisfactorily. Appropriate funding streams will need to be made available to own and operate these contributed assets into perpetuity.

1.2 SMP IMPROVEMENT PLAN

It is recommended the improvement plan set out at the end of this SMP be implemented. Summarising the improvement plan it is recommended that:

1. The current Maintenance and Operations expenditure levels be maintained.
2. A base budget review of maintenance costs be undertaken.
3. Maintenance practices be reviewed and driven by identified asset needs
4. A condition based renewal program of works be adopted.
5. Funding be reallocated to new/upgrade works while still prioritising renewals, operations and maintenance.
6. The New/Upgrade program be reviewed and ensure alignment with agreed service levels.
7. Introduce a funding allocation for forward planning and design to better execute capital works projects.

The above expenditure analysis and resulting improvement plan highlights the necessity for reviewing and improving the long term financial plan and the capital works program.

2 INTRODUCTION

2.1 BACKGROUND

This parks and open space service management plan is to demonstrate responsive management of services provided by Lockyer Valley Regional Council's assets, compliance with regulatory requirements, and to communicate funding needed to provide the required levels of service over a 10 year planning period.

The Lockyer Valley Regional Council parks & open space assets include the following asset classes:

- Furniture;
- Landscaping;
- Playground;
- Structures;
- Recreational Facilities (limited to courts, sporting fields and skate parks)

This service management plan is to be read in conjunction with:

- Lockyer Valley Regional Council Corporate Plan 2012-2017
- Lockyer Valley Regional Council Community Plan 2012-2022
- Lockyer Valley Regional Council Customer Service Charter
- Lockyer Valley Regional Council Operational Plan 2015-2016

2.2 COUNCIL'S GOALS AND OBJECTIVES FOR PARKS AND OPEN SPACE SERVICES

Council operates and maintains the parks and open space assets to achieve the following strategic objectives:

- meet legislative requirements;
- ensure that Council's parks and open space services and assets are provided in a sustainable manner, with the appropriate levels of service to residents, visitors and the environment;
- safeguard Council assets including physical assets and employees by implementing appropriate management strategies and appropriate financial resources for those services;
- ensure resources and operational capabilities are identified and responsibility for service delivery and management is allocated;
- Ensure that the parks and open space network provides full functionality;
- Ensure the network is planned appropriately to cater for future growth.
- Maximise the asset's useful life whilst minimising lifecycle expenditure.
- Maintain a high level of community satisfaction in the delivery of parks and open space services.

2.3 THE PURPOSE OF THIS PARKS AND OPEN SPACE PLAN

The purpose of this Parks and Open Space Plan is to:

1. Improve our understanding of the parks and open space assets and services managed by ensuring access to quality data describing the network and the network condition, as well as the condition of all asset attributes;
2. Provide a framework of alignment for the parks and open space assets and the levels of service derived from the assets;
3. Improve the organizational capabilities for the management of the parks and open space asset and services;
4. Improved confidence levels in future works programs for renewal and maintenance programs and the associated funding requirements for the management options; and
5. Provide guidance for the Council in continuous improvement and toward advanced service management planning.

2.4 KEY STAKEHOLDERS

Key stakeholders in the preparation and implementation of this Plan are shown in Table 2-1.

TABLE 2-1: KEY STAKEHOLDERS

Key Stakeholder	Role in Service management plan
Councillors	Represent needs of community/shareholders; Allocate resources to meet Council's objectives in providing services while managing risks; Ensure organisation is financially sustainable; and Custodians of the assets and services, providing the interface with the community related to levels of service and good governance / management practices.
CEO	Manage organisation operational activities and future planning strategic direction.
Executive Manager Infrastructure Works and Service	Manage delivery of the Service management plans and initiatives; Capital work projects planning and delivery; and Operational and service levels, data information and analysis.
Executive Manager Corporate and Community Services	Long Term Financial Plans and operational financial data; and Defining information requirements for Audit and reporting purposes.
Community & Ratepayers	End user of services.
State and Commonwealth Government	Active in the management of parks and open space assets and services across the region.
Council Staff	Directly involved with the renewal, maintenance and operation of the network and the management framework, both operationally and financially; and Delivery of operational plans informed by this Services Management Plan.

2.5 DEFINITIONS

2.5.1 ASSET MANAGEMENT MATURITY

This service management plan is prepared as a 'core' service management plan over a 10 year planning period in accordance with the International Infrastructure Management Manual. It is prepared to meet minimum legislative and organisational requirements for sustainable service delivery and long term financial planning and reporting.

Core asset management is a 'top down' approach where analysis is applied at the 'system' or 'network' level.

It should be noted that the projected renewal details have been calculated based on 'advanced' asset management techniques using information for individual assets. This 'bottom up' approach supports the development of activities and programs to deliver agreed service levels in a financially sustainable manner.

3 CONTEXT

3.1 Corporate Requirements

This service management plan is prepared under the direction of Council's vision, mission, goals and objectives.

Our vision:

"We will deliver sustainable services to enhance the liveability of our community while embracing our economic, cultural and natural diversity."

Our mission:

"Lead, Engage and Empower"

More specifically, and consistent with Council's Corporate Plan, relevant goals and objectives and how these are addressed in this service management plan are shown in Table 3-1.

TABLE 3-1: COUNCIL'S GOALS AND HOW THESE ARE ADDRESSED IN THIS PLAN

Theme & Role	Council will	How Goal and Objectives are Addressed in SMP
Lockyer Community Provider	Develop a regional plan for bikeways and pathways to promote and encourage their use.	The capital, operating and maintenance expenditure for the whole of life assessment is available through the SMP.
Lockyer Planned Provider	Develop and operationalise the 10 year Asset Management Plan for all Council infrastructure (including roads).	The Parks and Open Space SMP addresses Council's Parks and Open Space Asset Management needs.
Lockyer Council Practice & Policy	Develop and operationalise the 10 year Asset Management Plan for all Council infrastructure.	The Parks and Open Space SMP addresses Council's Parks and Open Space Asset Management needs.
	Develop and operationalise the 10 Year Financial Plan for the delivery and development of council business.	The 10 year Operations, Renewal and New/upgrade programs developed in the SMP contribute to the development of a sustainable LTFP
	Develop practices and policies to support responsible management in relation to clearly defined service standards.	The SMP aligns with Council's Corporate plan and includes the development of service standards including funding requirements.
	Strive to ensure council is financially sustainable through provision of core business while seeking alternative funding sources and commercial opportunities.	The SMP provides 10 year estimates for the sustainable delivery of current service standards.
	Develop corporate, business and information systems and processes that support Council.	The SMP is developed from Council's asset register and clearly defines the service delivery data needs and structure.
Leadership and Communication	Improve Councils Customer Service across the region.	The provision of costed 10 year asset renewal and New/upgrade programs.

Council will exercise its duty of care to ensure public safety in accordance with the infrastructure risk management plan prepared in conjunction with this SMP. Management of infrastructure risks is covered in Section 6 of this plan.

3.2 Legislative Requirements

Council is required to meet many legislative requirements including Australian and State legislation and State regulations. Key relevant legislation is shown in Table 3-2.

TABLE 3-2: LEGISLATIVE REQUIREMENTS

Legislation	Requirement
Local Government Act [s. 104(5)]	Sets out role, purpose, responsibilities and powers of local governments including the preparation of a long term financial plan supported by asset management plans for sustainable service delivery. The system of financial management established by a local government must include— (a) the following financial planning documents prepared for the local government— (i) a 5-year corporate plan that incorporates community engagement; (ii) a long-term asset management plan; (iii) a long-term financial forecast;
Local Government Regulation (2012) [s.167] [s.168]	Preparation of long-term service management plan, the plan continues in force for the period stated in the plan unless the local government adopts a new long-term service management plan, and the period stated in the plan must be 10 years or more. A local government's long-term service management plan must provide for strategies to ensure the sustainable management of the assets mentioned in the local government's asset register and the infrastructure of the local government; and state the estimated capital expenditure for renewing, upgrading and extending the assets for the period covered by the plan; and be part of, and consistent with, the long-term financial forecast.
Australian Accounting Standards	Set out the financial reporting standards relating to the (re)valuation and depreciation of Assets.
Disability Discrimination Act 1992 and other relevant disability legislation	Have consideration of, adhere to and fulfil the requirements of the DDA and other relevant legislation.
Conservation and Land Management Act 1984	Regulations and requirements that the regional council must comply with relating to the use of land and vegetation.
Queensland Environmental Protection Act 1994	The Environmental Protection Act provides for the prevention, control and abatement of pollution and environmental harm and for the conservation, preservation, protection, enhancement and management of the environment.

4 LEVEL OF SERVICE

4.1 Community Consultation

Community consultation is an essential part of the determination and confirmation of the levels of service framework.

The consultation with the community regarding the management of parks and open spaces is part of Council's Community Plan roll-out. The Council has developed a Customer Service Charter for sharing information with and receiving feedback from the community. Specifically to the Lockyer Valley the elected Councillors are seen as an effective conduit to receive and understand the needs and concerns of the ratepayers and to provide this feedback through to Council management for appropriate actions and considerations.

4.2 CURRENT LEVELS OF SERVICE

In accordance with the requirements of the International Maintenance Management Manual, service levels have been defined in two terms.

4.2.1 COMMUNITY LEVELS OF SERVICE

Community Levels of Service relate to the service outcomes that the community wants in terms of safety, quality, quantity, reliability, responsiveness, cost effectiveness and legislative compliance.

Community levels of service measures used in the service management plan are:

- | | |
|------------------------|------------------------------------|
| • Quality | How good is the service? |
| • Function | Does it meet users' needs? |
| • Capacity/Utilisation | Is the service over or under used? |

4.2.2 TECHNICAL LEVELS OF SERVICE

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 best achieve the desired community outcomes.

Council's current levels of service detailed in Table 4-1 have been drafted based on anecdotal and historic information available.

These levels will be further development based on their cost of delivery and the community's willingness to pay.

TABLE 4-1: CURRENT LEVELS OF SERVICE

Parks Services			
Classification			
Level of Service	Clean, Safe, accessible and sustainable Parks to all residents.		
Performance Measure	Number of complaints and incidents (<5 per annum)		
Service Factors	Customer Service Standards	Technical Service Standards	Performance Measure
High Quality Parks	Consistently clean, safe Parks facilities,	Maintenance programs contribute to timely removal of rubbish/graffiti, vegetation control, landscape maintenance and to the cleaning of BBQs and toilets.	<5 Complaints/Annum
Accessible	Residents have access to Parks and park facilities	Parks and facilities available 24 hours a day, 7 days a week. Rapid response times	90% availability
Safe	Playground, BBQs and Parks are safe to use	Maintenance programs comply with safety requirements and timeframes. CEPTD principles considered in all designs	Nil Accidents as a result of unsafe assets
Affordability and Whole of Life Management	Parks services remain affordable	Service Management Plan accounts for improved whole of life asset management	Investment and return on investment known
Environmental Compliance	Effluent and waste treatment meets relevant environmental guidelines	Effluent treatment matches and complies with environmental regulatory and statutory requirements	100% compliance with statutory requirements
Energy Consumption	Minimum energy consumption	Supply regularly reviewed for improved energy / power usage / reductions. Understand power supply alternatives and competition available	Future review of alternate sources

5 FUTURE DEMAND

Factors affecting future demand for services include population change, changes in demographics, seasonal factors, vehicle ownership, consumer preferences and expectations, economic factors, agricultural practices, environmental awareness, etc. Known demand impacts for the Lockyer Valley in relation to impacts on service delivery are summarised in Table 5-1.

TABLE 5-1: DEMAND FACTORS, PROJECTIONS AND IMPACT ON SERVICES

Demand factor	Present position	Projection	Impact on services
Population	38,312 persons (2014)	Increase population to 63,000 by 2031.	No impact based on projected population position.
Demographic	Median age 37 (2011)		An aging population will have a nominal increase in the need for infrastructure services, principally associated with access. (e.g. Footpaths, access to buildings and facilities, aged care, medical services etc.)
Tourism	Approximately 304,000 visitors per annum.		<i>Tourism increases will result in a nominal increase in usage of infrastructure, particularly those providing access to and servicing tourist attractions.</i>
Housing	In 2015, 260 residential dwellings were approved.	Potential infill housing and take up of current land stocks.	<i>New dwelling starts across the region do not indicate demand for additional infrastructure assets or services, however Council will need to maintain adopted assets.</i>

Demand for new services will be managed through a combination of managing existing assets, upgrades, provision of new assets to meet demand and demand management. Demand management practices may include non-asset based solutions, insuring against risks, appropriate risk mitigation strategies and managing failures.

TABLE 5-2: DEMAND MANAGEMENT PLAN SUMMARY

Service Activity	Demand Management Plan
Community demand for parks and open spaces.	Study parks and open space utilisation to better understand the community needs. Base asset provision on utilisation, in preference to providing for historical trends
Replacement or repair of park and playground equipment.	Progressive repair or replacement of parks and open space assets in line with known utilisation trends.
Capital Works – Renewals / Replacement	Schedule long-term capital works program and investigate partners with the adjacent Councils to achieve economies of scale and cost savings. Replacement projects will need to be assessed with a balance between competing demands for investment to renew existing assets as well as providing expenditure for new assets to meet growing service delivery demand.

The Demand Management Planning process will need to be applied to all asset groups, types and components to ensure that the Council understands the funding requirements to deliver the necessary works and what is required going forward to adequately provide services to the community. This work should be undertaken as a matter of priority and certainly prior to consideration of any new parks and open space assets.

6 RISK MANAGEMENT

Council has a 'duty of care' to the community in relation to management of the parks and open space service assets. This covers the various phases of design, construction through to operations and maintenance of the system.

The risk management framework derives from:

- Risks associated with the loss of service by the failure of critical assets;
- Financial risks from a lack of due diligence in the management of funding for the renewal, maintenance and operation of the assets to provide agreed Levels of Service; and
- Operational risks where data and information are not maintained to standards which enable competent management outputs.

6.1 RISK ASSESSMENT

Council undertakes regular inspections of its Parks and Open Spaces with defects identified being logged and prioritised for repair. Playground equipment in parks are inspected on an annual and quarterly cycle to meet legislative requirements and community safety. Remedial actions are undertaken based on severity of risk and hierarchy of park or open space.

The acceptable risk level in relation to public health depends very much on the Likelihood and Consequence descriptors used for the assessment. Lockyer Valley Regional Council chose to use conservative criteria for Consequence. For example, the first two categories, "Insignificant" and "Minor" have no health impact. Risk assessment is based on the formal assessment processes described in the standard and represented in Table 6-1 below.

TABLE 6-1: RISK ASSESSMENT PROCESS (SOURCE: AS/NZS 4360:2004 RISK MANAGEMENT)

LIKELIHOOD	CONSEQUENCES				
	1	2	3	4	5
	Negligible	Minor	Moderate	Major	Catastrophic
A. Rare	L	L	L	M	H
B. Unlikely	L	L	M	H	H
C. Possible	L	M	M	H	E
D. Likely	M	M	H	E	E
E. Almost Certain	M	H	H	E	E

Note the condition assessment 1 – 5 rating scale is aligned to the likelihood assessment level in the risk management process.

A reasonable rule of thumb for "take the risk" would be "medium" or less. However, the decision on taking action to reduce a risk depends on two factors:

- the magnitude of the risk, and
- the cost/difficulty of action to reduce the risk.

Thus there will be cases when it is sensible to reduce a "Low" risk and others when it may not be practical to reduce a "High" or "Extreme" risk.

6.2 RISK TREATMENT

The risk treatments nominated in Table 6- have regard for the practical approach to risk management based on:

- Available resources, (and skills);
- Funding; and
- Network needs based on hierarchy and the associated seasonal factors.

The treatments also have regard for the factors that Council can capably manage to ensure that the risks are minimised.

TABLE 6-2: RISK TREATMENTS FOR RISK CATEGORIES

Risk Category	Control / Treatment
L = Low Risk	<ul style="list-style-type: none"> • Reactive Inspection • Manage risk by routine procedures • Typically, response within 48 hours
M = Moderate Risk	<ul style="list-style-type: none"> • Incident Inspection • Management responsibility must be specified • Typically, response within 24 hours
H = High Risk	<ul style="list-style-type: none"> • Incident Inspection • Risk and management strategy identified in Asset and Services Management Plan • Typically, immediate to short term response, (make safe)
E = Extreme Risk	<ul style="list-style-type: none"> • Incident Inspection • Risk and management strategy identified in Asset and Services Management Plan • Typically, immediate response and remedy as far as is practicable

For each identified risk Council can elect to adopt one of the following positions:

- Take the risk,
- Transfer the risk,
- Treat the risk, or
- Terminate the risk.

6.2.1 PRIORITISING RISKS FOR TREATMENT

Risk events classified as extreme should be prioritised when defining and implementing risk treatment strategies and risk controls.

Table 6-3 records the critical risks or incidents for the parks and open space network, together with the Cause, Likelihood, Risk Rating and Risk Treatment, (both short and long term).

TABLE 6-3: CRITICAL RISKS/ INCIDENTS AND TREATMENTS FOR PARKS AND OPEN SPACE DRAINAGE NETWORK

Asset at Risk	Critical Incident	Cause	Likelihood	Consequences	Risk Rating	Risk Treatment Plan
Open Space	Compliance with Federal and State Statutes and Regulations and Local Government By-laws;	Requirements not known	Possible	Major	High	Train staff Document procedures Ensure services are aligned to current standards
Open Space	Protection of public safety.	No delineation for Open Space users Verge Slope too steep	Possible	Major	High	Undertake hazard risk assessments and implement findings
Open Space	System or structural failure.	Soil movement Overloading structures Aging infrastructure	Possible	Major	High	Cyclic inspection and maintenance programs Customer Request / Complaint System Maintenance / Defect Inspections Condition assessments
Open Space	Unauthorised entry into Culverts;	Status of entry inhibitors to culverts not known	Possible	Major	High	Undertake hazard risk assessments and implement findings
Open Space	adverse environmental impacts.	Chemical application Work practices	Possible	Major	High	Undertake hazard risk assessments and implement findings
Open Space	Accidents	Inappropriate soft fall Trip hazards Playground defects	Possible	Major	High	Cyclic inspection and maintenance programs
Open Space	Rubbish dumping, overgrown vegetation, pest and nuisance habitat	Lack of maintenance / vigilance, (both by community and Council), in relation to monitoring, reporting and addressing issues	Possible	Moderate	Moderate	Cyclic inspection and maintenance programs Customer Request / Complaint System Maintenance / Defect Inspections

7 LIFECYCLE MANAGEMENT PLAN

Lifecycle planning uses current asset and financial data to detail how Council will manage and operate the assets to deliver sustainable levels of service (defined in Section 4) while optimising life cycle costs.

The diagram below demonstrates the asset management whole of life approach:

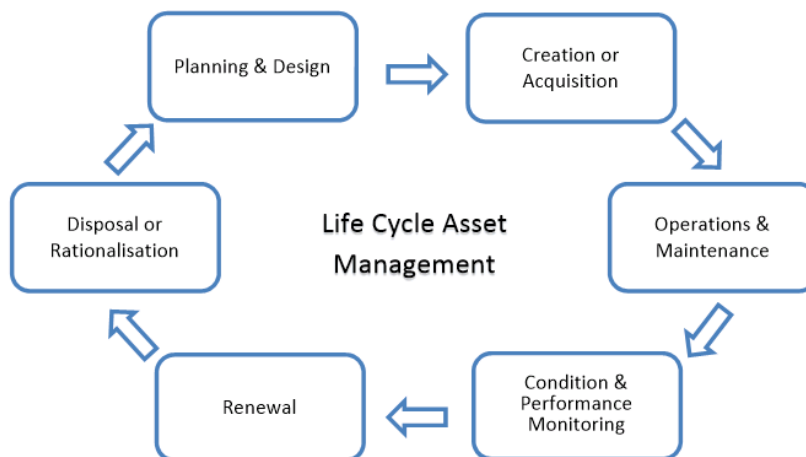


FIGURE 7-1: ASSET LIFECYCLE
Source: IIMM

7.1 INPUT DATA AND PARAMETERS

7.1.1 DATA CONFIDENCE

This lifecycle assessment is based on Council's revaluation data, financial data and asset register as detailed in Section 8. The data is considered to have an accuracy rating of 2 in accordance with the rating scale in Table 7-1. Allocation of historical costs for maintenance and operations at individual asset level cannot be verified.

TABLE 7-1: DATA CONFIDENCE RATING

Grade	Description	Accuracy
1	Accurate	100%
2	Minor inaccuracies	± 5%
3	50% estimated	± 20%
4	Significant data estimated	± 30%
5	All data estimated	± 40%

(Section 4.3.7 of the *International Infrastructure Management Manual (IIMM) Version 3.0, 2006*)

7.1.2 ADOPTED USEFUL LIVES OF PARKS & OPEN SPACE ASSETS

An asset's useful life is defined as a period over which a depreciable asset is expected to be fully consumed. This period can be significantly impacted by Council's maintenance practices.

The useful life of an asset is initially based on the manufacturer's recommended (expected) life. However, this may be adjusted based on historical evidence of the impact of local environmental conditions on the expected life. Obsolescence, mentioned in section 1, also may have significant impacts on asset utilisation which may lead to redundancy; however Council is yet to hold sufficient data to use in informing this SMP.

Council's adopted useful lives for each asset type are shown in Table 7-2 below.

TABLE 7-2: PARKS AND OPEN SPACE ASSET HIERARCHY AND LIVES

Asset Class	Asset Type	Components	Materials	Asset Lives (Years)
Furniture	Barbeque		Brick, Block, Metal	35
	Drinking Fountain		Metal	30
	Entrance Statement		Metal, Plastic, Stone, Timber	40
	Fencing		Metal, Other, Plastic, Stone, Timber	30
	Lighting		Concrete, Metal	40
	Rubbish Bin		Metal, Plastic, Timber	30
	Seat		Brick, Metal, Plastic, Stone, Timber	40
	Table		Brick, Concrete, Metal, Plastic, Timber	50
Landscaping	Garden Edging			40
	Retaining Wall		Block, Stone	80
	Vegetation Support			30
Playground	Playground Equipment	Flying Fox, Rocker, Seesaw, Slide, Swing, Play Structure		30
	Playground Softfall			20
Recreational Facilities	Courts			80
	Skate Park			80
Structures	Memorial			90
	Ornament			90
	Shade Shelter			45

7.1.3 ADOPTED REMAINING USEFUL LIVES OF PARKS AND OPEN SPACE ASSETS

The remaining useful lives of the assets are based on:

- Inspections by a suitably qualified person;
- Calculated from supplied construction dates and adopted asset lives; or
- Estimated from the condition of the asset as a percentage of the expected life. This is detailed in Table 7-3. These percentages have been provided by Council's revaluation procedure and reflect straight line depreciation of the assets not condition based degradation curves.

7.2 PLANNING & DESIGN

The planning stage incorporates all decision making that results in the creation, disposal or upgrade of parks and open space assets. It takes into account policies, strategies and plans, adopted by Council, and provides a global assessment of the environment into which the asset is delivered. A separate portion of funding should be allocated specifically for the planning and design of capital works projects to ensure they are delivered correctly. Lifecycle costing of all new and upgraded assets should be completed in the planning and design phase to ensure the asset is managed correctly over its life. Non asset based solutions to provide the service should be part of the initial assessment.

7.3 NEW/UPGRADE PLANNING (CREATION OR ACQUISITION)

New/Upgrade works are those that:

- Create a new asset that did not previously exist, or
- Upgrade or improve an existing asset beyond its existing capacity.

New/Upgrade projects are identified from various sources including:

- Councillor/director or community requests,
- Growth and demand management
- Proposals identified by strategic plans
- Partnerships with other organisations or
- Developer trunk infrastructure (LGIP)
- Considered due to the availability of an external funding source, to upgrade or provide an asset that ordinarily may not be upgraded from Councils own source funding

Project proposals are assessed to verify need and to develop a preliminary estimate. Verified proposals are ranked by priority and available funds then scheduled in future works programmes. Final approval for a project to proceed is at the adoption of the yearly capital works budget by Council.

7.4 OPERATIONS AND MAINTENANCE PLANNING

Current maintenance management is undertaken based on historical practices and trends supported by documented routines.

The maintenance service objectives are to:

- To maintain the system in a safe, serviceable and aesthetic condition, displaying a defendable duty of care within Councils financial and physical constraints to the satisfaction of Council and the community;
- To maintain and preserve the functionality and value of the existing assets;
- Ensure the provision of an affordable standard of customer service ensuring that customer requests are responded to in an efficient and effective manner

Establishing a Maintenance Management Plan enables Council to measure performance and build confidence that the network will consistently deliver against the nominated levels of service.

Currently assets have programmed inspections undertaken that cover safety, incidents investigations, defect identification, condition assessment and responses to customer enquiries.

7.5 OPERATIONS AND MAINTENANCE STRATEGIES

The operation and maintenance activities include:

- Scheduling operations activities to deliver the defined level of service in the most efficient manner,
- Undertaking maintenance activities through a planned maintenance approach to reduce maintenance costs and improve maintenance outcomes.
- Undertaking analysis to determine the most cost-effective split between planned and unplanned maintenance activities (50 – 70% planned is desirable),
- Reviewing current and required skill levels and implementing training and development,
- Identifying under or over utilised assets and recommending options,
- Maintaining a knowledge of critical assets and required operations and maintenance activities,
- Continuously reviewing emergency response capability.

7.6 CONDITION & PERFORMANCE MONITORING

7.6.1 CONDITION RATING

Lockyer Valley's extensive network of assets are generally visible and can be readily inspected to determine their condition. Council has adopted a condition assessment method using a rating scale of 1 to 5. This aligns with the remaining life model in Section 7.1.2. The Condition Ratings are detailed in Table 7-3.

TABLE 7-3: STRUCTURAL CONDITION GRADING MODEL

Grade	Condition	% Useful Life remaining	Description
1	Very Good	>70%	Sound physical condition. No signs of deterioration. Only normal maintenance required.
2	Good	70%-51%	Acceptable physical condition; minor deterioration visible, no short-term failure risk. Minor defects only. Only minor work required, if any.
3	Fair	50%-11%	Acceptable physical condition; minimal short-term failure risk but potential for deterioration in long-term. Minor defects only. Minor components or isolated sections of the asset may need replacement or repair now but asset functions safely at adequate level of service. Work may be required but asset is serviceable. Maintenance required to restore the asset to an acceptable level of service.
4	Poor	10%- 4%	Significant deterioration evident. Failure likely in short-term. Likely need to replace most or all of asset. No immediate risk to health or safety but works required to ensure asset remains safe. Substantial work required in short-term, asset barely serviceable. Asset requires renewal – work to be programmed.
5	Very Poor	<4%	Failed or failure imminent. Immediate need to replace most or the entire asset. Health and safety hazards exist which present a possible risk to public safety, or asset cannot be serviced/operated without risk to personnel. Asset is effectively unserviceable. Major work or replacement required urgently.

(International Infrastructure Management Manual (IIMM) Version 3.0, 2006 Section 3.3.6)

7.6.2 ASSET CAPACITY AND PERFORMANCE

Council's services are generally provided to meet design standards where these are available. Locations of identified deficiencies in service performance will be provided in future revisions of this Plan. In addition, if these deficiencies are to be addressed the project details will be included in the New/Upgrade program and evaluated through this plan.

7.6.3 CRITICAL ASSETS

Critical assets are those assets which have a high consequence of failure but not necessarily a high likelihood of failure. By identifying critical assets and critical failure modes, Council targets inspection and investigative activities, maintenance plans and capital expenditure plans. The identification of critical assets, their failure modes and required operations and maintenance activities will be developed in future revisions of this service management plan.

7.7 RENEWAL PLAN

Renewal expenditure 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 its original service potential is upgrade or new works expenditure.

This plan provides indicative program information for the renewal of the parks and open space assets. The program includes the funding requirements and identifies any funding surplus or deficit, i.e. 'Renewal Gap' (the difference between 10 year LTFP budget allocation and 10 year renewal needs). As detailed in section 1 if the condition based renewal model is adopted a surplus will be generated against the funds allocated in the LTFP. As stated in previous sections the full impact of asset obsolescence on renewals is not yet fully understood and how much of an impact this makes on renewal funding requirements will be determined in the future iterations of this plan.

7.8 DISPOSAL PLAN

Disposal includes any activity associated with disposal of a decommissioned asset including sale, demolition or relocation. No assets have been identified for possible decommissioning and disposal, and this will be developed in future iterations of this SMP.

8 PARKS AND OPEN SPACE ASSETS ANALYSIS

8.1 ASSUMPTIONS

This section details the key assumptions made in presenting the information contained in this service management plan and in preparing forecasts of required operating and capital expenditure, 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 analysis and forecasts.

In the preparation of renewal forecasts and works programs it has been assumed the Council will continue to deliver parks and open space services in the current manner and at the current levels.

This Plan is based on:

- revaluation and condition assessment data as at 30 June 2016
- Council's financial statements for 2012/2013, 2013/2014 and 2014/2015, and
- unconfirmed current service levels

Further, this plan will need to be updated annually to reflect changes to valuation, condition and impairment of assets.

Key assumptions made in this service management plan are:

- This plan will be adopted and implemented;
- Works programs will be adopted and funded;
- Funding priorities are based on "renew before new";
- No works undertaken unless addressed through AMP and works programs;
- Existing maintenance & operation funding levels will be maintained.
- Reducing expenditure on unplanned infrastructure maintenance and using these funds for planned reconstruction, rehabilitation, and component replacement programs;
- Steady state condition of infrastructure as identified by condition surveys;
- Expected and adopted asset useful life will be achieved; and
- Normal wear and tear conditions.

Other assumptions include:

- The calculation of depreciation cost (and resultant funding cost) does not include provision for the residual value of the asset; in effect increasing annual depreciation costs and resultant funding costs.

Assumptions regarding asset age and condition/age ratio is in accordance with the relevant tables in Section 7.

8.2 ASSET CLASS SUMMARY

The parks and open space assets covered by this service management plan are shown in Table 8-1. Replacement values are based on revaluation data as at 30 June 2016.

TABLE 8-1: ASSETS COVERED BY THIS PLAN

Asset Type	Major Components	Units	Replacement Cost
Furniture	Furniture	605 items	\$1,468,950
	Fencing	9,220 m	\$682,430
Landscaping	Retaining Walls & Garden Edging	3311 m	\$228,724
Playground	Playground Equipment	142 items	\$746,700
	Playground Soft Fall	7,067 m ²	\$1,413,400
Recreation Facility	Courts	12 items	\$500,000
	Skate Park	2,047 m ²	\$922,760
Structures	Memorials	63 items	\$401,200
	Shade Shelter	6,236 m ²	\$2,079,050
Total			\$8,443,214

8.3 AGE PROFILE

Asset Age profile information is summarised in Figure 8-1 below. The parks and open space assets are overall in a good condition.

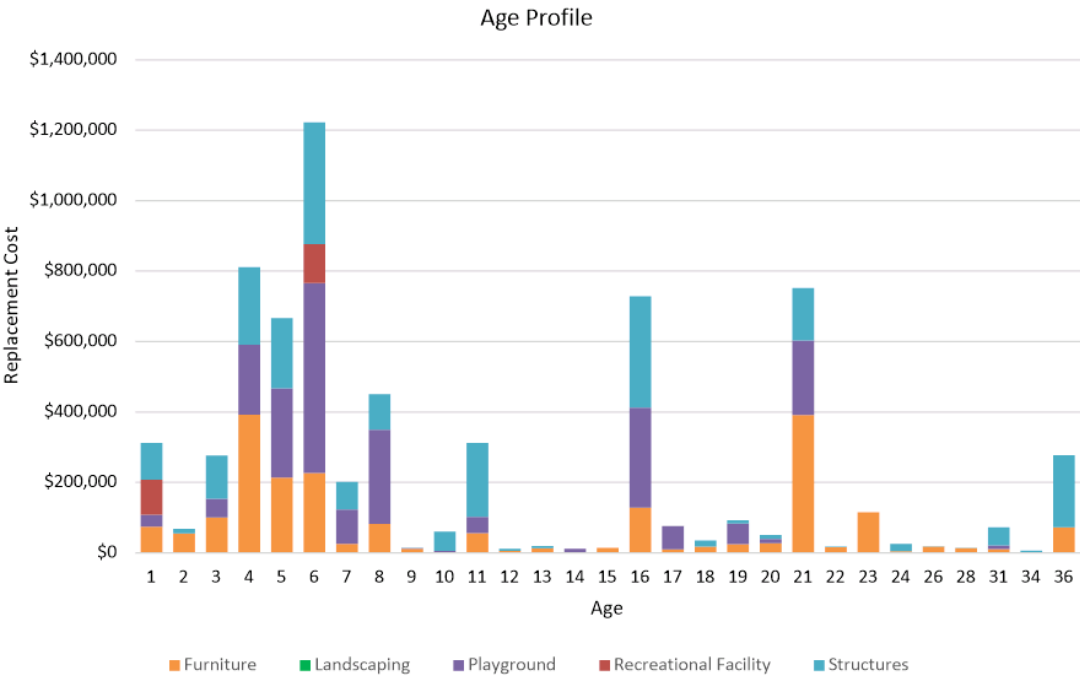


FIGURE 8-1: PARKS & OPEN SPACE ASSETS AGE PROFILE

Some Council parks and open space structures have recorded ages far in excess of the 36 years (up to 116 years) indicated in the graph above. These ages will be verified in future updates of this plan.

8.4 ASSET CONDITION PROFILE

Condition ratings for the parks and open space assets are being collected continuously at 25% per annum (starting in 2015). The condition profile of our assets is shown Figure 8-2 below.

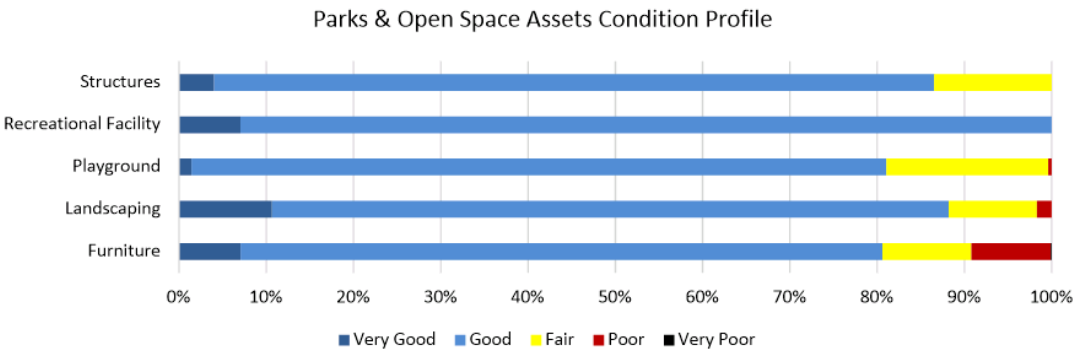


FIGURE 8-2: ASSET CONDITION PROFILE

The majority of Council's assets have been assessed as being in good condition. Only furniture assets, valued at \$2,350, have been assessed as being in very poor condition (condition grade 5) and in need of renewal. \$208K worth of assets have been assessed as being in poor condition (condition grade 4) and will require attention in the near future. These assets are made up of furniture, landscaping and playground. The renewal details are shown in Section 8.7 below.

Council has a rolling four year program for condition rating its park assets which therefore sees 25% of assets rated each year. In addition defect and legislative playground inspections occur several times each year on the great majority of park infrastructure providing opportunity to more frequently condition rate these assets.

8.5 PLANNED NEW/UPGRADE ASSETS EXPENDITURE

Acquiring new assets will commit Council to fund 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 and maintenance costs in section 0 and future renewals in Section 8.7.

Projected upgrade/new asset expenditures are summarised in Figure 8-3. The projected upgrade/new capital works program is shown in Appendix B Planned New/Upgrade 10 year Capital Works Program. All amounts are shown in 2016 values.

TABLE 8-2: PARKS & OPEN SPACE PLANNED NEW/UPGRADE EXPENDITURE (\$000)

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	Total
Landscaping	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$150	\$0	\$150
Playground	\$8	\$145	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$153
Recreational Facility	\$0	\$120	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$120
Structures	\$155	\$275	\$75	\$75	\$75	\$75	\$95	\$75	\$70	\$70	\$1,040
Total	\$163	\$540	\$75	\$75	\$75	\$75	\$95	\$75	\$220	\$70	\$1,463

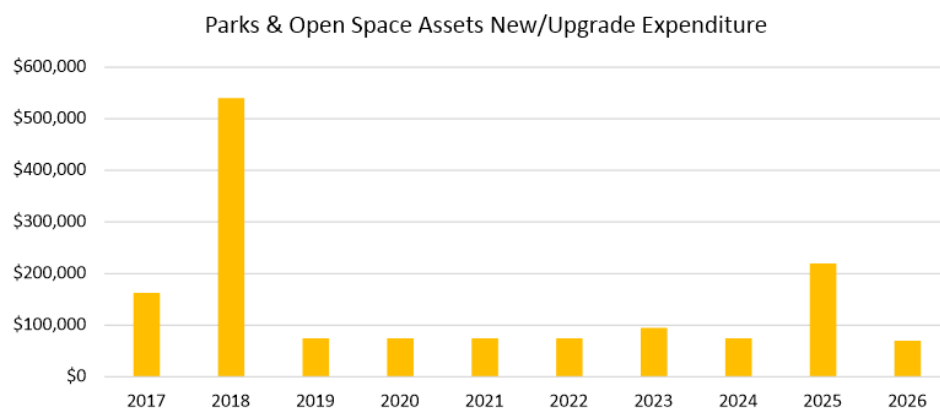


FIGURE 8-3: CURRENTLY PLANNED CAPITAL UPGRADE/NEW ASSET EXPENDITURE

8.6 FORECAST OPERATIONS AND MAINTENANCE EXPENDITURES

Past infrastructure operation and maintenance expenditure is shown in Table 8-3.

TABLE 8-3: PARKS & OPEN SPACE OPERATION AND MAINTENANCE EXPENDITURE 2015/2016

Expenditure Type	Actual + Commitments	Budget
Landscaping	\$276,513	\$350,000
Recreational Facility	\$63,384	\$80,000
Structures	\$52,561	\$70,000
Playground	\$121,149	\$200,000
Maintenance Total	\$513,608	\$700,000
Landscaping	\$356,010	\$645,146
Recreational Facility	\$893,427	\$375,000
Operations Total	\$1,249,437	\$1,020,146
Grand Total	\$1,763,045	\$1,720,146

Future operations and maintenance expenditure is forecast to trend in line with the increasing value of the asset stock, based from the current maintenance budget funding as shown in Figure 8-4 and Table 8-4

TABLE 8-4: PARKS & OPEN SPACE OPERATION AND MAINTENANCE EXPENDITURE FORECAST

Transport	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Operations	\$1,281	\$1,388	\$1,423	\$1,458	\$1,495	\$1,532	\$1,570	\$1,610	\$1,883	\$1,931
Maintenance	\$530	\$563	\$578	\$594	\$611	\$628	\$645	\$663	\$681	\$700
Total	\$1,811	\$1,951	\$2,001	\$2,053	\$2,106	\$2,160	\$2,216	\$2,273	\$2,565	\$2,630

In addition, the figures include an allowance for a 2.5% per annum increase in expenditure. This annual increase is informed by growth, the deteriorating condition of the assets, remaining useful life and historic renewal expenditure.

Parks & Open Space Assets Forecast Operations and Maintenance Expenditure

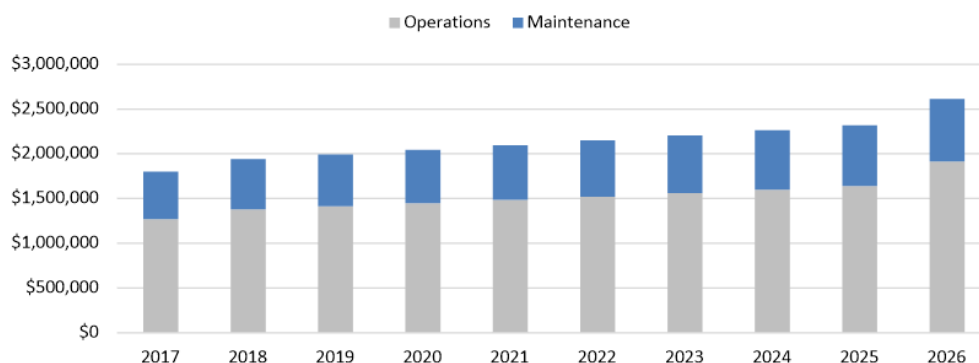


FIGURE 8-4: FORECAST OPERATIONS & MAINTENANCE EXPENDITURE

Deferred maintenance, i.e. works that are identified for maintenance and unable to be funded are to be included in the risk assessment process in the infrastructure risk management plan. The treatment is to undertake a base budget review to determine if funding levels are appropriate and focussed on the correct activities to deliver the adopted levels of service to Councils ratepayers.

8.7 FORECAST RENEWAL EXPENDITURE

Projected future renewal and replacement expenditures are forecast to increase over time as the asset stock increases from growth. The current adopted growth rate for the Lockyer Valley Region is less than 2% per year.

Where condition data is known then the remaining life estimates are used to predict renewal year. This method is based on individual assets and is known as “bottom up”, “end of life” or condition based renewal planning. The forecast expenditure estimates and the condition based renewal estimates are summarised in Table 8-5 and Figure 8-5.

The condition based model is the minimum Council is required to spend on renewals to keep the current levels of service. Expenditure forecasts based on the condition assessment are only as accurate as the condition assessment and the data available, which has been given a grading of 2 as seen in section 7.1. This is considered a sufficient confidence grade to adopt the condition based model.

TABLE 8-5 CONDITION BASED RENEWALS (\$000)

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	Average	Total
Condition Renewal	\$5	\$0	\$175	\$59	\$0	\$0	\$0	\$6	\$0	\$341	\$53	\$581

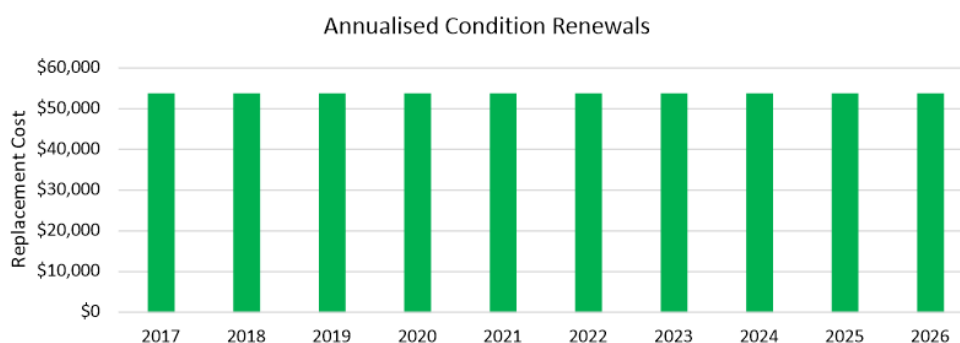


FIGURE 8-5: CONDITION BASED RENEWAL PROFILE

In addition to the outcomes derived from the condition model, a consideration also needs to be made for the impact of park asset obsolescence on forecasting renewal funding requirements. **It is suggested that a combined condition and obsolescence based annualised funding requirement of around \$100,000 is needed.** At this stage the impact of obsolescence is derived from the experience and skills of Council officers and not enough physical data is available to affect the financial recommendations resulting from this SMP. This will be developed further and incorporated in future revisions of this plan along with supporting data.

9 FINANCIAL SUMMARY

The financial planning provisions must acknowledge that there is no residual value in park assets once they reached the end of their useful life. Furthermore park assets more so than other asset types may be replaced out of obsolescence identified by Council planning, or customer requests. This causes some difficulty in accurately projecting future expenditure requirements.

9.1 CURRENT LONG TERM FINANCIAL PLAN

The current Long Term Financial Plan (LTFP) for parks and open space asset management and service provision is shown in Table 9-1 below.

TABLE 9-1: CURRENT LONG TERM FINANCIAL PLAN (\$'000's)

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	Total
Renewal	\$165	\$220	\$181	\$150	\$150	\$175	\$365	\$285	\$285	\$285	\$2,261
New/Upgrade	\$0	\$0	\$0	\$0	\$0	\$0	\$460	\$0	\$0	\$0	\$460
Total	\$165	\$220	\$181	\$150	\$150	\$175	\$825	\$285	\$285	\$285	\$2,721

It is assumed that operations and maintenance totals identified in Table 8-4 will be continued for the term of this assessment and have been included in the funding available in the LTFP.

9.2 EXPENDITURE COMPARISON

The financial projections and the available funding are shown in Figure 9-1 for forecast operating (operations and maintenance) and capital expenditure (renewal and new/upgrade assets). Note that all costs are shown in 2016 values.

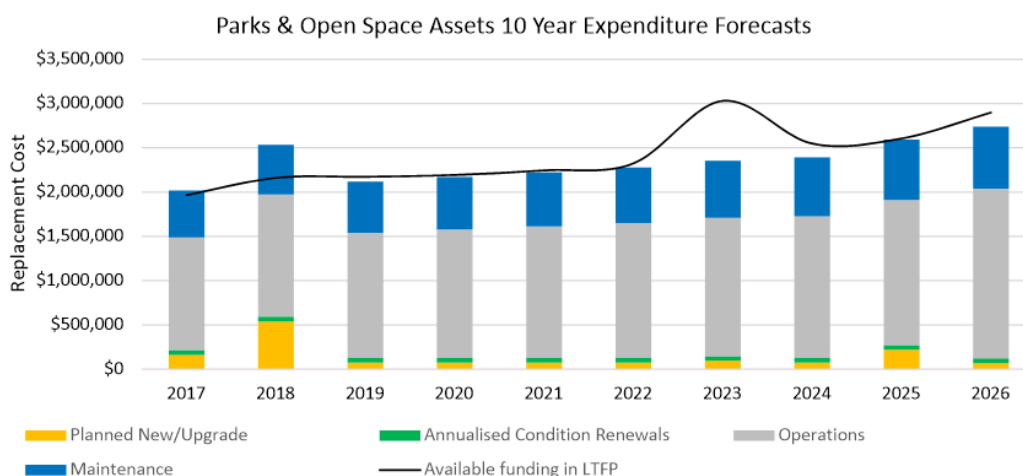


FIGURE 9-1: 10 YEAR EXPENDITURE FORECAST

The surplus/gap between the allocated funding and the required expenditure is included in Figure 9-2 below.

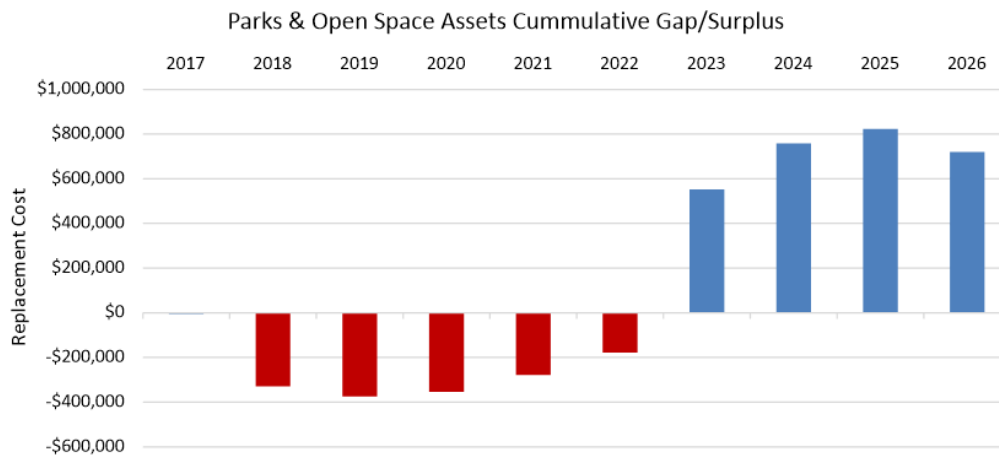


FIGURE 9-2: 10 YEAR EXPENDITURE SURPLUS/GAP

Assuming that the operations and maintenance funding requirements are met in the budget and the condition based renewals are adopted there will be a surplus of approximately \$1.2 M at the end of the planning period. The significant and unnecessary funding allocation to renewals balances with the severe shortfall created by Council's new/upgrade capital works to give this surplus.

9.2.1 PLANNED NEW/UPGRADE EXPENDITURE

Figure 9-3 below summarises the currently planned new/upgrade capital works against the current long term financial plan. The lack of and poor distribution of funds as well as the poor distribution of works illustrates bad planning for the new/upgrade capital works. The current capital works program should be revised to give a more consistent annual figure. The current long term financial plan should also be revised to ensure there are adequate funds for all planned works.

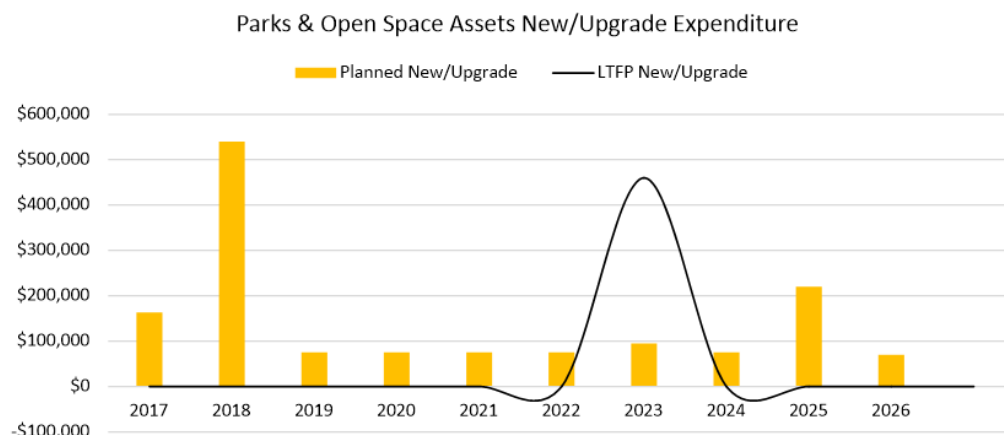


FIGURE 9-3: CURRENT 10 YEAR NEW/UPGRADE EXPENDITURE PLAN

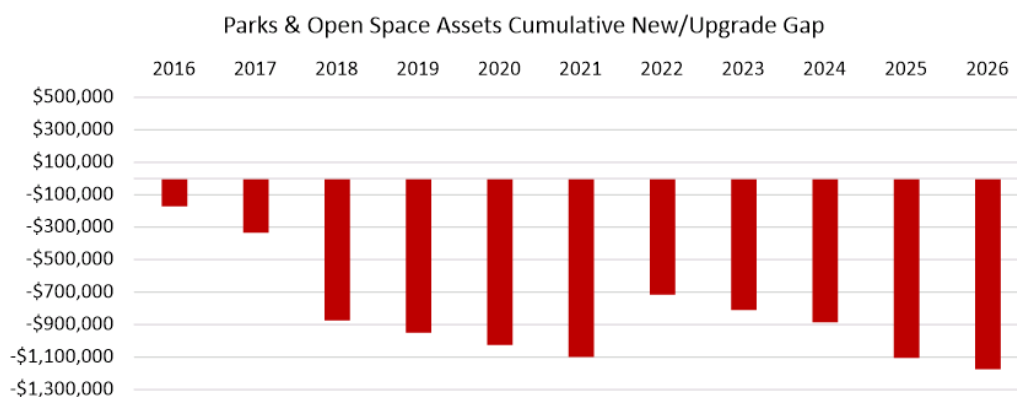


FIGURE 9-4: CUMULATIVE NEW/UPGRADE GAP

Based on the New/Upgrade program and the available funding in the current long term financial plan, there is insufficient funding to undertake all planned New/Upgrade works.

9.2.2 RENEWAL EXPENDITURE

Figure 9-5 shows the projected asset renewal and replacement expenditure over the 10 years of the AM Plan. The projected asset renewal and replacement expenditure is compared to renewal expenditure in the capital works program and the renewal allocation in the LTFP.

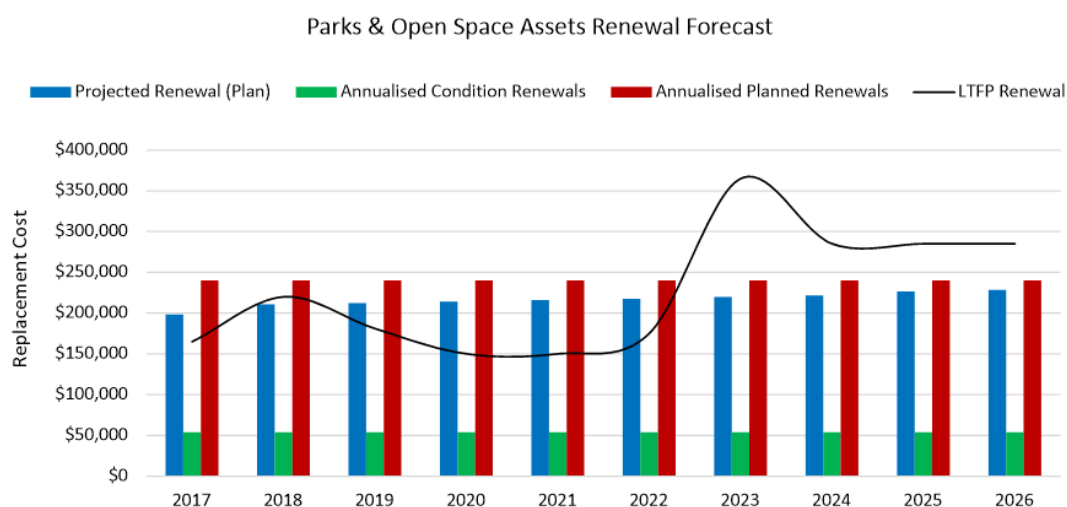


FIGURE 9-5: PROJECTED AND LTFP BUDGED RENEWAL EXPENDITURE

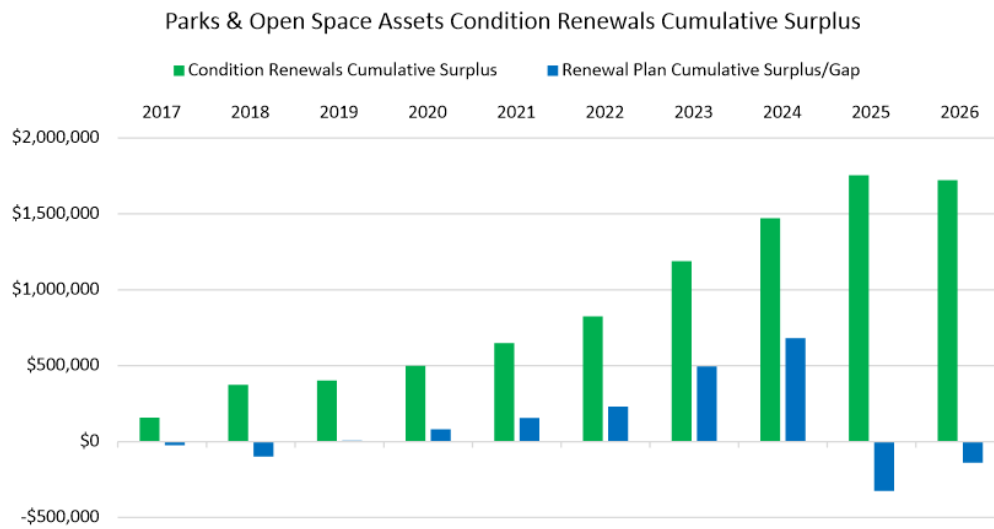


FIGURE 9-6: CUMULATIVE RENEWAL GAP

Figure 9-6 illustrates the difference in financial position Council will be in if it adopts the condition renewals over the currently planned renewals in the capital works program. By adopting the condition renewals as its renewals program Council will have a \$1,723,036M surplus at the end of the planning period for renewals instead of a \$140K shortfall.

9.3 EXPENDITURE PROJECTIONS FOR LONG TERM FINANCIAL PLAN

New/Upgrade		2017	2018	2019	2020	2021	2022	2023	2024	2025	2026 Total	
Furniture		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Landscaping		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$150,000	\$0	\$150,000
Playground		\$8,000	\$145,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$153,000
Recreational Facility		\$0	\$120,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$120,000
Structures		\$155,000	\$275,000	\$75,000	\$75,000	\$75,000	\$75,000	\$95,000	\$75,000	\$70,000	\$70,000	\$1,040,000
New/Upgrade Total		\$163,000	\$540,000	\$75,000	\$75,000	\$75,000	\$75,000	\$95,000	\$75,000	\$220,000	\$70,000	\$1,463,000
Condition Renewal		2017	2018	2019	2020	2021	2022	2023	2024	2025	2026 Total	
Furniture		\$0	\$4,850	\$142,950	\$52,600	\$0	\$0	\$0	\$0	\$0	\$0	\$200,400
Landscaping		\$0	\$0	\$0	\$300	\$0	\$0	\$0	\$3,564	\$0	\$0	\$3,864
Playground		\$0	\$0	\$8,700	\$0	\$0	\$0	\$0	\$0	\$0	\$318,000	\$326,700
Recreational Facility		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Structures		\$7,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$7,000
Renewal Total		\$7,000	\$4,850	\$151,650	\$52,900	\$0	\$0	\$0	\$3,564	\$0	\$318,000	\$537,964
Maintenance & Operations		2017	2018	2019	2020	2021	2022	2023	2024	2025	2026 Total	
Furniture		\$648,337	\$664,545	\$681,159	\$698,188	\$715,643	\$733,534	\$751,872	\$770,669	\$1,023,412	\$1,048,997	\$7,736,355
Landscaping		\$124,626	\$133,874	\$139,271	\$142,753	\$146,322	\$149,980	\$153,729	\$157,573	\$161,512	\$165,550	\$1,477,191
Playground		\$980,731	\$1,085,949	\$1,113,098	\$1,140,925	\$1,169,449	\$1,198,685	\$1,228,652	\$1,259,368	\$1,290,852	\$1,323,124	\$11,790,833
Recreational Facility		\$57,160	\$64,417	\$67,617	\$70,897	\$74,259	\$77,704	\$81,660	\$85,291	\$88,907	\$92,613	\$760,525
Structures		\$1,810,854	\$1,950,786	\$2,001,145	\$2,052,763	\$2,105,672	\$2,159,903	\$2,215,914	\$2,272,901	\$2,564,683	\$2,630,283	\$21,764,904
Maintenance & Operations Total		\$1,980,854	\$2,495,636	\$2,227,795	\$2,180,663	\$2,180,672	\$2,234,903	\$2,310,914	\$2,351,465	\$2,784,683	\$3,018,283	\$23,765,868
Expenditure Total		\$1,980,854	\$2,495,636	\$2,227,795	\$2,180,663	\$2,180,672	\$2,234,903	\$2,310,914	\$2,351,465	\$2,784,683	\$3,018,283	\$23,765,868
Long term Financial Plan		\$165,000	\$220,000	\$181,000	\$150,000	\$150,000	\$175,000	\$825,000	\$285,000	\$285,000	\$285,000	\$2,721,000
Maintenance & Operations		\$1,810,854	\$1,950,786	\$2,001,145	\$2,052,763	\$2,105,672	\$2,159,903	\$2,215,914	\$2,272,901	\$2,564,683	\$2,630,283	\$21,764,904
Available funding		\$1,975,854	\$2,170,786	\$2,182,145	\$2,202,763	\$2,225,672	\$2,334,903	\$3,040,914	\$2,557,901	\$2,849,683	\$2,915,283	\$24,485,904
Gap/surplus		-\$5,000	-\$324,850	-\$45,650	\$22,100	\$75,000	\$100,000	\$730,000	\$206,436	\$65,000	-\$103,000	\$720,036
Cumulative Gap/Surplus		-\$5,000	-\$329,850	-\$375,500	-\$353,400	-\$278,400	-\$178,400	\$551,600	\$756,036	\$823,036	\$720,036	\$0

(2016 Dataset)

9.4 ASSET VALUATIONS

The value of the assets recorded in the asset register as at 30 June 2016 covered by this Plan are shown in Table 9-3.

Parks and open space assets were not valued at a component level prior to the 2015/2016 financial year and will be continually refined over the subsequent valuation periods. The valuation is based on:

- A review of the asset register,
- Unit rates provided in the valuation service,
- Condition assessments to determine remaining useful lives.

TABLE 9-2: ASSET VALUATIONS AS AT 30 JUNE 2016 (\$'000's)

Service	Replacement Cost	Accumulated Depreciation	Fair Value	Annual Depreciation
Parks and Open Space	\$8,443	\$2,465	\$5,978	\$206

Asset values are forecast to increase as additional assets are added to the asset stock from construction and acquisition by Council, from assets constructed by land developers and others, and those donated to Council. Figure 9-7 shows the projected replacement cost asset values over the planning period in real values.

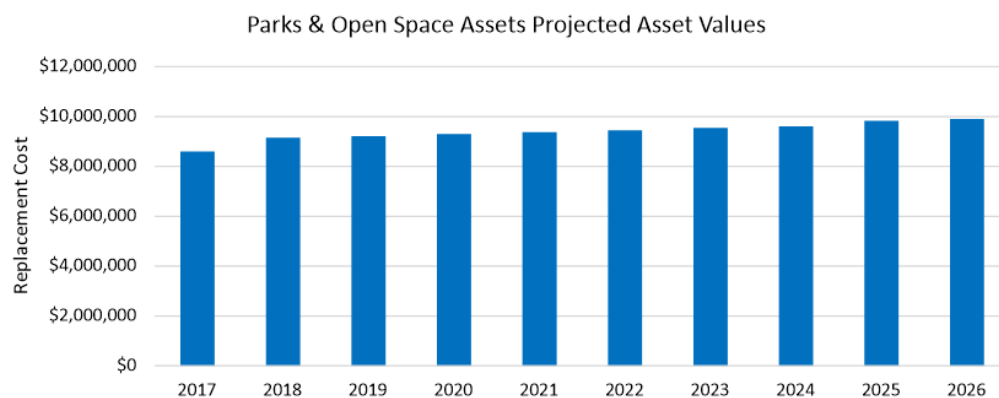


FIGURE 9-7: PROJECTED ASSET VALUES

Depreciation expense values are forecast in line with asset values as shown in Figure 9-8.

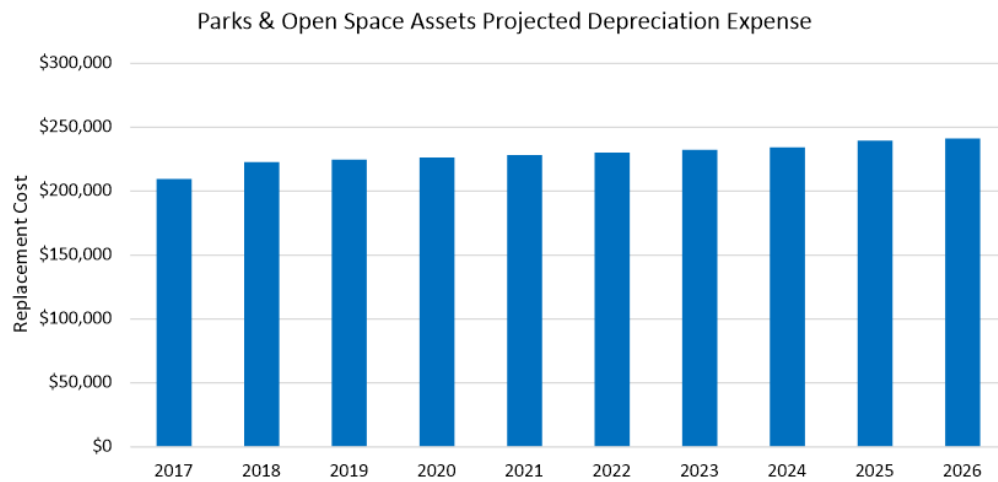


FIGURE 9-8: PROJECTED DEPRECIATION EXPENSE

The depreciated replacement cost will vary over the forecast period depending on the rates of addition of new assets, disposal of old assets and consumption and renewal of existing assets.

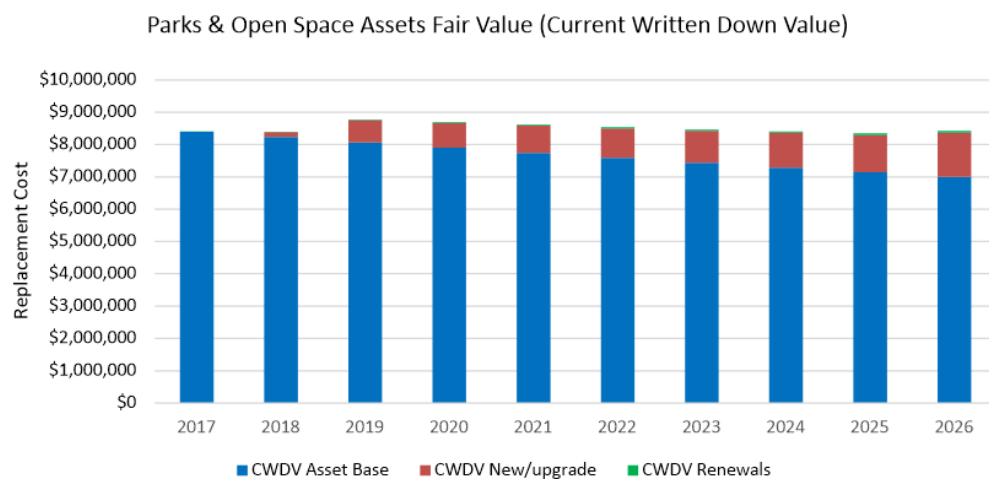


FIGURE 9-9: PROJECTED DEPRECIATED REPLACEMENT COST

9.5 SUSTAINABILITY AND FINANCIAL RATIOS

Capital Expenditure for 2015/16 is shown in Table 9-3.

TABLE 9-3: CAPITAL EXPENDITURE ON INFRASTRUCTURE ASSETS 2015-16 (\$000's)

Year	Capital Renewal Expenditure	Capital New/Upgrade Expenditure	Total Capital Expenditure
2015-16	\$100	\$172	\$272

The inventory asset consumption residual (Fair Value/Replacement Cost) at the end of the 2015/2016 financial year is 70.8% indicating that 29.2% of the asset base has been consumed.

Council's historic sustainability reports have been analysed to deduce the rate of annual asset consumption, asset renewal and annual upgrade/new (at 2015/2016 financial year end);

Annual Asset Consumption (Depreciation/Depreciable Amount)	2.6%
Annual Asset renewal (Capital renewal expenditure/Depreciable amount)	1.2%
Annual Upgrade/New (Capital upgrade expenditure/Depreciable amount)	2.0%

In the 2014/2015 financial year, Council renewed infrastructure assets at 46.3% of the rate they were being consumed and increased its asset stock by 2%. This asset sustainability ratio is below the level necessary (90%) to maintain Council's infrastructure classes of assets.

To provide services in a financially sustainable manner, Council will need to ensure that it is renewing assets closer to the rate they are being consumed over the medium to long term and funding the life cycle costs for any new assets and services in its long term financial plan.

9.5.1 FINANCIAL SUSTAINABILITY IN SERVICE DELIVERY

There are four key indicators for service delivery sustainability that have been considered in the analysis of the services provided by this asset category, these being the asset renewal funding ratio, long term life cycle costs/expenditures and medium term projected/budgeted expenditures over 5 and 10 years of the planning period.

TABLE 9-4: LIFE CYCLE COST FOR COUNCIL PARKS & OPEN SPACE SERVICES

	Depreciation	Condition	
Asset Renewal Funding Ratio	1.04	4.20	
Long Term - Life Cycle Costs			
Life Cycle Cost	\$2,383,000		Average 10 years projected operations, maintenance expense and depreciation
Life Cycle Expense	\$2,369,000		Average 10 years LTFP budget operations, maintenance and capital renewal expense
Life Cycle Gap	-\$15,000		Life cycle expenditure – life cycle cost (negative = gap)
Life Cycle Indicator	0.99		Life cycle expenditure / life cycle cost
10 year financial planning period			
10 year Projected Expenditure	\$23,591,000	\$21,964,000	Operations, maintenance & renewal expenditure

10 year LTFP Budget	\$23,687,000	\$23,687,000	Operations, maintenance & renewal LTFP budget
10 year financing surplus	\$95,000	\$1,723,000	10 year projected expense - LTFP budget expense
10 year financing indicator	1.00	1.08	LTFP budget expense / 10 year projected expenditure
5 year financial planning period			
5 year	\$10,926,000	\$10,091,000	Operations, maintenance & renewal projected expenditure
5 year	\$10,740,000	\$10,740,000	Operations, maintenance & renewal LTFP budget expenditure
5 year financing shortfall	-\$186,000	\$650,000	5 year projected expenditure - LTFP budget expenditure
5 year financing indicator	0.98	1.06	LTFP budget expenditure / 5 year projected expenditure

Long term – Life Cycle Cost

Life cycle costs (or whole of life costs) are the average costs that are required to sustain the service levels over the longest asset life. Life cycle costs include operations and maintenance expenditure and asset consumption (depreciation expense). The life cycle cost for the services covered in this service management plan at 2015/2016 is shown in Table 9-4.

Life cycle costs can be compared to actual life cycle expenditure to give an indicator of sustainability in service provision. Life cycle expenditure includes operations, maintenance and capital renewal expenditure in year 1. Life cycle expenditure will vary depending on the timing of asset renewals. The life cycle expenditure at the start of the plan at 2015/2016 is shown in Table 9-4.

Medium term – 10 year financial planning period

Estimated (budget) operations, maintenance and capital renewal funding prepared during development of this Plan indicate that for the 10 year period there is sufficient funding in the long term financial plan. Based on top down modelling the ratio is 1.0 however when assessed using bottom up or condition based assessment the ratio is 1.08. This analysis indicates that there is no requirement to increase or decrease the projected expenditures needed to provide the services documented in the service management plan.

Medium Term – 5 year financial planning period

Estimated (budget) operations, maintenance and capital renewal funding prepared during development of this Plan indicate that for the 5-year period there is insufficient funding in the long term financial plan. Based on top down modelling the ratio is 0.98 however when assessed using bottom up or condition based assessment the ratio is 1.06. When considered with the results of the 10 year assessment, this analysis suggests the expenditure requirements are not evenly distributed over the 10 plan, the funding is front loaded.

9.6 KEY ASSUMPTIONS MADE IN FINANCIAL FORECASTS

This section details the key assumptions made in presenting the information contained in this service 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 service management plan are:

- Reducing expenditure on unplanned infrastructure maintenance and using these funds for planned reconstruction, rehabilitation, and component replacement programs.
- Steady state condition of infrastructure as identified by condition surveys.
- Expected and adopted asset useful life will be achieved.
- Normal wear and tear conditions.

9.7 FINANCIAL RECOMMENDATIONS

In order to maintain current service levels over the next 10 years, Council will have to spend, on average \$2.2M every year on operations, maintenance and the renewal of existing assets. The established growth rate of the Lockyer Valley Regional Council Area is less than 2% per annum. The current Capital works program is reflective of this at approximately 1.62% p/a

It is recommended that:

1. The current Maintenance and Operations expenditure levels be maintained.
2. A base budget review of maintenance costs be undertaken.
3. A condition based renewal program of works be adopted.
4. Funding be reallocated to new/upgrade works while still prioritising renewals, operations and maintenance.
5. The New/Upgrade program be reviewed to reflect available funding.
6. Introduce a funding allocation for forward planning and design to better execute capital works projects.

10 Plan Improvement and Monitoring

10.1 PERFORMANCE MEASURES

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

- The degree to which the required cash flows identified in the development of the final Plan are incorporated into Council's long term financial plan and Community/Strategic Planning processes and documents,
- 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 service management plan;
- The degree to which the existing and projected service levels and service consequences (what we cannot do), risks and residual risks are incorporated into the Council's Strategic Plan and associated plans,
- The Asset Renewal Funding Ratio achieving the target of 1.0.

10.2 IMPROVEMENT PLAN

An asset management improvement plan generated from this service management plan is shown in Table 11-1.

TABLE 11-1: IMPROVEMENT PLAN

Task No	Task	Responsibility	Resources Required	Timeline
1.	Develop classifications and hierarchy against each of Councils parks.	Matt Burdett		June 2017
2.	Review asset naming and descriptions. Update where necessary.	Matt Burdett		July 2017
3.	Confirm current levels of service for parks and open space assets and identify future demand impacts on levels of service.	Brendan Sippel		September 2017
4.	Develop a condition assessment manual for parks and open space assets	Matt Burdett		June 2017
5.	Develop a corporate risk framework that is applicable to parks and open space risks	Brendan Sippel / Matt Burdett		December 2017
6.	Develop a demand management plan and associated models.	Brendan Sippel / Matt Burdett		December 2017
7.	Align the Long Term Financial Plan to the expenditure forecasts found in this SMP.	Tony Brett		June 2017
8.	Set intervention levels for maintenance	Brendan Sippel / Matt Burdett		September 2017
9.	Perform a base budget review of maintenance costs	Brendan Sippel		December 2017
10.	Create a funding allocation specifically for forward planning & design of capital works projects.	Brendan Sippel		December 2017
11.	Develop asset useful lives that are reflective of the nature of park assets being replaced often through obsolescence rather than deteriorating condition.	Matt Burdett		September 2017
12.	Undertake an annual review and update this service management plan	Matt Burdett		December 2018

10.3 MONITORING AND REVIEW PROCEDURES

This Plan will be reviewed during annual budget preparation and amended to recognise any material changes in service levels and/or resources available to provide those services as a result of the budget decision process.

This Plan has a life of 3 years and is due for major review in early 2019.

11 Appendices

- Appendix A Asset Management Practices
- Appendix B Planned New/Upgrade 10 year Program
- Appendix C Condition Renewal 10 year Program
- Appendix D Glossary

APPENDIX A ASSET MANAGEMENT PRACTICES

Lockyer Valley Regional Council is currently using the TechnologyOne financial system for asset accounting processes and related reporting functions. Asset data included in the system is directly integrated with the financial system.

The intention is to record, further develop and consolidate the processes used for asset and services management, and then review the systems available which will complement those processes. The timeframe for that review will be established in the Asset and Services Management Practices Improvement Strategy.

The finance module is the responsibility of the Finance Department. The Engineering and Finance departments are jointly responsible for ensuring the integrity of the system and asset financial information overall. TechnologyOne has an Asset Database module that Council uses to monitor their assets. In this way the asset and financial data bases can be aligned.

The key information flows into this service management plan are:

- Council corporate and operational plans,
- Service requests from the community,
- Network assets information,
- The unit rates for categories of work/materials,
- Current levels of service and expenditures,
- Projections of various factors affecting future demand for services and new assets acquired by Council,
- Future capital works programs,
- Financial asset values.

The key information flows from this service management plan are:

- The projected Works Program and trends,
- The resulting budget and long term financial plan expenditure projections,
- Financial sustainability indicators.

These will impact the Long Term Financial Plan, Strategic Longer-Term Plan, annual budget and departmental business plans and budgets.

Standards, guidelines and policy documents referenced in this service management plan are:

- Lockyer Valley Regional Council Corporate Plan (2013-2018).
- Lockyer Valley Regional Council Operational Plan (2016/2017).
- Lockyer Valley Regional Council Asset Management Policy.
- Disability and Discrimination Act
- Applicable Australian Standards associated with asset maintenance, renewal and upgrade works.

APPENDIX B PLANNED NEW/UPGRADE 10 YEAR CAPITAL WORKS PROGRAM

Project ID	Project Title	Project Description	Project Category	Capital Work Type	Priority	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
228	Lake Ayni Master Plan	Staged implementation of the Lake Ayni Master Plan. Part 1 is installation of islands.	SMP	Capital New	0	0	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000
210	Lake Dye Playground	New shade structure over children's playground	SMP	Capital New	0	0	0	0	0	0	0	\$10,000	0	0	0
212	Lake Dye Boatlift	Boatlifts and guide posts replacements	SMP	Capital New	0	0	0	0	0	0	0	\$10,000	0	0	0
221	Forest Hill Recreation Reserve - Installation of Canopy and Gardens	Installation of a soccer canopy and gardens.	SMP	Capital New	0	0	0	0	0	0	0	0	0	\$150,000	0
1304	Dei Neumann Maus Park	Stage 1 - Part Development	Council Requested	Capital New	0	0	\$120,000	0	0	0	0	0	0	0	0
1307	Lake Ayni Exercise Equipment	New exercise equipment at Lake Ayni	Owner	Capital New	0	0	\$25,000	0	0	0	0	0	0	0	0
	Carriegen Creek Lookout, Lullaby	Lookout upgrade - 50% external funding approved by State	SMP	Capital Upgrade	0	\$180,000	0	0	0	0	0	0	0	0	0
	Lake Ayni Park, Carriegen Hill Recreation Reserve, Forest Hill, Waterbourne Park, Preston (Goreman Gap)	Shade structure and exercise equipment	SMP	Capital New	0	\$15,000	0	0	0	0	0	0	0	0	0
		Synthetic grass for exercise equipment	SMP	Capital New	0	\$6,000	0	0	0	0	0	0	0	0	0
		Playground and shelters	SMP	Capital New	0	0	\$120,000	0	0	0	0	0	0	0	0

APPENDIX C: CONDITION RENEWAL PROGRAM

Last updated: 01/05/2017

Asset Number	Asset Type	Asset Description	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
PA000700	Drinking Fountain	Jean Biggs Park, Whitcott		\$3,000								
PA001058	Fencing	Centenary Park, Thornton		\$1,275								
PA001040	Seat	Cunningham's Crest Lookout, Laidley		\$1,300								
PA001413	Drinking Fountain	Laidley Recreation Reserve, Laidley			\$3,000							
PA001454	Fencing	Laidley Recreation Reserve, Laidley			\$137,700							
PA001460	Fencing	Laidley Recreation Reserve, Laidley			\$10,540							
PA000725	Playground Equipment	Springbrook Park, Whitcott										
PA000391	Fencing	William Kemp Park, Garton			\$9,350							
PA000392	Fencing	William Kemp Park, Garton			\$6,120							
PA000411	Playground Equipment	Fred Gillam Park, Garton										
PA000452	Playground Equipment	Littleton Park, Garton										
PA000957	Rubbish Bin	Lockyer Waters Park, Lockyer Waters			\$2,000							
PA001067	Rubbish Bin	Schultz Lookout, Laidley Creek West			\$7,000							
PA001068	Fencing	Schultz Lookout, Laidley Creek West			\$2,465							
PA001130	Rubbish Bin	Jeanine Park, Forest Hill			\$2,000							
PA001365	Seat	Laidley Recreation Reserve, Laidley				\$1,300						
PA000733	Entrance Statement	Springbrook Park, Whitcott				\$5,000						
PA000430	Barbecue	Rotary Park, Garton				\$7,000						
PA000500	Garden Edging	Wilks Park, Garton				\$1,045						
PA000735	Entrance Statement	Merryfields Park, Whitcott				\$5,000						
PA000743	Entrance Statement	Forest Hill Park, Whitcott				\$5,000						
PA000746	Barbecue	Forest Hill Park, Whitcott				\$7,000						
PA000767	Barbecue	Murphys Creek Community Hall Park, Murphys Creek				\$7,000						
PA000951	Barbecue	Lake Clarendon Recreation Reserve, Lake Clarendon				\$7,000						
PA000417	Seat	Boer War Memorial Park, Garton				\$1,300						
PA000875	Barbecue	Norm Goltz Park, Junction View				\$7,000						
PA000878	Entrance Statement	Norm Goltz Park, Junction View				\$5,000						
PA001488	Barbecue	Norm Goltz Park, Junction View				\$5,000						
PA001069	Playground Soft Fall	Leon Park, Laidley								\$6,480		
PA001069	Playground Soft Fall	Berrard Avenue Park, Kensington Grove									\$49,060	
PA001069	Playground Soft Fall	William Kemp Park, Garton									\$43,120	
PA000405	Playground Soft Fall	Fred Gillam Park, Garton									\$11,440	
PA000408	Playground Soft Fall	Fred Gillam Park, Garton									\$21,560	
PA000453	Playground Soft Fall	Littleton Park, Garton									\$10,780	
PA000456	Playground Soft Fall	Littleton Park, Garton									\$9,680	
PA000457	Playground Soft Fall	Wilks Park, Garton									\$32,340	
PA000664	Playground Soft Fall	Dawson Phipps Park, Garton									\$6,820	
PA000751	Playground Soft Fall	Forest Hill Park, Whitcott									\$51,480	
PA000964	Playground Soft Fall	Lockyer Waters Park, Lockyer Waters									\$47,080	
PA000993	Playground Soft Fall	Johnson Drive Park, Lockrose									\$41,360	
											\$16,500	

APPENDIX D GLOSSARY

Annual service cost (ASC)

1) Reporting actual cost

The annual (accrual) cost of providing a service including operations, maintenance, depreciation, finance/opportunity and disposal costs less revenue.

2) For investment analysis and budgeting

An estimate of the cost that would be tendered, per annum, if tenders were called for the supply of a service to a performance specification for a fixed term. The Annual Service Cost includes operations, maintenance, depreciation, finance/ opportunity and disposal costs, less revenue.

Asset

A resource controlled by an entity as a result of past events and from which future economic benefits are expected to flow to the entity. Infrastructure assets are a subclass of property, plant and equipment which are non-current assets with a life greater than 12 months and enable services to be provided.

Asset class

A group of assets having a similar nature or function in the operations of an entity, and which, for purposes of disclosure, is shown as a single item without supplementary disclosure.

Asset condition assessment

The process of continuous or periodic inspection, assessment, measurement and interpretation of the resultant data to indicate the condition of a specific asset so as to determine the need for some preventative or remedial action.

Asset management (AM)

The combination of management, financial, economic, engineering and other practices applied to physical assets with the objective of providing the required level of service in the most cost effective manner.

Average annual asset consumption (AAAC)*

The amount of an Council's asset base consumed during a reporting period (generally a year). This may be calculated by dividing the depreciable amount by the useful life (or total future economic benefits/service potential) and totalled for each and every asset OR by dividing the carrying amount (depreciated replacement cost) by the remaining useful life (or remaining future economic benefits/service potential) and totalled for each and every asset in an asset category or class.

Borrowings

A borrowing or loan is a contractual obligation of the borrowing entity to deliver cash or another financial asset to the lending entity over a specified period of time or at a specified point in time, to cover both the initial capital provided and the cost of the interest incurred for providing this capital. A borrowing or loan provides the means for the borrowing entity to finance outlays (typically physical assets) when it has insufficient funds of its own to do so, and for the lending entity to make a financial return, normally in the form of interest revenue, on the funding provided.

Capital expenditure

Relatively large (material) expenditure, which has benefits, expected to last for more than 12 months. Capital expenditure includes renewal, expansion and upgrade. Where capital projects involve a combination of renewal, expansion and/or upgrade expenditures, the total project cost needs to be allocated accordingly.

Capital expenditure - expansion

Expenditure that extends the capacity of an existing asset to provide benefits, at the same standard as is currently enjoyed by existing beneficiaries, to a new group of users. It is discretionary expenditure, which increases future operations and maintenance costs, because it increases the Council's asset base, but may be associated with additional revenue from the new user group, eg. extending a drainage or road network, the provision of an oval or park in a new suburb for new residents.

Capital expenditure - new

Expenditure which creates a new asset providing a new service/output that did not exist beforehand. As it increases service potential it may impact revenue and will increase future operations and maintenance expenditure.

Capital expenditure - renewal

Expenditure on an existing asset or on replacing an existing asset, which returns the service capability of the asset up to that which it had originally. It is periodically required expenditure, relatively large (material) in value compared with the value of the components or sub-components of the asset being renewed. As it reinstates existing service potential, it generally has no impact on revenue, but may reduce future operations and maintenance expenditure if completed at the optimum time, eg. resurfacing or resheeting a material part of a road network, replacing a material section of a drainage network with pipes of the same capacity, resurfacing an oval.

Capital expenditure - upgrade

Expenditure, which enhances an existing asset to provide a higher level of service or expenditure that will increase the life of the asset beyond that which it had originally. Upgrade expenditure is discretionary and often does not result in additional revenue unless direct user charges apply. It will increase operations and maintenance expenditure in the future because of the increase in the Council's asset base, eg. widening the sealed area of an existing road, replacing drainage pipes with pipes of a greater capacity, enlarging a grandstand at a sporting facility.

Capital funding

Funding to pay for capital expenditure.

Capital grants

Monies received generally tied to the specific projects for which they are granted, which are often upgrade and/or expansion or new investment proposals.

Capital investment expenditure

See capital expenditure definition

Capitalisation threshold

The value of expenditure on non-current assets above which the expenditure is recognised as capital expenditure and below which the expenditure is charged as an expense in the year of acquisition.

Carrying amount

The amount at which an asset is recognised after deducting any accumulated depreciation / amortisation and accumulated impairment losses thereon.

Class of assets

See asset class definition

Component

Specific parts of an asset having independent physical or functional identity and having specific attributes such as different life expectancy, maintenance regimes, risk or criticality.

Cost of an asset

The amount of cash or cash equivalents paid or the fair value of the consideration given to acquire an asset at the time of its acquisition or construction, including any costs necessary to place the asset into service. This includes one-off design and project management costs.

Current replacement cost (CRC)

The cost the entity would incur to acquire the asset on the reporting date. The cost is measured by reference to the lowest cost at which the gross future economic benefits could be obtained in the normal course of business or the minimum it would cost, to replace the existing asset with a technologically modern equivalent new asset (not a second hand one) with the same economic benefits (gross service potential) allowing for any differences in the quantity and quality of output and in operating costs.

Depreciable amount

The cost of an asset, or other amount substituted for its cost, less its residual value.

Depreciated replacement cost (DRC)

The current replacement cost (CRC) of an asset less, where applicable, accumulated depreciation calculated on the basis of such cost to reflect the already consumed or expired future economic benefits of the asset.

Depreciation / amortisation

The systematic allocation of the depreciable amount (service potential) of an asset over its useful life.

Economic life

See useful life definition.

Expenditure

The spending of money on goods and services. Expenditure includes recurrent and capital.

Fair value

The amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties, in an arms length transaction.

Funding gap

A funding gap exists whenever an entity has insufficient capacity to fund asset renewal and other expenditure necessary to be able to appropriately maintain the range and level of services its existing asset stock was originally designed and intended to deliver. The service capability of the existing asset stock should be determined assuming no additional operating revenue, productivity improvements, or net financial liabilities above levels currently planned or projected. A current funding gap means service levels have already or are currently falling. A projected funding gap if not addressed will result in a future diminution of existing service levels.

Heritage asset

An asset with historic, artistic, scientific, technological, geographical or environmental qualities that is held and maintained principally for its contribution to knowledge and culture and this purpose is central to the objectives of the entity holding it.

Impairment Loss

The amount by which the carrying amount of an asset exceeds its recoverable amount.

Investment property

Property held to earn rentals or for capital appreciation or both, rather than for:

- (a) use in the production or supply of goods or services or for administrative purposes; or
- (b) sale in the ordinary course of business.

Key performance indicator

A qualitative or quantitative measure of a service or activity used to compare actual performance against a standard or other target. Performance indicators commonly relate to statutory limits, safety, responsiveness, cost, comfort, asset performance, reliability, efficiency, environmental protection and customer satisfaction.

Level of service

The defined service quality for a particular service/activity against which service performance may be measured. Service levels usually relate to quality, quantity, reliability, responsiveness, environmental impact, acceptability and cost.

Life Cycle Cost

1. Total LCC The total cost of an asset throughout its life including planning, design, construction, acquisition, operation, maintenance, rehabilitation and disposal costs.
2. Average LCC The life cycle cost (LCC) is average cost to provide the service over the longest asset life cycle. It comprises annual operations, maintenance and asset consumption expense, represented by depreciation expense. The Life Cycle Cost does not indicate the funds required to provide the service in a particular year.

Life Cycle Expenditure

The Life Cycle Expenditure (LCE) is the actual or planned annual operations, maintenance and capital renewal expenditure incurred in providing the service in a particular year. Life Cycle Expenditure may be compared to average Life Cycle Cost to give an initial indicator of life cycle sustainability.

Loans / borrowings

See borrowings.

Maintenance

All actions necessary for retaining an asset as near as practicable to its original condition, including regular ongoing day-to-day work necessary to keep assets operating, eg road patching but excluding rehabilitation or renewal. It is operating expenditure required to ensure that the asset reaches its expected useful life.

Planned maintenance

Repair work that is identified and managed through a maintenance management system (MMS). MMS activities include inspection, assessing the condition against failure/breakdown criteria/experience, prioritising scheduling, actioning the work and reporting what was done to develop a maintenance history and improve maintenance and service delivery performance.

Reactive maintenance

Unplanned repair work that is carried out in response to service requests and management/supervisory directions.

Significant maintenance

Maintenance work to repair components or replace sub-components that needs to be identified as a specific maintenance item in the maintenance budget.

Unplanned maintenance

Corrective work required in the short-term to restore an asset to working condition so it can continue to deliver the required service or to maintain its level of security and integrity.

Maintenance and renewal gap

Difference between estimated budgets and projected required expenditures for maintenance and renewal of assets to achieve/maintain specified service levels, totalled over a defined time (eg 5, 10 and 15 years).

Maintenance and renewal sustainability index

Ratio of estimated budget to projected expenditure for maintenance and renewal of assets over a defined time (eg 5, 10 and 15 years).

Maintenance expenditure

Recurrent expenditure, which is periodically or regularly required as part of the anticipated schedule of works required to ensure that the asset achieves its useful life and provides the required level of service. It is expenditure, which was anticipated in determining the asset's useful life.

Materiality

The notion of materiality guides the margin of error acceptable, the degree of precision required and the extent of the disclosure required when preparing general purpose financial reports. Information is material if its omission, misstatement or non-disclosure has the potential, individually or collectively, to influence the economic decisions of users taken on the basis of the financial report or affect the discharge of accountability by the management or governing body of the entity.

Modern equivalent asset

Assets that replicate what is in existence with the most cost-effective asset performing the same level of service. It is the most cost efficient, currently available asset which will provide the same stream of services as the existing asset is capable of producing. It allows for technology changes and improvements and efficiencies in production and installation techniques.

Net present value (NPV)

The value to the Council of the cash flows associated with an asset, liability, activity or event calculated using a discount rate to reflect the time value of money. It is the net amount of discounted total cash inflows after deducting the value of the discounted total cash outflows arising from eg the continued use and subsequent disposal of the asset after deducting the value of the discounted total cash outflows.

Non-revenue generating investments

Investments for the provision of goods and services to sustain or improve services to the community that are not expected to generate any savings or revenue to Council, eg parks and playgrounds, footpaths, roads and bridges, libraries, etc.

Operations expenditure

Recurrent expenditure, which is continuously required to provide a service. In common use the term typically includes, eg power, fuel, staff, plant equipment, on-costs and overheads but excludes maintenance and depreciation. Maintenance and depreciation is on the other hand included in operating expenses.

Operating expense

The gross outflow of economic benefits, being cash and non-cash items, during the period arising in the course of ordinary activities of an entity when those outflows result in decreases in equity, other than decreases relating to distributions to equity participants.

Pavement management system

A systematic process for measuring and predicting the condition of road pavements and wearing surfaces over time and recommending corrective actions.

PMS Score

A measure of condition of a road segment determined from a Pavement Management System.

Rate of annual asset consumption

A measure of average annual consumption of assets (AAAC) expressed as a percentage of the depreciable amount (AAAC/DA). Depreciation may be used for AAAC.

Rate of annual asset renewal

A measure of the rate at which assets are being renewed per annum expressed as a percentage of depreciable amount (capital renewal expenditure/DA).

Rate of annual asset upgrade

A measure of the rate at which assets are being upgraded and expanded per annum expressed as a percentage of depreciable amount (capital upgrade/expansion expenditure/DA).

Recoverable amount

The higher of an asset's fair value, less costs to sell and its value in use.

Recurrent expenditure

Relatively small (immaterial) expenditure or that which has benefits expected to last less than 12 months. Recurrent expenditure includes operations and maintenance expenditure.

Recurrent funding

Funding to pay for recurrent expenditure.

Rehabilitation

See capital renewal expenditure definition above.

Remaining useful life

The time remaining until an asset ceases to provide the required service level or economic usefulness. Age plus remaining useful life is useful life.

Renewal

See capital renewal expenditure definition above.

Residual value

The estimated amount that an entity would currently obtain from disposal of the asset, after deducting the estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.

Revenue generating investments

Investments for the provision of goods and services to sustain or improve services to the community that are expected to generate some savings or revenue to offset operating costs, eg public halls and theatres, childcare centres, sporting and recreation facilities, tourist information centres, etc.

Risk management

The application of a formal process to the range of possible values relating to key factors associated with a risk in order to determine the resultant ranges of outcomes and their probability of occurrence.

Section or segment

A self-contained part or piece of an infrastructure asset.

Service potential

The total future service capacity of an asset. It is normally determined by reference to the operating capacity and economic life of an asset. A measure of service potential is used in the not-for-profit sector/public sector to value assets, particularly those not producing a cash flow.

Service potential remaining

A measure of the future economic benefits remaining in assets. It may be expressed in dollar values (Fair Value) or as a percentage of total anticipated future economic benefits. It is also a measure of the percentage of the asset's potential to provide services that is still available for use in providing services (Depreciated Replacement Cost/Depreciable Amount).

Strategic Longer-Term Plan

A plan covering the term of office of councillors (4 years minimum) reflecting the needs of the community for the foreseeable future. It brings together the detailed requirements in Council's longer-term plans such as the service management plan and the long-term financial plan. The plan is prepared in consultation with the community and details where Council is at that point in time, where it wants to go, how it is going to get there, mechanisms for monitoring the achievement of the outcomes and how the plan will be resourced.

Specific Maintenance

Replacement of higher value components/sub-components of assets that is undertaken on a regular cycle including pothole repairs, replacement of pump equipment, etc. This work generally falls below the capital/ maintenance threshold and needs to be identified in a specific maintenance budget allocation.

Sub-component

Smaller individual parts that make up a component part.

Useful life

Either:

- (a) the period over which an asset is expected to be available for use by an entity, or
- (b) the number of production or similar units expected to be obtained from the asset by the entity.

It is estimated or expected time between placing the asset into service and removing it from service, or the estimated period of time over which the future economic benefits embodied in a depreciable asset, are expected to be consumed by Council.

Value in Use

The present value of future cash flows expected to be derived from an asset or cash generating unit. It is deemed to be depreciated replacement cost (DRC) for those assets whose future economic benefits are not primarily dependent on the asset's ability to generate net cash inflows, where the entity would, if deprived of the asset, replace its remaining future economic benefits.

Source: IPWEA, 2009, Glossary

Lockyer Valley Regional Council
Parks management plan

DRAFT



Transport

Service Management Plan

January 2017

Document Control					
Rev No	Date	Revision Details	Author	Reviewer	Approver
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1 EXECUTIVE SUMMARY

This services management plan (SMP) describes the road related assets provided to the community and the considerations that need to be made to ensure that the provision of these assets is done in a sustainable and equitable manner, now and into the future.

What Does This Plan Cover?

The transport related assets are valued at \$460M (fair value) as at 30 June 2016 and are apportioned as shown in Figure 1-1.

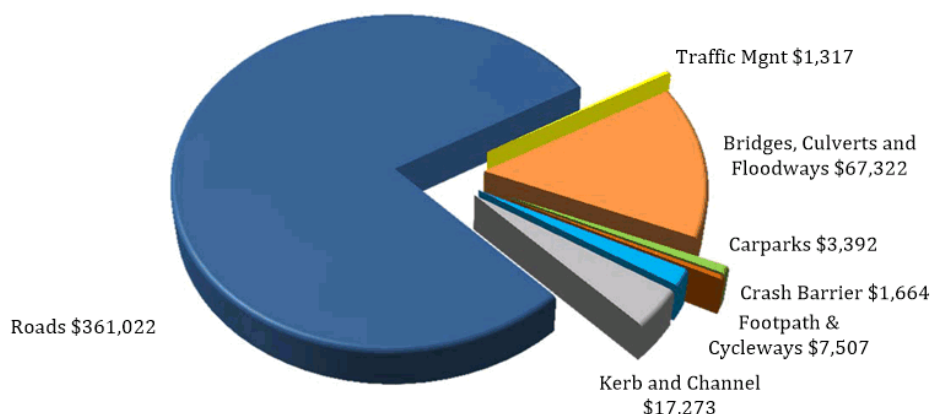


FIGURE 1-1: TRANSPORT ASSET SUMMARY

What Is The Current Condition Of These Assets?

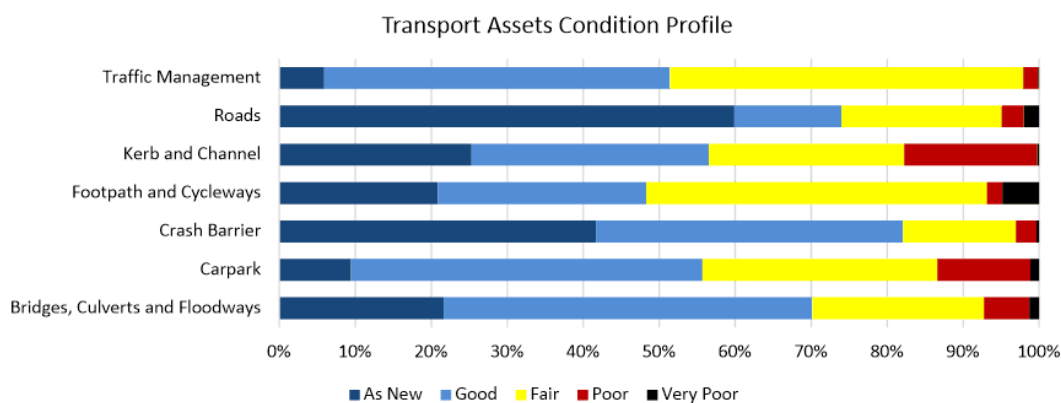


FIGURE 1-2: TRANSPORT CONDITION PROFILE

Note: The condition profiles above are currently based on 50% of the assets being physically inspected and assessed by Council staff. The remaining 50% of asset condition has been based on extrapolation of sample inspections undertaken by a licensed valuer. While this extrapolation is an acceptable industry practice, work is being undertaken in-house to improve on the accuracy of the

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recorded condition data. All asset types are being physically inspected on a rolling four year program. In response to the considerable financial proportion of Councils asset base being held by pavement assets Council is currently undertaking a thorough analysis of pavement condition based primarily on roughness data, defect type and defect quantity. The results of this analysis are being tested through physical inspection to confirm appropriateness. Initial analysis of the data is suggesting that the pavement condition is likely to have a spread more representative of 25% Condition 1, 48% condition 2, 21% Condition 3, 5% Condition 4 and 1% Condition 5. This analysis will be included in future iterations of this plan.

1.1 EXPENDITURE ANALYSIS

Expenditure is incurred on transport related assets in three main areas, these being:

- Operations and maintenance - day to day costs to keep the assets in a serviceable condition and to slow the rate of deterioration.
- Renewals - replacing assets with like for like to deliver the same level of service, at or near the end of the assets economic life.
- New/upgrade works - replacing assets with a new or improved asset to provide a higher level of service than was previously provided or a new service, i.e. safer road, reduced travel times, improved drainage, providing a service that did not previously exist in that location etc.

The required expenditure analysis has been undertaken to understand what it costs to own, operate, maintain and replace Council's road related assets over a 10 year planning horizon, this is based on what is currently understood of the services and likely demand over the 10 year planning period.

1.1.1 OPERATIONS AND MAINTENANCE EXPENDITURE

The forecast operations and maintenance expenditure can be seen in Table 1-1. It has been assumed the current levels of maintenance will be continued for the 10 years of this plan and that current levels of service are deemed appropriate. Projected increases in maintenance are due to projected growth of the asset base, these come about through either developer contributed assets (i.e. new subdivisions etc.) and new or upgraded assets funded through either external funding streams or own source funding that deliver a higher standard of service, be it a safer network or better service outcomes.

TABLE 1-1: OPERATIONS AND MAINTENANCE EXPENDITURE (\$'000s)

Transport	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Operations	1,446	1,470	1,494	1,519	1,544	1,570	1,596	1,622	1,649	1,676
Maintenance	5,440	5,350	5,622	5,715	5,810	5,906	6,004	6,103	6,203	6,305
Total	6,886	6,820	7,116	7,234	7,354	7,476	7,600	7,725	7,852	7,981

1.1.2 CAPITAL RENEWAL EXPENDITURE

Through the analysis conducted for this SMP, three methods of forecasting the asset renewal funding needs have been considered, these relate to the timing of the replacement of the asset;

1. Condition based renewals arrived at by an estimate of the remaining useful life based on the condition of the asset in service (bottom up)
2. Projected renewals based on the depreciation of the assets (top down)
3. Planned renewals contained within Council's current capital expenditure renewal program

These three expenditure profiles are compared to the Long Term Financial Plan (LTFP) in Table 1-2 below.

TABLE 1-2: RENEWAL EXPENDITURE ANALYSIS (\$'000s)

Renewal Type	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	Total	Surplus/ Deficit when compared to LTFP
Condition based	6,780	6,780	6,780	6,780	6,780	6,780	6,780	6,780	6,780	6,780	67,800	11,697
Projected (Depreciation based)	8,808	8,994	9,159	9,322	9,489	9,649	9,778	9,915	10,053	10,190	95,357	-15,860
Planned (Capex renewal)	13,511	13,511	13,511	13,511	13,511	13,511	13,511	13,511	13,511	13,511	135,110	-55,613
LTFP	6,383	9,845	8,724	8,660	8,792	8,468	6,797	7,276	7,276	7,276	79,497	

The condition based renewal analysis, which is deemed to be the most accurate, shows that to keep the transport assets delivering the current levels of service over the 10 year planning period, Council will need to spend on average \$6.8m per year on asset renewals.

The reduction in the \$ demand that is shown in the current LTFP is a reflection on a number of things, namely:

1. The quantity of assets that were either repaired or replaced since the 2011 flooding event.
2. The way Council manages the pavement assets. The pavements have been componentized into a short life asset (base) and a long life asset (sub - base). This is to better reflect how the assets are consumed in service. The base course of the road deteriorates more quickly than the underlying pavement layers due to their exposure to environmental conditions, traffic effects and the reliance on the seal remaining intact to slow the ingress of moisture and expediting deterioration. On an unsealed road the base course deteriorates more quickly through the effects of environmental conditions and the action of traffic.
3. The formation assets are considered a long life asset and depreciated over a longer time to reflect how they perform in service. These assets are considered to be in perpetual condition 1 (as new), unless they are impacted from external events that cause them to fail prematurely.

1.1.3 NEW/UPGRADE CAPITAL EXPENDITURE

Council has identified a number of new and/or upgraded capital works planned for the next 10 years. The annualised expenditure for these works can be seen against the LTFP budget in Table 1-3 below.

TABLE 1-3: NEW/UPGRADE EXPENDITURE (\$'000s)

New/Upgrade	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	Total	Surplus/Deficit when compared to LTFP \$
Planned (Capex new/upgrade)	1,946	1,946	1,946	1,946	1,946	1,946	1,946	1,946	1,946	1,946	19,460	-14,945
LTFP (Budgeted)	3,015	0	0	0	0	0	1,500	0	0	0	4,515	

The 10 year expenditure estimate for new/upgraded capital works is \$19.46m, the allowance in the LTFP is \$4.51m. This leaves a funding shortfall at the end of the 10 year planning period of \$14.94m. The current Capex program has been developed from historical information collated over a number of years which will need to be reviewed in detail for relevance. Past practice was that the new/upgraded capital works program effectively became a 'wish list' of projects that were deemed

less important than those that progressed to construction, however may be deemed relevant at some point in time.

1.1.4 OVERALL

The total expenditure (operations, maintenance, renewals, new/upgrade) and the total funding requirements based on the annualised condition renewals is summarised in Figure 1-3 and Figure 1-4.

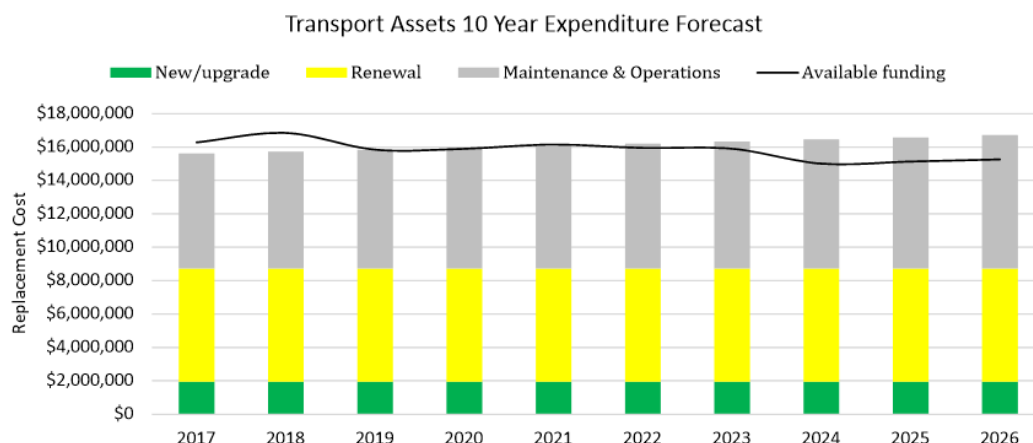


FIGURE 1-3: FUNDING REQUIRED TO DELIVER TRANSPORT SERVICES AGAINST THE AVAILABLE FUNDING IN THE CURRENT LTFP

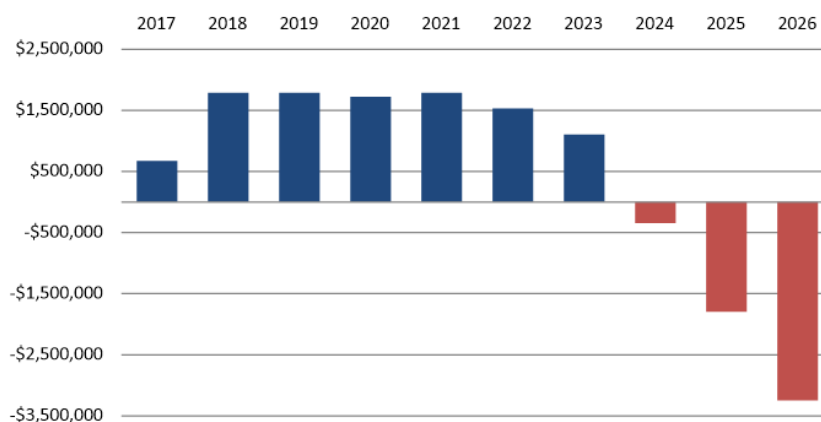


FIGURE 1-4: FUNDING SURPLUS/DEFICIT TO DELIVER TRANSPORT SERVICES AGAINST FUNDING IN THE CURRENT LTFP

As shown in Figure 1-4 above, the funding available for the transport services is not adequate to keep the service sustainable over the 10 year planning period. The lack of funding to support the planned new/upgraded capital works program is the reason that the funding is inadequate when compared to the LTFP. The list of capital works needs to be reviewed to determine whether or not this list is accurate and necessary.

What are Council's Options?

Council has the option to fund appropriate service provision through a range of methods:

- Revenue can be managed to provide sufficient funding to deliver the agreed levels of service.
- Funding can be redistributed to or from other asset classes to ensure that all asset classes receive the appropriate funding.
- Service levels can be reviewed to determine appropriateness to align with the community's ability and willingness to pay.
- Council can determine what new/upgrade works are undertaken in line with the ability to attract external funds to undertake these works and the ability of Council's own source funding to operate and maintain these assets into perpetuity.
- New/upgrade works from growth will generally come from developer contributed assets that will require more stringent development conditions to ensure that the community is not left with infrastructure that does not perform satisfactorily. Appropriate funding streams will need to be made available to own and operate these contributed assets into perpetuity.

1.2 SMP IMPROVEMENT PLAN

In order to maintain current transport service levels over the next 10 years, Council will need to allow, on average \$6.80m per year to replace existing assets as they come to the end of their life. The established growth rate (population) of LVRC area is currently <2% per annum (population), however the capital works program is not reflective of this and is significantly overstated. Increases to population do not necessarily equate to a need for an increase in transport related assets, this is dependent on factors including demographics, location and affordability constraints.

It is recommended that the improvement plan, set out at the end of this SMP, be implemented. The improvement plan highlights the necessity for the following:

Review and improve;

- Long term financial planning
- Capital works programming
- Forecast planning for service delivery
- Maintenance practices

These reviews if completed will ensure that Council is delivering value for money to the ratepayer through the provision of services at the lowest cost in a sustainable manner.

2 INTRODUCTION

2.1 BACKGROUND

This transport service management plan is to demonstrate responsive management of services provided by Lockyer Valley Regional Council's assets, compliance with regulatory requirements, and to communicate funding needed to provide the required levels of service over a 10 year planning period.

The Lockyer Valley Regional Council transport assets include the following asset classes:

- Roads
- Bridges, Culverts and Floodways
- Carparks
- Crash Barriers
- Kerb and Channel
- Footpaths and Cycleways
- Traffic Management Devices (traffic islands, median strips etc.)

This service management plan is to be read in conjunction with

- Council Corporate Plan 2012-2017
- Lockyer Valley Regional Council Community Plan 2012-2022
- Lockyer Valley Regional Council Customer Service Charter
- Lockyer Valley Regional Council Operational Plan 2015-2016

2.2 COUNCIL'S GOALS AND OBJECTIVES FOR TRANSPORT SERVICES

Council operates and maintains the transport network to achieve the following strategic objectives:

- Meet legislative requirements
- Ensure that Council's transport services and assets are provided in a sustainable manner, with the appropriate levels of service to residents and visitors
- Safeguard Council assets including physical assets and employees by implementing appropriate management strategies and providing appropriate financial resources for those services
- Ensure resources and operational capabilities are identified and responsibility for service delivery and management is allocated
- Ensure that the transport network provides full functionality
- Ensure the network is planned appropriately to cater for future growth and risk mitigation
- Maximise the asset's useful life whilst minimising lifecycle expenditure
- Maintain a high level of community satisfaction in the delivery of transport services

2.3 THE PURPOSE OF THIS TRANSPORT SERVICES MANAGEMENT PLAN

The purpose of this plan is to:

1. Improve our understanding of the transport assets and services managed by ensuring access to quality data describing the network and the network condition, as well as the condition of all asset components
2. Provide a framework of alignment for the transport assets and the levels of service derived from the assets
3. Improve the organizational capabilities for the management of the transport assets and services they provide
4. Improve confidence levels in future works programs for asset replacement, provision and maintenance programs with the projected funding requirements understood to deliver the required services
5. Provide guidance for the Council in continuous improvement and working towards advanced service management planning

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2.4 KEY STAKEHOLDERS

Key stakeholders in the preparation and implementation of this Plan are shown in Table 2-1.

TABLE 2-1: KEY STAKEHOLDERS

Key Stakeholder	Role in Service management plan
Councillors	<ul style="list-style-type: none"> Represent needs of community/shareholders; Allocate resources to meet Council's objectives in providing services while managing risks; Ensure organisation is financially sustainable; and Custodians of the assets and services, providing the interface with the community related to levels of service and good governance / management practices.
CEO	<ul style="list-style-type: none"> Manage operational activities and future strategic planning direction.
Executive Manager Infrastructure Works and Service	<ul style="list-style-type: none"> Manage delivery of the Service management plans and initiatives; Capital work projects planning and delivery; and Operational and service levels, data information and analysis.
Executive Manager Corporate and Community Services	<ul style="list-style-type: none"> Long Term Financial Plans and operational financial data; and Defining information requirements for Audit and reporting purposes.
Community & Ratepayers	<ul style="list-style-type: none"> End user of services.
State and Commonwealth Government	<ul style="list-style-type: none"> Active in the management of transport assets and services across the region.
Council Staff	<ul style="list-style-type: none"> Directly involved with the renewal, maintenance and operation of the network and the management framework, both operationally and financially; and Delivery of operational plans informed by this Services Management Plan.
Emergency Services	<ul style="list-style-type: none"> Use of transport services provided by Council; and Respond to community needs and emergency situations.

2.5 DEFINITIONS

2.5.1 ASSET MANAGEMENT MATURITY

This service management plan is prepared as a 'core' service management plan over a 10-year planning period in accordance with the International Infrastructure Management Manual. It is prepared to meet minimum legislative and organisational requirements for sustainable service delivery and long term financial planning and reporting.

Core asset management is a 'top down' approach where analysis is applied at the 'system' or 'network' level.

It should be noted that the projected renewal details have been calculated based on 'advanced' asset management techniques using information for individual assets. This 'bottom up' approach supports the development of activities and programs to deliver agreed service levels in a financially sustainable manner.

3 CONTEXT

3.1 CORPORATE REQUIREMENTS

This service management plan is prepared under the direction of Council's vision, mission, goals and objectives.

Our vision:

"We will deliver sustainable services to enhance the liveability of our community while embracing our economic, cultural and natural diversity"

Our mission:

"Lead, Engage, Empower"

More specifically, and consistent with Council's Corporate Plan, goals and objectives and how these are addressed in this service management plan are shown in Table 3 1.

TABLE 3-1: COUNCIL'S GOALS AND HOW THESE ARE ADDRESSED IN THIS PLAN

Theme & Role	Council will	How Goal and Objectives are Addressed in SMP
Lockyer Community Provider	Develop a regional plan for bikeways and pathways to promote and encourage their use.	The capital, operating and maintenance expenditure for the whole of life assessment is available through the SMP.
Lockyer Planned Provider	Develop and operationalise the 10-year Asset Management Plan for all Council infrastructure (including roads).	The transport SMP addresses Council's Transport Asset Management needs.
Lockyer Council Practice & Policy	Develop and operationalise the 10-year Asset Management Plan for all Council infrastructure (including roads).	The transport SMP addresses Council's transport Asset Management needs and meets legislative requirements pertaining to asset management.
	Develop and operationalise the 10 Year Financial Plan for the delivery and development of council business.	The 10 year Operations, Renewal and New/upgrade programs developed in the SMP contribute to the development of a sustainable LTFP
	Develop practices and policies to support responsible management in relation to clearly defined service standards.	The SMP aligns with Council's Corporate plan and includes the development of service standards including funding requirements.
	Strive to ensure council is financially sustainable through provision of core business while seeking alternative funding sources and commercial opportunities.	The SMP provides 10 year estimates for the sustainable delivery of current service standards.
	Develop corporate, business and information systems and processes that support Council.	The SMP is developed from Council's asset register and clearly defines the service delivery data needs and structure.
Leadership and Communication	Improve Councils Customer Service across the region.	The provision of costed 10 year asset renewal and New/upgrade programs allows Council to define service delivery over the longer term.

Council will exercise its duty of care to ensure public safety is in accordance with the infrastructure risk management plan prepared in conjunction with this SMP. Management of infrastructure risks is covered in Section 5 of this plan.

3.2 LEGISLATIVE REQUIREMENTS

Council is required to meet legislative and regulatory requirements in relation to the provision of services through infrastructure. Key relevant legislation is shown in Table 3-2.

TABLE 3-2: LEGISLATIVE REQUIREMENTS

Legislation	Requirement
Local Government Act [s. 104(5)]	Sets out role, purpose, responsibilities and powers of local governments including the preparation of a long term financial plan supported by asset management plans for sustainable service delivery. The system of financial management established by a local government must include— (a) the following financial planning documents prepared for the local government— (i) a 5-year corporate plan that incorporates community engagement; (ii) a long-term asset management plan; (iii) a long-term financial forecast;
Local Government Regulation (2012) [s.167] [s.168]	Preparation of long-term service management plan, the plan continues in force for the period stated in the plan unless the local government adopts a new long-term service management plan, and the period stated in the plan must be 10 years or more. A local government's long-term service management plan must provide for strategies to ensure the sustainable management of the assets mentioned in the local government's asset register and the infrastructure of the local government; and state the estimated capital expenditure for renewing, upgrading and extending the assets for the period covered by the plan; and be part of, and consistent with, the long-term financial forecast.
Australian Accounting Standards	Set out the financial reporting standards relating to the (re)valuation and depreciation of Assets.
Transport Operations (Road Use Management) Act 1999	Provides for the effective and efficient management of road use across the State
Disability Discrimination Act 1992 and other relevant disability legislation	Have consideration of, adhere to and fulfil the requirements of the DDA and other relevant legislation.
Conservation and Land Management Act 1984	Regulations and requirements that the regional council must comply with relating to the use of land and vegetation.

4 LEVELS OF SERVICE

4.1 COMMUNITY CONSULTATION

Community consultation is an essential part of the determination and confirmation of the levels of service framework.

The consultation with the community regarding the management of the transport network is part of Council's Community Plan roll-out. The Council has developed a Customer Service Charter for sharing information with and receiving feedback from the community. Specifically to the Lockyer Valley the elected Councillors are seen as an effective conduit to receive and understand the needs and concerns of the ratepayers and to provide this feedback through to Council management for appropriate actions and considerations.

4.2 CURRENT LEVELS OF SERVICE

In accordance with the requirements of the International Maintenance Management Manual, service levels have been defined in two terms.

4.2.1 COMMUNITY LEVELS OF SERVICE

Community Levels of Service relate to the service outcomes that the community wants in terms of safety, quality, quantity, reliability, responsiveness, cost effectiveness and legislative compliance.

Community levels of service measures used in the service management plan are:

- | | |
|------------------------|------------------------------------|
| • Quality | How good is the service? |
| • Function | Does it meet users' needs? |
| • Capacity/Utilisation | Is the service over or under used? |

4.2.2 TECHNICAL LEVELS OF SERVICE

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 best achieve the desired community outcomes.

Council's current service levels are detailed in the tables below; these have been drafted based on anecdotal and historic information.

The levels of service will require further development based on their cost of delivery and the community's willingness and ability to pay.

TABLE 4-1: ROAD NETWORK CURRENT LEVELS OF SERVICE

Road Network			
Classification	Lockyer Valley Regional Council has good quality, well maintained roads that comply with Council's road hierarchy requirements and are fit for purpose.		
Service Statement	Community feedback through surveys or complaints and the average condition of the road network.		
Performance Measure	Community feedback through surveys or complaints and the average condition of the road network.		
Service Factors	Community Levels of Service	Technical Levels of Service	Performance Measures
Quality			
Condition	Operations & Maintenance <ul style="list-style-type: none">Inspect assets on a routine basis to identify their conditionInspect assets on a routine basis to identify and address any defect and safety concernsMaintain assets in a tidy, safe, and functional condition		25% of Asset Base condition assessed annually Defect inspections 100% of roads <0.1 Complaints/Km/annum >95% compliance with maintenance plan
Transport infrastructure condition meets hierarchy requirements for condition measure	Renewal <ul style="list-style-type: none">Renew/replace road surface when the level of ride-ability becomes unacceptable and maintenance becomes more expensive than reseat/rehabilitation.Renew/replace road pavement at, or nearing, its end of useful life.		Average road condition being maintained 90% delivery of renewal programs 10% reduction in "run to failure" roads
	Function		
Access	Ensure access to facilities and services is provided that is suited to the use	New/Upgrade <ul style="list-style-type: none">Provide new/upgraded infrastructure to cater for community growth in accordance with the Priority Infrastructure Plan, and existing community demandProvide new/upgraded infrastructure as required to comply with industry standards or statutory requirementsEnsure new/upgraded infrastructure is designed and constructed in accordance with Council's Guidelines.	90% delivery of CAPEX programs 100% Compliance with design standards and guidelines
Capacity/Utilisation			
Network meets the capacity requirements appropriate to hierarchy	New/upgraded <ul style="list-style-type: none">Ensure new/upgraded infrastructure is designed and constructed in accordance with Council's Guidelines.	100% Compliance with design standards and guidelines Customer surveys and traffic counts	

TABLE 4-2: BRIDGE, CULVERT AND FLOODWAYS CURRENT LEVELS OF SERVICE

Bridges, Culverts and Floodways			
Classification	Lockyer Valley Regional Council has good quality, well maintained bridges, culverts and floodways that meet community expectations.		
Service Statement	Community feedback through surveys or complaints and the average condition of Council's bridges, culverts and floodways		
Performance Measure	Community feedback through surveys or complaints and the average condition of Council's bridges, culverts and floodways		
Service Factors	Community Levels of Service	Technical Levels of Service	Performance Measures
Quality			
Condition	Well maintained bridges, culverts and floodways Look well maintained Transport infrastructure condition meets hierarchy requirements for condition measure	Operations & Maintenance	100% annual Level 1 inspections 2 year Level 2 inspection program Level 3 inspections on an "as needs" basis >95% compliance with maintenance plan
		Renewal	Number of load limited bridges and culverts 90% delivery of renewal programs
		Renew/replace Bridge, culvert and floodway components when level 3 inspections determine that further maintenance is not an option and assets need to be renewed/replaced.	
Function			
Access	Ensure access to facilities and services is provided that is suited to the use	New/Upgrade <ul style="list-style-type: none">Provide new/upgraded infrastructure to cater for community growth in accordance with the Priority Infrastructure Plan, and existing community demandProvide new/upgraded infrastructure as required to comply with industry standards or statutory requirementsEnsure new/upgraded infrastructure is designed and constructed in accordance with Council's Guidelines.	90% delivery of CAPEX programs 100% Compliance with design standards and guidelines
Capacity/Utilisation			
	Bridges, culverts and floodways meet the capacity requirements appropriate to hierarchy	New/upgraded <ul style="list-style-type: none">Ensure new/upgraded infrastructure is designed and constructed in accordance with Council's Guidelines.	100% Compliance with design standards and guidelines Traffic counts as required

TABLE 4-3: KERB & CHANNEL CURRENT LEVELS OF SERVICE

Classification		Kerb & Channel	
Service Statement	Lockyer Valley Regional Council has good quality, well maintained kerb and channel that comply with Council's road hierarchy requirements and are fit for purpose.		
Performance Measure	Community feedback through surveys or complaints		
Service Factors	Community Levels of Service	Technical Levels of Service	Performance Measures
Quality			
Condition	Well maintained kerb & channel Look well maintained Do not pond water	<u>Operations & Maintenance</u> <ul style="list-style-type: none">Inspect assets on a routine basis to identify their conditionInspect assets on a routine basis to identify and address any defect and safety concernsMaintain assets in a tidy, safe, and functional condition. <u>Renewal</u> <ul style="list-style-type: none">Renew/replace K&C inspections determine that further maintenance is not an option and asset need to be renewed/replaced.Renew/replace K&C is at, or nearing, its end of useful life.	Condition assessed annually Defect inspections 100% of K&C <0.1 Complaints/Km/annum >95% compliance with maintenance plan Average K&C condition being maintained 90% delivery of renewal programs 10% reduction in "run to failure" K&C
Function			
Access	Ensure access to facilities and services is provided that is suited to the use	<u>New/Upgrade</u> <ul style="list-style-type: none">Provide new/upgraded infrastructure to cater for community growth in accordance with the Priority Infrastructure Plan, and existing community demandProvide new/upgraded infrastructure as required to comply with industry standards or statutory requirementsEnsure new/upgraded infrastructure is designed and constructed in accordance with Council's Guidelines.	90% delivery of CAPEX programs 100% Compliance with design standards and Guidelines
Capacity/Utilisation			
Network meets the capacity requirements.		<ul style="list-style-type: none">Provide K&C where necessary to collect road runoff or protect property from low flow inundation.	Guidelines for the installation of K&C developed and implemented.

TABLE 4-4: FOOTPATH & CYCLEWAYS CURRENT LEVELS OF SERVICE

Footpaths & Cycleways			
Classification	Lockyer Valley Regional Council has a network of quality, well maintained footpaths and Cycleways.		
Service Statement	Community utilization rates and feedback through surveys or complaints		
Performance Measure	Community Levels of Service		
Service Factors	Community Levels of Service	Technical Levels of Service	Performance Measures
Quality			
Condition	Well maintained footpaths Do not pond water Look well maintained No trip hazards	<u>Operations & Maintenance</u> <ul style="list-style-type: none">Inspect assets on a routine basis to identify their conditionInspect assets on a routine basis to identify and address any detect and safety concernsMaintain assets in a tidy, safe, and functional condition	100% of footpath & cycleways inspected annually for defects. 100% high classification footpaths, with a selection of remaining footpaths to meet minimum 25% total assets inspected
		<u>Renewal</u> <ul style="list-style-type: none">Renew/replace assets when further maintenance is not an option.	Average condition being maintained 90% delivery of renewal programs
Function			
Access	Ensure footpath and cycleway network connects to facilities and services and is suited to the use	<u>New/Upgrade</u> <ul style="list-style-type: none">Provide footpaths and cycleways to cater for community growth in accordance community demandProvide footpaths and cycleways that comply with industry standards or statutory requirementsEnsure footpaths and cycleways are designed and constructed in accordance with Council's Guidelines.	90% delivery of CAPEX programs 100% Compliance with CPTED principles and Council's design standards and guidelines
Capacity/Utilisation			
	Network meets the capacity requirements appropriate to hierarchy	<ul style="list-style-type: none">Ensure footpaths & cycleways are being used and meet community needs.	Pedestrian and Bike counts as required

TABLE 4-5: TRAFFIC MANAGEMENT CURRENT LEVELS OF SERVICE

Traffic Management			
Classification			
Service Statement	Local traffic management devices and street furniture will be well maintained and contribute to improved road amenity.		
Performance Measure	Community feedback through surveys, requests for new assets or complaints		
Service Factors	Community Levels of Service	Technical Levels of Service	Performance Measures
Quality			
Condition	Well maintained traffic islands, speed humps etc. Look well maintained	Operations & Maintenance	Traffic Management assets inspected annually for defects and condition assessment
		<ul style="list-style-type: none">Inspect assets on a routine basis to identify their conditionInspect assets on a routine basis to identify and address any defect and safety concernsMaintain assets in a tidy, safe, and functional condition	<5 Complaints/annum >95% compliance with maintenance plan
		Renewal	Average condition being maintained 90% delivery of renewal programs Reduction in complaints
Function			
Access	Traffic Management infrastructure meets standards and guidelines.	New/Upgrade	Establish baseline for measuring movement improvements. 90% delivery of CAPEX programs 100% Compliance with design standards and guidelines
		<ul style="list-style-type: none">Provide infrastructure to cater for community growth in accordance with existing community demandProvide infrastructure to improve traffic/pedestrian movement.Provide infrastructure to comply with changing industry standards or statutory requirementsEnsure new/upgraded infrastructure is designed and constructed in accordance with Council's Guidelines.	
Capacity/Utilisation			
	Traffic Management infrastructure addresses identified needs.	<ul style="list-style-type: none">Ensure assets are fit for purpose, accord with Council's Guidelines and deliver the expected benefits/outcomes.	Measure benefit delivery.

TABLE 4-6: CRASH BARRIER CURRENT LEVELS OF SERVICE

Crash Barrier	
Classification	
Service Statement	Crash Barriers will be well maintained and contribute to improved road safety.
Performance Measure	Community feedback through surveys, requests for new assets or complaints
Service Factors	Community Levels of Service
Quality	
Technical Levels of Service	
Performance Measures	
Condition	<p>Well maintained crash barriers. Look well maintained.</p> <p>Operations & Maintenance</p> <ul style="list-style-type: none"> Inspect assets on a routine basis to identify their condition Inspect assets on a routine basis to identify and address any defect and safety concerns Maintain assets in a tidy, safe, and functional condition <p>Renewal</p> <ul style="list-style-type: none"> Renew/replace maintenance becomes more expensive than renewal/replacement. <p>Crash Barrier assets inspected annually for defects and condition assessment <5 Complaints/annum >95% compliance with maintenance plan</p>
Function	
Access	<p>Crash Barriers meet standards and guidelines.</p> <p>New/Upgrade</p> <ul style="list-style-type: none"> Provide infrastructure to comply with changing industry standards or statutory requirements Ensure new/upgraded infrastructure is designed and constructed in accordance with Council's Guidelines. <p>90% delivery of CAPEX programs 100% Compliance with design standards and guidelines</p>
Capacity/Utilisation	
Crash Barriers address identified needs.	<ul style="list-style-type: none"> Ensure assets are fit for purpose, accord with Council's Guidelines and deliver the expected benefits/outcomes. <p>Measure benefit delivery.</p>

TABLE 4-7: CARPARKS CURRENT LEVELS OF SERVICE

Carparks			
Classification			
Service Statement	Lockyer Valley Regional Council has well maintained, safe car parking areas with appropriate capacity.		
Performance Measure	Community feedback through surveys, requests for new assets or complaints		
Service Factors	Community Levels of Service	Technical Levels of Service	Performance Measures
Quality			
Condition	Well maintained pavement, traffic management, kerb and channel. Look well maintained	<u>Operations & Maintenance</u> <ul style="list-style-type: none">Inspect assets on a routine basis to identify their conditionInspect assets on a routine basis to identify and address any defect and safety concernsMaintain assets in a tidy, safe, and functional condition	Carpark assets inspected annually for defects and condition assessment <5 Complaints/annum >95% compliance with maintenance plan
		<u>Renewal</u> <ul style="list-style-type: none">Renew/replace maintenance becomes more expensive than renewal/replacement.	Average condition being maintained 90% delivery of renewal programs Reduction in complaints
Function			
Access	Carparks meets standards and guidelines.	<u>New/Upgrade</u> <ul style="list-style-type: none">Provide infrastructure to cater for community growth in accordance with existing community demandProvide infrastructure to improve traffic/pedestrian movement.Provide infrastructure to comply with changing industry standards or statutory requirementsEnsure new/upgraded infrastructure is designed and constructed in accordance with Council's Guidelines.	90% delivery of CAPEX programs 100% Compliance with design standards and guidelines
		Capacity/Utilisation <ul style="list-style-type: none">Ensure assets are fit for purpose, accord with Council's Guidelines and deliver the expected benefits/outcomes.	
		Measure benefit delivery.	

5 FUTURE DEMAND

5.1 DEMAND FORECAST

Factors affecting future demand for services include population projections, demographics, seasonal factors, vehicle ownership, consumer preferences and expectations, economic factors, agricultural practices, environmental awareness, etc. Known demand impacts for the Lockyer Valley in relation to impacts on service delivery are summarised in Table 5-1.

TABLE 5-1: DEMAND FACTORS, PROJECTIONS AND IMPACT ON SERVICES

Demand factor	Present position	Projection	Impact on services
Population	38,312 persons (2014)	Increase population to 63,000 by 2031.	Increased demand for services (based on projected population position).
Demographic	Median age 37 (2011)		An aging population will have a nominal increase in the need for infrastructure services, principally associated with access. (E.g. Footpaths, access to buildings and facilities, aged care, medical services etc.)
Tourism	Approximately 304,000 visitors per annum.		Tourism increases will result in a nominal increase in usage of infrastructure, particularly those providing access to and servicing tourist attractions.
Housing	In 2015, 260 residential dwellings were approved.	Potential infill housing and take up of current land stocks. Potential for more rural residential subdivisions.	New dwelling starts across the region do not indicate significant demand for additional infrastructure assets or services; however Council will need to maintain contributed assets.

Demand for new services will be managed through a combination of managing existing assets, upgrades, provision of new assets to meet demand and demand management. Demand management practices may include non-asset based solutions, insuring against risks, appropriate risk mitigation strategies and managing failures.

TABLE 5-2: DEMAND MANAGEMENT PLAN SUMMARY

Service Activity	Demand Management Plan
Community demand for Transport services.	Promote infill development to increase services at a reduced cost.
Replacement or repair of streets and roads	Progressive repair or replacement of transport assets, based on condition, utilisation and appropriateness of service delivery.
Revenue Management	Manage financial resources to correlate with trending deterioration of assets
Capital Works – Renewals / Replacement	Schedule long-term capital works, ensuring that renewal funding is deemed non-discretionary. Replacement projects will need to be assessed with a balance between competing demands for investment to renew existing assets as well as providing capacity for new assets to meet growing service delivery demand.

The Demand Management Planning process will need to be applied to all asset groups, types and components to ensure that the Council understands the funding requirements to deliver the necessary works and what is required going forward to adequately provide services to the community.

6 RISK MANAGEMENT

Council has a 'duty of care' to the community in relation to the management of all assets. This covers the various phases of design and construction through to operations and maintenance of the networks.

The risk management framework derives from:

- Risks associated with the loss of service by the failure of critical assets
- Financial risks from a lack of due diligence in the management of funding for the renewal, maintenance and operation of the assets to provide agreed levels of service
- Operational risks where data and information are not used to competently manage the risks associated with the delivery of transport related services i.e. asset maintenance practices

6.1 RISK ASSESSMENT

Council undertakes regular inspection regimes for all of its transport related assets. Each identified defect is put through a risk management process to determine its criticality based on all defects present on the asset networks to direct the repair effort. Remedial actions are undertaken based on the criticality of the defect with allowance made for the type of asset and asset hierarchy to ensure that the risk is given the appropriate attention to minimise impacts on the users of the service and protect Councils interests.

The acceptable risk level in relation to public safety depends very much on the likelihood and consequence descriptors used for the assessment. Lockyer Valley Regional Council chose to use conservative criteria for consequence. For example, the first two categories, "Insignificant" and "Minor" have no health impact. The Risk assessment is based on the formal assessment processes described in the standard and represented in Table 6-1 below.

TABLE 6-1: RISK ASSESSMENT PROCESS (SOURCE: AS/NZS 4360:2004 RISK MANAGEMENT)

LIKELIHOOD	CONSEQUENCES				
	1	2	3	4	5
	Negligible	Minor	Moderate	Major	Catastrophic
A. Rare	L	L	L	M	H
B. Unlikely	L	L	M	H	H
C. Possible	L	M	M	H	E
D. Likely	M	M	H	E	E
E. Almost Certain	M	H	H	E	E

Note the condition assessment 1 – 5 rating scale is aligned to the likelihood assessment level in the risk management process.

A reasonable rule of thumb for "take the risk" would be "medium" or less. However, the decision on taking action to reduce a risk depends on two factors:

- the magnitude of the risk, and
- the cost/difficulty of action to reduce the risk.

Thus there will be cases when it is sensible to reduce a "Low" risk and others when it may not be practical to reduce a "High" or "Extreme" risk.

6.2 RISK TREATMENT

The risk treatments nominated in Table 5-1 have regard for the practical approach to risk management based on:

- Available resources, (and skills);
- Funding; and
- Network needs based on hierarchy and the associated seasonal factors.

The treatments also have regard for the factors that Council can capably manage to ensure that the risks are minimised.

TABLE 6-2: RISK TREATMENTS FOR RISK CATEGORIES

Risk Category	Control / Treatment
L = Low Risk	<ul style="list-style-type: none"> • Reactive Inspection • Manage risk by routine procedures • Typically, response within 48 hours
M = Moderate Risk	<ul style="list-style-type: none"> • Incident Inspection • Management responsibility must be specified • Typically, response within 24 hours
H = High Risk	<ul style="list-style-type: none"> • Incident Inspection • Risk and management strategy identified in Services Management Plan • Typically, immediate to short term response, (make safe)
E = Extreme Risk	<ul style="list-style-type: none"> • Incident Inspection • Risk and management strategy identified in Services Management Plan • Typically, immediate response and remedy as far as is practicable

For each identified risk Council can elect to adopt one of the following positions:

- Take the risk,
- Transfer the risk,
- Treat the risk, or
- Terminate the risk.

6.2.1 PRIORITISING RISKS FOR TREATMENT

Risk events classified as extreme should be prioritised when defining and implementing risk treatment strategies and risk controls.

Table 6-3 records the critical risks (as identified) for incidents to the transport and drainage network, together with the cause, likelihood, risk rating and risk treatment, (both short and long term). It is not possible to identify all possible risks.

TABLE 6-3: CRITICAL RISKS/ INCIDENTS AND TREATMENTS FOR TRANSPORT AND DRAINAGE NETWORK

ASSET AT RISK	RISK ID	CRITICAL INCIDENT	CAUSE	LIKELIHOOD	RISK RATING	RISK TREATMENT PLAN
Bridges & culverts, crash barriers	T01	Barrier or railing damage	Traffic accident	Possible	Moderate	Addressed based on reactive (customer request) maintenance
Bridges & culverts	T02	Cracking – expansion and contraction	Seasonal temperature and humidity variations	Possible	Moderate	Addressed under bridge routine inspections, preventative maintenance program and reactive maintenance process
Footpaths & cycleways	T03	Cracking – expansion and contraction	Seasonal temperature and humidity variations	Possible	Moderate	Addressed under footpath renewal program, preventative maintenance program and reactive maintenance process
Footpaths & cycleways	T04	Impact defects		Possible	Low	Addressed under footpath renewal program, preventative maintenance program and reactive maintenance process
Footpaths & cycleways	T05	Lifting	Earth movement	Likely	High	Addressed under footpath preventative maintenance program and reactive maintenance process
Kerb & channel	T06	Cracking – expansion and contraction	Seasonal temperature and humidity variations	Possible	Moderate	Addressed under the kerb & gutter renewal program and reactive maintenance process
Kerb & channel	T07	Lifting	Earth movement	Likely	Moderate	Addressed under kerb and gutter renewal program, preventative maintenance program and reactive maintenance process
Traffic management	T08	Sign damage – graffiti/vandalism and vehicle impact	Traffic accidents Extreme weather events Vandalism	Possible	High	Addressed under sign replacement program and customer requests
Road pavement	T09	Potholes	Extreme weather events Heavy vehicles	Almost Certain	High	Addressed under road renewal program, preventative maintenance program and reactive maintenance process
Road pavement	T10	Rutting	Heavy vehicles weather events and increase in traffic	Almost Certain	High	Addressed under road renewal program, preventative maintenance program and reactive maintenance process
Road pavement	T11	Edge breaks – rural roads	Heavy vehicles passing	Almost Certain	High	Addressed under maintenance and capital works programs
Transport	T12	Deferred maintenance	Insufficient funding	Likely	High	Addressed through 5 yearly base budget reviews of maintenance and operations funding.
Transport	T13	Deferred Renewal	Insufficient funding	Likely	Extreme	Addressed under road condition and remaining life assessments and the development of asset renewal programs for council consideration.
Transport	T14	non-delivery of works programs	insufficient funding/ insufficient planning	likely	high	Review and implementation of capital works program

6.3 Risk Report

Table 6-4 identifies some of the possible risks and potential outcomes for applying risk management practices across the network.

TABLE 6-4: Risk Report

Risk ID	Asset at Risk	Risk Description	Residual Risk	Treatment	Proposed treatment option	Target Risk
T01	Bridges & Culverts, Crash Barriers	Barrier or railing damage	Moderate+	Take	Address through reactive maintenance.	Moderate
T02	Bridges & Culverts	Cracking – expansion and contraction	Moderate	Take	Address through reactive maintenance.	Moderate
T03	Footpaths & Cycleways	Cracking – expansion and contraction	Moderate	Take	Address through reactive maintenance.	Moderate
T04	Footpaths & Cycleways	Impact defects	Low	Take	Address through reactive maintenance.	Moderate
T05	Footpaths & Cycleways	Lifting	Moderate	Take	Address through reactive maintenance.	Moderate
T06	Kerb & Channel	Cracking – expansion and contraction	Moderate	Take	Address through reactive maintenance.	Moderate
T07	Kerb & Channel	Lifting	Moderate	Take	Address through reactive maintenance.	Moderate
T08	Traffic Management	Sign damage – graffiti/vandalism and vehicle impact	Moderate	Take	Address through reactive maintenance.	Low
T09	Road Pavement	Potholes	High	Treat	Address through Customer requests, inspections and road maintenance crews. Implement 5-year base budget review (BBGR) to determine funding requirements and trends.	Moderate
T10	Road Pavement	Rutting	High	Treat		Moderate
T11	Road Pavement	Edge breaks – rural roads	High	Treat		Moderate
T12	Transport	Deferred maintenance	High	Treat	Identify & prioritise maintenance activities not being addressed	Moderate
T13	Transport	Deferred renewal	Extreme	Treat	Quantify unfunded renewals	Moderate
T14	Transport	Non-delivery of works programs	Moderate	Treat	Quantify unfunded capital works	Moderate

7 LIFECYCLE MANAGEMENT PLAN

Lifecycle planning uses current asset and financial data to detail how Council will manage and operate the assets to deliver sustainable levels of service (defined in Section 4) while optimising life cycle costs.

The diagram below demonstrates the asset management whole of life approach:

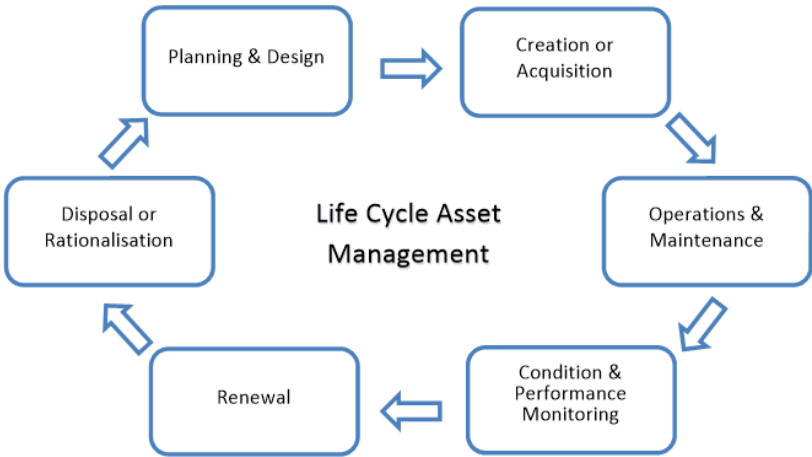


FIGURE 7.1: ASSET LIFECYCLE

7.1 INPUT DATA AND PARAMETERS

7.1.1 DATA CONFIDENCE

This lifecycle assessment is based on Council’s revaluation data, financial data and asset register as detailed in Section 7.1. The data is considered to have an accuracy rating of 2 in accordance with the rating scale in Table 7-1.

TABLE 7-1: DATA CONFIDENCE RATING

Grade	Description	Accuracy
1	Accurate	100%
2	Minor inaccuracies	± 5%
3	50% estimated	± 20%
4	Significant data estimated	± 30%
5	All data estimated	± 40%

(Section 4.3.7 of the *International Infrastructure Management Manual (IIMM) Version 3.0, 2006*)

7.1.2 ADOPTED USEFUL LIVES OF TRANSPORT ASSETS

An asset’s useful life is defined as a period over which a depreciable asset is expected to be fully consumed. This period can be significantly impacted by Council’s maintenance practices. The useful life of an asset is initially based on the manufacturer’s recommended (expected) life or design life. However, this may be adjusted based on historical evidence of the impact of local environs on the expected life or actual performance in service.

Council’s preferred approach is to use the condition of the asset in service as an indicator of its remaining useful life.

Council’s adopted useful lives for each asset type are shown in Table 7-2 below.

TABLE 7-2: TRANSPORT ASSET LIVES AND HIERARCHY

Asset Class	Asset Type	Components	Material	Adopted Useful Lives (Years)
Bridges, Culverts and Floodways	Bridge	Deck	Timber	40
			Concrete	80
		Retaining Works	Not Defined	80
		Substructure	Concrete	80
			Timber	50
			Aluminium	80
		Superstructure	Timber	50
			Concrete	80
			Aluminium	80
	Culvert	Reinforced Concrete Pipe	Concrete	100
		Reinforced Concrete Box	Concrete	100
		PVC Pipe	PVC	100
	Floodway		Concrete	100
			Gravel/Seal	20
Carpark	Carpark	Landscaping	Not Defined	40
		Lighting	Not Defined	40
		Line Marking	Paint	20
		Pavers	Concrete/Clay	40
		Retaining Walls	Not Defined	40
		Signage	Aluminium/Steel	20
		Stormwater	Concrete	80
Crash Barrier	Crash Barrier	TRI Beam	Steel	40
		W Beam	Steel	40
		Thrie Beam	Steel	40
Footpath and Cycleways	Footpath		Asphalt	40
			Concrete	60
			Paved	40
Kerb and Channel	Kerb and Channel		Concrete	50
Roads	Road	Formation	Earth	200
		Pavement - Subbase	Gravel	200
		Pavement - Base	Gravel – Rural (Sealed)	65
			Gravel – Urban (Sealed)	50
			Gravel – (Unsealed)	20
		Seal	Asphalt	25
			Bitumen & Aggregate	20
Traffic Management	Traffic Management	Traffic islands, kerb and infill	Concrete	40

7.1.3 ADOPTED REMAINING USEFUL LIVES OF TRANSPORT ASSETS

The remaining useful lives of the assets are based on:

- Inspections by a suitably qualified person;
- Calculated from supplied construction dates and adopted asset lives; or
- Estimated from the condition of the asset as a percentage of the expected life.

7.2 PLANNING & DESIGN

The planning process involves all actions that result in the creation, disposal or upgrade of transport assets. It takes into account policies, strategies and plans adopted by Council, relevant standards and regulatory requirements to provide options based on whole of life costs and fit for purpose, to deliver the desired level of service to the community. Design follows on from planning where the idea is converted to a tangible project with the appropriate current engineering standards applied. Projects are run through a prioritisation model, presented to Council in a prioritised order and once the budget has been adopted become a 'live project' for construction.

The greatest opportunity for cost saving is at the planning stage of the project, where all options are considered including the potential to deliver services from non-asset based solutions.

7.3 NEW/UPGRADE PLANNING

New/upgraded works are those that:

- Create a new asset that did not previously exist, or
- Upgrade or improvement of an existing asset beyond its existing capacity to deliver a higher level of service.

New/upgraded projects are identified from various sources including:

- Councillor/Executive or community requests
- Growth and demand management
- Proposals identified by strategic plans
- Partnerships with other organisations
- Developer trunk infrastructure (LGIP)
- Considered due to the availability of an external funding source, to upgrade or provide an asset that ordinarily may not be upgraded from Councils own source funding

Project proposals are assessed to verify need and to develop a preliminary estimate. Verified proposals are ranked by priority and fund source then scheduled in works programmes. Final approval for a project to proceed is at the adoption of the yearly capital works budget by Council.

7.4 OPERATIONS AND MAINTENANCE PLANNING

Current maintenance management is undertaken based on historical practices and trends.

The maintenance service objectives are to:

- To maintain the transport system in a safe, serviceable and aesthetically pleasing condition, displaying a defensible 'duty of care' within Council's financial and physical constraints to the satisfaction of Council and the community
- Maintain and preserve the functionality and value of the existing assets
- Ensure the provision of an affordable standard of customer service ensuring that customer requests are responded to in an efficient and effective manner

Transport assets have programmed inspections undertaken that cover safety, incident investigations, defect identification, condition assessment and responses to customer enquiries. Maintenance works are programmed from a prioritised maintenance backlog to ensure that council is managing its risk exposure, both physical and financial.

7.5 OPERATIONS AND MAINTENANCE STRATEGIES

Operation and maintenance activities include:

- Scheduling operations activities to deliver the defined level of service in the most efficient manner
- Undertaking maintenance activities through a planned maintenance approach to reduce maintenance costs and improve maintenance outcomes
- Undertaking analysis to determine the most cost-effective split between planned and unplanned maintenance activities (50 – 70% planned is desirable),
- Reviewing current and required skill levels of staff and implementing training and development opportunities
- Identifying under or over utilised assets and recommending options
- Maintaining a knowledge of asset criticality
- Continuously reviewing emergency response capability

7.6 CONDITION & PERFORMANCE MONITORING

7.6.1 CONDITION RATING

Lockyer Valley's extensive network of transport assets are generally visible and can be readily inspected to determine their condition. Council has adopted a condition assessment method using a rating scale of 1 to 5. This aligns with the International Infrastructure Management Manual. The condition rating methodology is also aligned to the IPWEA's condition rating models. The Condition Ratings are detailed in Table 7-3 below.

TABLE 7-3: STRUCTURAL CONDITION GRADING MODEL

Rating	Condition	% Useful Life Remaining	Description
1	Very Good	>70%	Sound physical condition. Very limited, isolated signs of deterioration. Only routine maintenance required.
2	Good	70%-51%	Acceptable physical condition; minor deterioration visible, no short-term failure risk. Minor defects only. Only minor work required in addition to that of routine maintenance.
3	Fair	50%-11%	Acceptable physical condition; minimal short-term failure risk but potential for deterioration in long-term. Minor defects only. Minor components or isolated sections of the asset may need replacement or repair now but asset functions safely at adequate level of service. Work may be required but asset is serviceable. Maintenance required to restore the asset to an acceptable level of service.
4	Poor	10%- 4%	Significant deterioration evident. Failure likely in short-term. Likely need to replace most or all of asset. No immediate risk to health or safety but works required to ensure asset remains safe. Substantial work required in short-term, asset barely serviceable. Asset requires renewal – work to be programmed.
5	Very Poor	<4%	Failed or failure imminent. Immediate need to replace most or the entire asset. Health and safety hazards exist which present a possible risk to public safety or asset cannot be serviced/operated without risk to personnel. Asset is effectively unserviceable. Major work or replacement required urgently.

(International Infrastructure Management Manual (IIMM) Version 3.0, 2006 Section 3.3.6)

7.6.2 ASSET CAPACITY AND PERFORMANCE

Council's transport services are generally provided through infrastructure that met design and engineering standards at the time they were built where these were available. The transport assets across the region in general are performing well, there are isolated areas where assets could be deemed at capacity and these areas are addressed through asset replacement programs or when seeking external funding grants.

Locations where deficiencies in service performance are identified will be included in future works programs and/or managed through risk mitigation measures.

7.6.3 CRITICAL ASSETS

Critical assets are those assets which have a high consequence of failure but not necessarily a high likelihood of failure. By identifying critical assets and critical failure modes, Council targets inspection and investigative activities, maintenance plans and capital expenditure plans. A full review of the criticality of assets is yet to be undertaken and will be included in future iterations of the Transport SMP.

7.7 RENEWAL PLAN

Renewal expenditure does not increase the assets 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 the original service potential is considered upgrade or new works.

This plan provides indicative program information for the renewal of transport assets. The program includes the funding requirements and any funding 'Renewal Gap', (the difference between 10 year budget allocation and 10 year renewal needs).

7.8 DISPOSAL PLAN

Disposal includes any activity associated with the disposal of a decommissioned asset including sale, demolition or relocation. No assets have been identified for possible decommissioning and disposal; rather all current transport infrastructure assets would be replaced at the end of their economic life (to current engineering standards) or if they were to fail prematurely based on what is currently known of the required service delivery across the region.

Research is currently being undertaken to better understand the shared roads with adjoining Council areas which may lead to some minimal adjustment to road lengths over the coming year.

8 TRANSPORT ASSETS ANALYSIS

8.1 ASSUMPTIONS

This section details the key assumptions made in presenting the information contained in this service 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 analysis and forecasts.

In the preparation of renewal forecasts and works programs it has been assumed the Council will continue to deliver transport services in the current manner and at the current levels.

This Plan is based on:

- revaluation and condition assessment data as at 30 June 2016;
- Council's financial statements for 2012/2013, 2013/2014 and 2014/2015; and
- Historical service levels and performance targets.

Further, this plan will need to be updated annually to reflect changes to valuation, condition and impairment of assets.

Key assumptions made in this service management plan are:

- Service management plan is adopted and implemented
- Works programs will be adopted and funded
- Funding priorities are based on "renew before new"
- Council will pursue external funding opportunities where possible when upgrading or providing new assets
- Existing maintenance & operation funding levels will be maintained
- No sudden extensive changes in the condition of infrastructure assets
- Expected and adopted asset useful lives will be achieved
- Condition information is what is contained in the asset register

Other assumptions include:

- The calculation of depreciation expense does not include provision for the residual value of any asset

Assumptions regarding asset age and condition/age ratio is in accordance with the relevant tables in Section 7 Transport Assets.

8.2 ASSET CLASS SUMMARY

The transport assets covered by this SMP are shown in Table 6-1. Values are based on revaluation data at 30 June 2016.

TABLE 8-1: ASSETS COVERED BY THIS PLAN

Asset Class	Units	Fair Value
Bridges (Road)	39	\$23,227,500
Culverts	2664	\$20,800,046
Floodways	380	\$23,293,988
Carparks	41	\$3,392,170
Crash Barrier	5.5 km	\$1,664,046
Footpath and Cycleways	55.4 km	\$7,507,271
Kerb and Channel	300 km	\$17,273,948
Roads	1437 km	\$361,022,983
Traffic Management Devices	234	\$1,317,364
Total		\$459,500,093

8.3 AGE PROFILE

The Asset Age profile information is summarised in Figure 8-1 below. The transport assets are generally considered relatively “new”. This can be attributed to the large number of works undertaken to restore Councils infrastructure after recent disasters, post 2011.

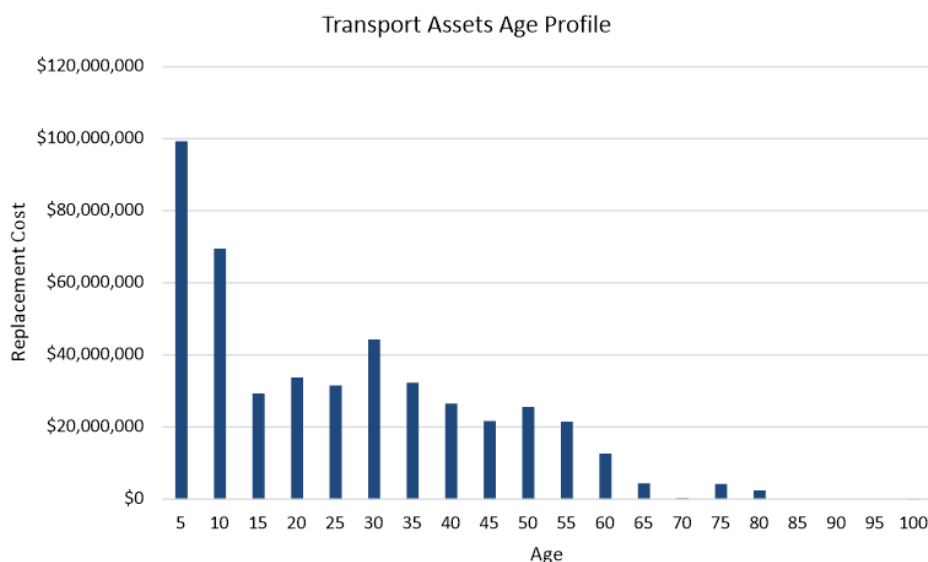


FIGURE 8-1: TRANSPORT ASSETS AGE PROFILE

8.4 ASSET CONDITION PROFILE

Condition ratings for the transport assets are being collected continuously at 25% per annum (starting in 2015). The condition profile of our assets is shown Figure 8-2. The formation component of the roads assets are not included in this chart as they generally remain in condition 1 and would misrepresent the condition profile.

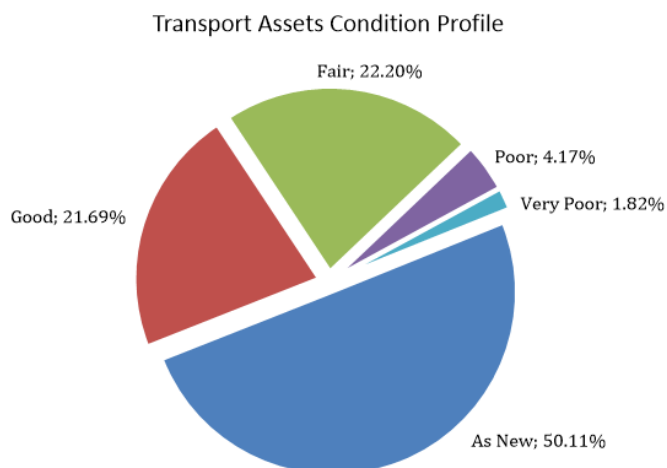


FIGURE 8-2: ASSET CONDITION PROFILE

A number of Council's assets are nearing the end of their useful life (at a component level). Therefore, careful monitoring of those assets with condition rating (Rating 5) is necessary to manage appropriate service provision and associated risk. Bridge assets are monitored at a component level, and require a rigorous inspection regime to manage inherent risks.

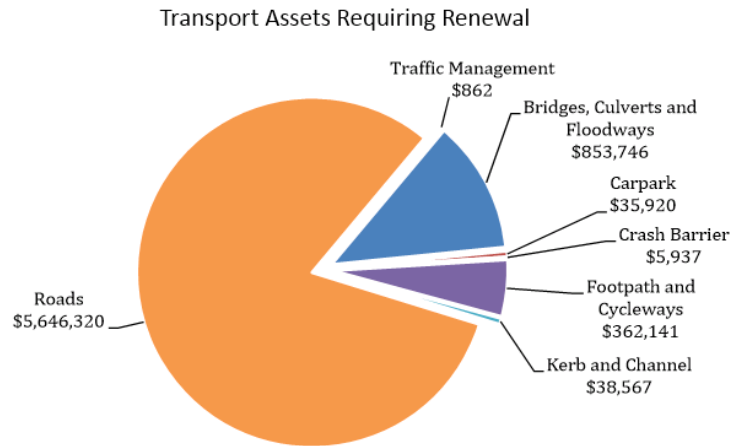


FIGURE 8-3: TRANSPORT ASSETS REQUIRING RENEWAL

Approximately 1.5% of Councils transport assets are at Condition 5; this is considered a relatively small number of assets that are in very poor condition. This is reflective of the significant amount of renewal works that were undertaken post 2011 flooding and subsequent events.

8.5 PLANNED NEW/UPGRADE ASSETS EXPENDITURE

Acquisition of new assets will commit Council to fund ongoing operations, maintenance and renewal costs for the period that the service provided from these assets is required.

Projected upgrade/new asset expenditures are summarised in Figure 8-4. The projected upgrade/new capital works program is shown in Appendix B. All amounts are shown in 2016 values.

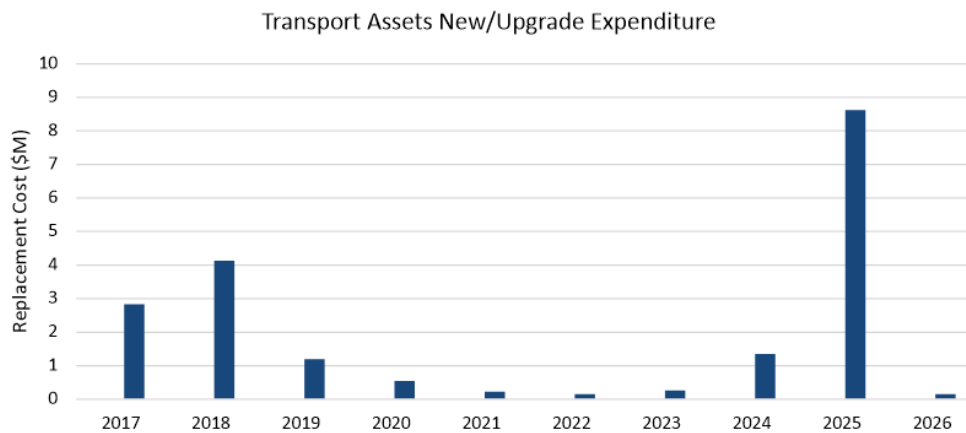


FIGURE 8-4: PROJECTED CAPITAL UPGRADE/NEW ASSET EXPENDITURE

8.6 FORECAST OPERATIONS AND MAINTENANCE EXPENDITURES

Actual past infrastructure operation and maintenance expenditure for the 2015/16 financial year is shown in Table 8-2.

TABLE 8-2: TRANSPORT OPERATION AND MAINTENANCE EXPENDITURE TRENDS 2015/2016

Asset Type	Operations and Maintenance Expense
Bridges, Culverts and Floodways	\$151,638
Footpaths and Cycleways	\$46,538
Kerb and Channel	\$187,296
Roads	\$5,317,713
Crash Barrier	\$4,060
Total	\$5,707,246

Future operations and maintenance expenditure is forecast to trend in line with the increasing value of the asset stock, based on the maintenance budget funding as shown in Table 8-2. In addition, an allowance for a 2.5% per year increase in expenditure has been included to account for anticipated growth.

Transport Assets Forecast Operations and Maintenance Expenditure

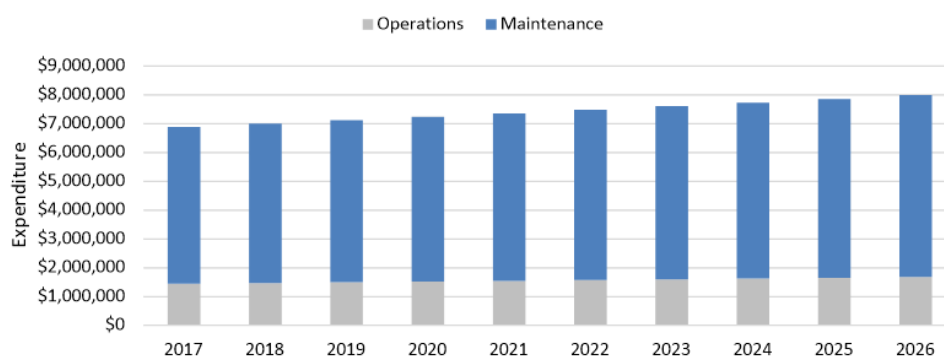


FIGURE 8-5: FORECAST OPERATIONS & MAINTENANCE EXPENDITURE

8.7 FORECAST RENEWAL EXPENDITURE

Projected future renewal and replacement expenditures are forecast to increase over time as the asset stock increases from growth. The current adopted growth rate for the Lockyer Valley Region is less than 2% per year.

For Council to be sustainable it is assumed that the assets will be renewed in line with the assets consumption (depreciation). The Local Government Act 2009 and Regulations 2012 set a target of 90% of depreciation to be spent annually on asset renewal as one of the indicators of financial sustainability. The method of determining what is required for the renewal of assets based on the depreciation (the portion of the asset consumed during the period) is considered a 'top down' or projected approach.

Where condition data is known then the remaining life estimates are used to predict renewal year. This method is based on individual assets and is known as a 'bottom up' or condition based renewal planning, and is deemed to be the most accurate.

The projected expenditure estimates and the condition based renewal estimates are summarised in Figure 8-6. Note that all amounts are shown in 2016 values.

The most accurate approach to forecast asset renewals is to use the 'bottom up' approach, based on known asset condition from physical inspections and condition ratings using the IPWEA methodology and using assumed useful lives to predict a renewal year. In practice the useful life of an asset will be influenced by factors that include the original design, materials, workmanship, environmental impacts and use in service.

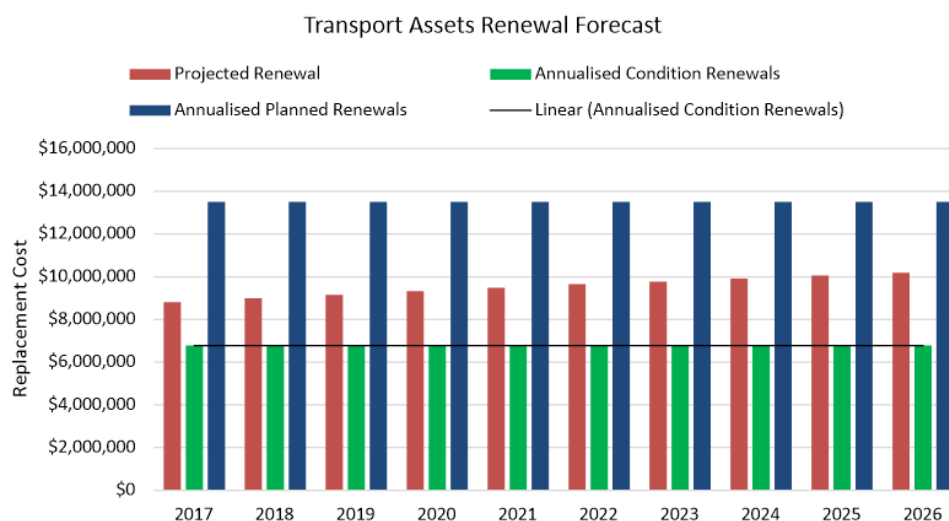


FIGURE 8-6: INFRASTRUCTURE RENEWAL PROFILE

Council's transport renewal program based on the condition of the assets and the predicted end of life has been assessed from the inventory records and a projected capital renewal and replacement program developed. The comparison of the different renewal projections is shown in Figure 8-6, with the annualised condition renewals being the best indicator of required renewal funding.

A detailed analysis of each asset type has been included as Appendix A.

9 FINANCIAL SUMMARY

This section contains information on the current long term financial plan. The forecast expenditure contained within this plan should be used as a basis to revise and improve the long term financial plan for the next 10-years.

9.1 CURRENT LONG TERM FINANCIAL PLAN

The Long Term Financial Plan has been created from the 2015 Roads, Bridges and Stormwater LTFP and escalated by 5% per annum with additional increases in years where known funding is required. The long term financial plan seen in Table 9-1 is incomplete and inaccurate and needs to be reviewed. No information was provided for the latter years of the 10-year planning period so an average value was assumed.

TABLE 9-1: LONG TERM FINANCIAL PLAN (\$000's)

Transport Program	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Renewal	\$6,383	\$9,845	\$8,724	\$8,660	\$8,792	\$8,468	\$6,797	\$7,276	\$7,276	\$7,276
New/Upgrade	\$3,015	\$0	\$0	\$0	\$0	\$0	\$1,500	\$0	\$0	\$0
Total	\$9,398	\$9,845	\$8,724	\$8,660	\$8,792	\$8,468	\$8,297	\$7,276	\$7,276	\$7,276

9.2 EXPENDITURE COMPARISON

The financial projections are shown in Figure 9-1 for projected operating (operations and maintenance) and capital expenditure (renewal and upgrade/expansion/new assets). Note that all costs are shown in 2016 values.

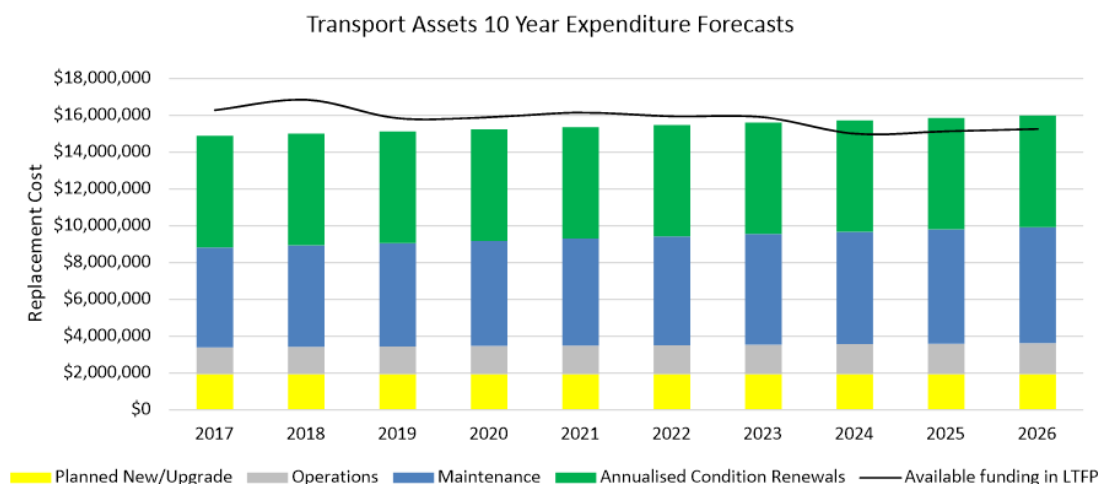


Figure 9-1: Projected Operating and Capital Expenditure

Based on a 'Bottom Up' approach and asset performance in service, there is enough funding in the long term financial plan to sustainably deliver the service. As shown above the current LTFP is front loaded and will need to be adjusted to smooth the funding to slightly increase in the outlying years.

9.2.1 PLANNED NEW/UPGRADE EXPENDITURE

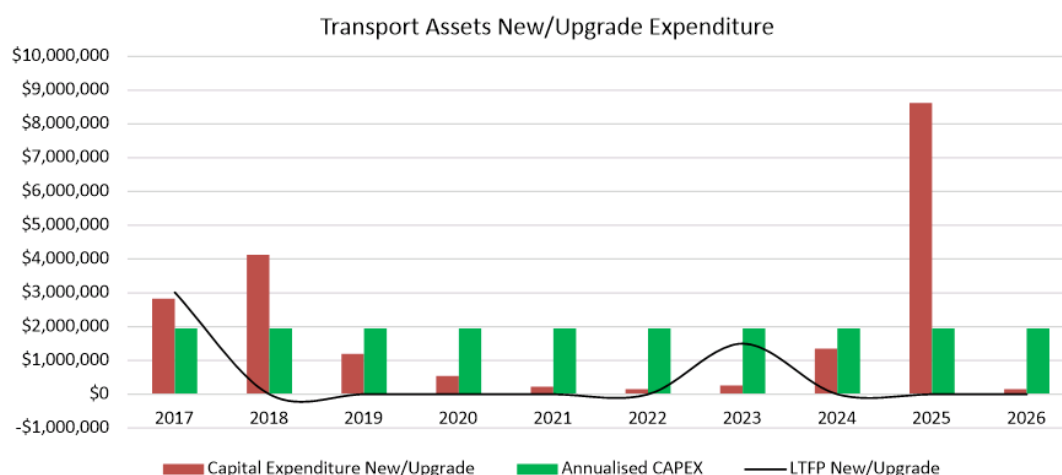


Figure 9-2: 10-Year New/Upgrade Expenditure Plan

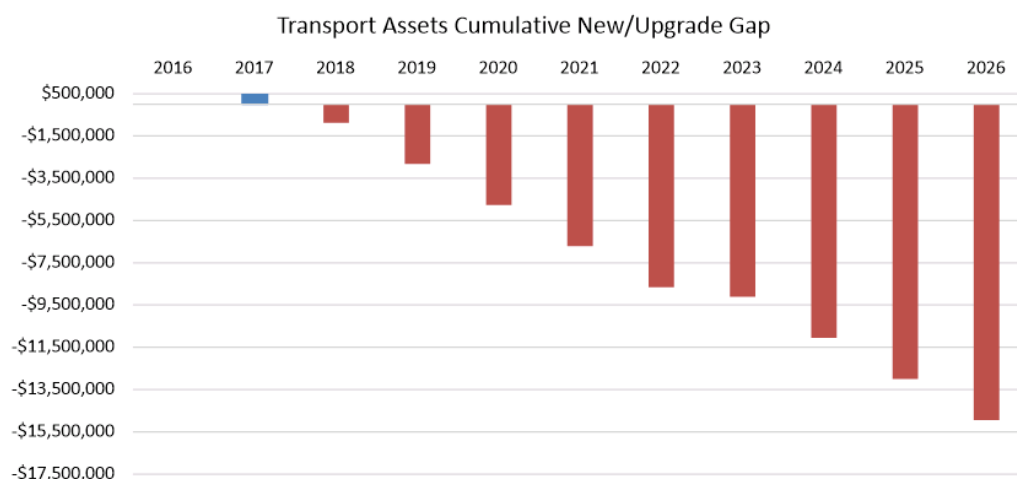


Figure 9-3: Cumulative New/Upgrade Gap

Based on the current CAPEX program and the available funding in the current LTFP, there is insufficient funding to undertake all planned New/Upgrade works. For council to continue to deliver its levels of service and minimise risk, Council must revise and improve both the capital works program and funding allocations. The funding allocations for capital works should closely align with a revised planned CAPEX program based on need.

9.2.2 RENEWAL EXPENDITURE

Figure 9-4 shows the projected asset renewal and replacement expenditure over the 10 years of the SMP. The projected asset renewal and replacement expenditure is compared to renewal and replacement expenditure in the capital works program, and assessed against the LTFP. If the annualised condition based renewals approach is adopted it is clearly shown that there is sufficient funds available in the LTFP to sustainably deliver the current levels of service.

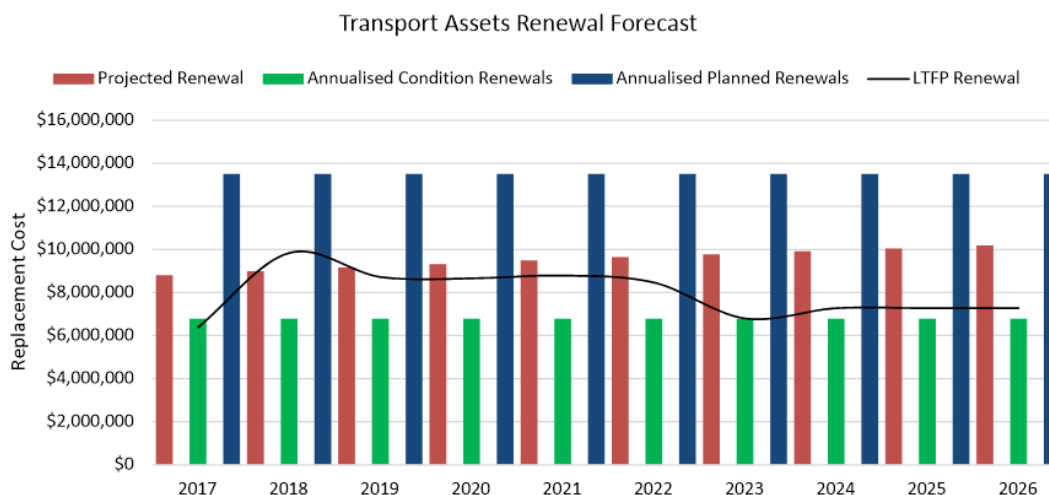


Figure 9-4: Projected and LTFP Budgeted Renewal Expenditure

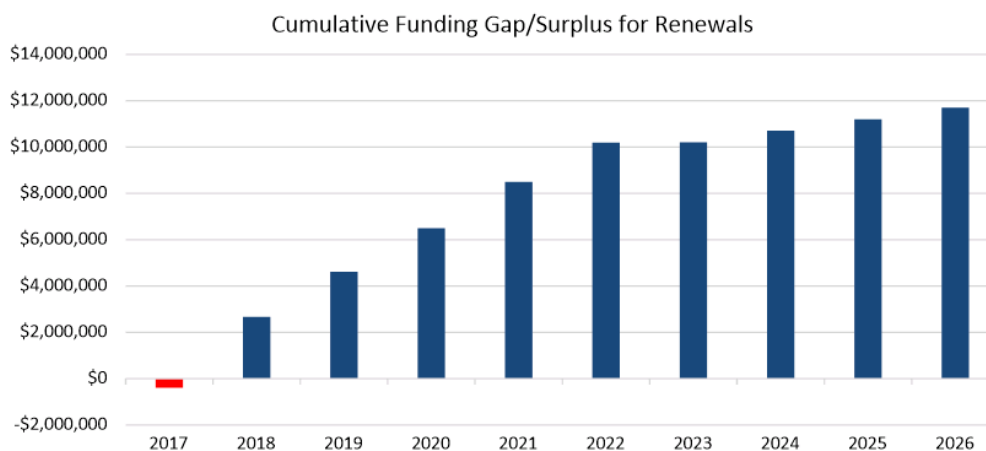


Figure 7-5: Cumulative Renewal Gap

This graph shows that the current Renewal Program is in fact overstated for the 10 year planning period for the renewal of road related assets. The current Renewal Program is currently under development to address the issue of what is required to sustain the assets over the longer term.

9.2.3 OPERATIONS & MAINTENANCE EXPENDITURE

No Operations and Maintenance modelling has been undertaken. Therefore, operations and maintenance expenditure shown is based on 2014-15 budget indexed at 2.5% to represent 2015-16 amounts.

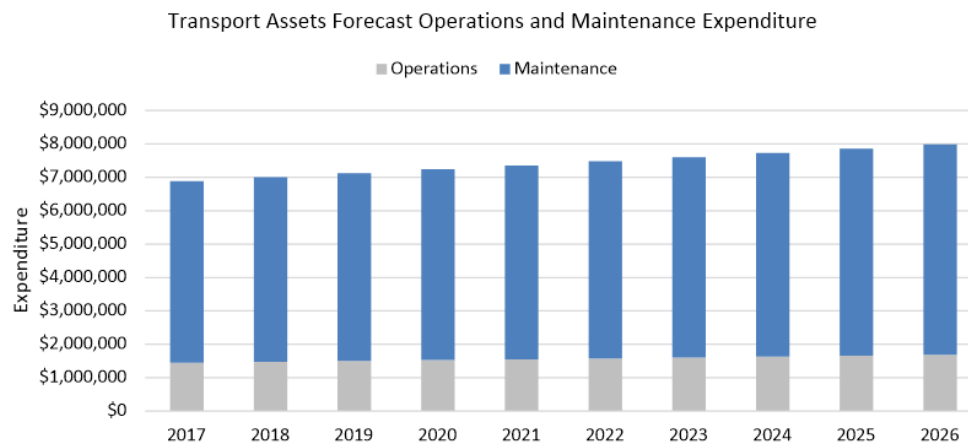


Figure 9-6: 10-Year Transport Maintenance Summary

Operations and maintenance expenditure levels will be assessed via a base budget review process in future upgrades of this Plan.

All of the expenditure forecasts have been detailed against the currently adopted long term financial plan and presented in section 9.3 below.

9.3 EXPENDITURE PROJECTIONS FOR LONG TERM FINANCIAL PLAN

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026 Total	
New/Upgrade											
Bridges, Culverts and Floodway:	\$110,250	\$110,250	\$110,250	\$110,250	\$110,250	\$110,250	\$110,250	\$110,250	\$110,250	\$110,250	\$1,102,500
Carpark	\$27,500	\$27,500	\$27,500	\$27,500	\$27,500	\$27,500	\$27,500	\$27,500	\$27,500	\$27,500	\$275,000
Crash Barrier	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Footpath and Cycleways	\$458,250	\$458,250	\$458,250	\$458,250	\$458,250	\$458,250	\$458,250	\$458,250	\$458,250	\$458,250	\$4,582,500
Kerb and Channel	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Roads	\$1,282,720	\$1,282,720	\$1,282,720	\$1,282,720	\$1,282,720	\$1,282,720	\$1,282,720	\$1,282,720	\$1,282,720	\$1,282,720	\$12,827,200
Traffic Management	\$66,850	\$66,850	\$66,850	\$66,850	\$66,850	\$66,850	\$66,850	\$66,850	\$66,850	\$66,850	\$668,500
New/Upgrade Total	\$1,945,570	\$1,945,570	\$1,945,570	\$1,945,570	\$1,945,570	\$1,945,570	\$1,945,570	\$1,945,570	\$1,945,570	\$1,945,570	\$19,455,700
Renewal											
Bridges, Culverts and Floodway:	\$492,807	\$492,807	\$492,807	\$492,807	\$492,807	\$492,807	\$492,807	\$492,807	\$492,807	\$492,807	\$4,928,074
Carpark	\$60,019	\$60,019	\$60,019	\$60,019	\$60,019	\$60,019	\$60,019	\$60,019	\$60,019	\$60,019	\$600,189
Crash Barrier	\$5,075	\$5,075	\$5,075	\$5,075	\$5,075	\$5,075	\$5,075	\$5,075	\$5,075	\$5,075	\$50,748
Footpath and Cycleways	\$51,554	\$51,554	\$51,554	\$51,554	\$51,554	\$51,554	\$51,554	\$51,554	\$51,554	\$51,554	\$515,544
Kerb and Channel	\$306,804	\$306,804	\$306,804	\$306,804	\$306,804	\$306,804	\$306,804	\$306,804	\$306,804	\$306,804	\$3,068,043
Roads	\$5,861,308	\$5,861,308	\$5,861,308	\$5,861,308	\$5,861,308	\$5,861,308	\$5,861,308	\$5,861,308	\$5,861,308	\$5,861,308	\$58,613,085
Traffic Management	\$2,782	\$2,782	\$2,782	\$2,782	\$2,782	\$2,782	\$2,782	\$2,782	\$2,782	\$2,782	\$27,824
Renewal Total	\$6,780,351	\$6,780,351	\$6,780,351	\$6,780,351	\$6,780,351	\$6,780,351	\$6,780,351	\$6,780,351	\$6,780,351	\$6,780,351	\$67,803,506
Maintenance & Operations											
Bridges, Culverts and Floodway:	\$240,650	\$244,647	\$248,705	\$252,823	\$257,003	\$261,246	\$265,552	\$269,923	\$274,359	\$278,862	\$2,593,769
Carpark	\$42,765	\$43,406	\$44,057	\$44,718	\$45,389	\$46,070	\$46,761	\$47,462	\$48,174	\$48,897	\$457,698
Crash Barrier	\$12,951	\$13,248	\$13,549	\$13,855	\$14,165	\$14,480	\$14,800	\$15,125	\$15,454	\$15,789	\$143,417
Footpath and Cycleways	\$128,482	\$130,410	\$132,366	\$134,351	\$136,367	\$138,412	\$140,488	\$142,596	\$144,735	\$146,906	\$1,375,112
Kerb and Channel	\$190,693	\$204,371	\$218,254	\$232,345	\$246,648	\$261,165	\$275,900	\$290,856	\$306,036	\$321,444	\$2,547,712
Roads	\$6,253,242	\$6,347,040	\$6,442,246	\$6,538,880	\$6,636,963	\$6,736,517	\$6,837,565	\$6,940,128	\$7,044,230	\$7,149,894	\$66,926,705
Traffic Management	\$16,608	\$16,857	\$17,110	\$17,366	\$17,627	\$17,891	\$18,160	\$18,432	\$18,709	\$18,989	\$177,749
Maintenance & Operations Total	\$6,885,390	\$6,999,979	\$7,116,286	\$7,234,338	\$7,354,161	\$7,475,781	\$7,599,226	\$7,724,522	\$7,851,697	\$7,980,781	\$74,222,162
Transport Expenditure Total	\$15,611,311	\$15,725,899	\$15,842,207	\$15,960,259	\$16,080,082	\$16,201,702	\$16,325,146	\$16,450,442	\$16,577,618	\$16,706,701	\$161,481,367
Long term Financial Plan	\$9,398,008	\$9,844,508	\$8,723,591	\$8,660,155	\$8,792,268	\$8,468,316	\$8,297,454	\$7,276,000	\$7,276,000	\$7,276,000	\$84,012,300
Maintenance & Operations	\$6,885,390	\$6,999,979	\$7,116,286	\$7,234,338	\$7,354,161	\$7,475,781	\$7,599,226	\$7,724,522	\$7,851,697	\$7,980,781	\$74,222,162
Available funding	\$16,283,398	\$16,844,487	\$15,839,877	\$15,894,493	\$16,146,429	\$15,944,097	\$15,896,680	\$15,000,522	\$15,127,697	\$15,256,781	\$158,224,462
Gap/Surplus	\$672,087	\$1,118,587	-\$2,330	-\$65,766	\$66,347	-\$257,605	-\$428,467	-\$1,449,921	-\$1,449,921	-\$1,449,921	-\$3,246,906
Cummulative Gap/Surplus	\$672,087	\$1,790,675	\$1,788,345	\$1,722,580	\$1,788,927	\$1,531,323	\$1,102,856	-\$347,065	-\$1,796,985	-\$3,246,906	

9.4 ASSET VALUATIONS

The value of assets recorded in the asset register as at 30 June 2015 covered by this Plan is shown in Table 9-3. The valuation is based on:

- A review of the asset register (Confidence level 2 minor – inaccuracies),
- Unit rates based on Council's construction costs and published rates, and
- Condition assessments to determine remaining useful life.

The revaluation results are summarised in table 9-3 below.

TABLE 9-3: ASSET VALUATIONS AS AT 30 JUNE 2016 (\$'000's)

Service	Replacement Cost	Accumulated Depreciation	Fair Value	Annual Depreciation
Transport	\$459,500	\$81,308	\$378,191	\$8,261

Asset values are forecast to increase as additional assets are added to the asset stock from construction and acquisition by Council and from assets constructed by land developers and others and donated to Council. Table 9-7 shows the projected replacement cost asset values over the planning period in real values.

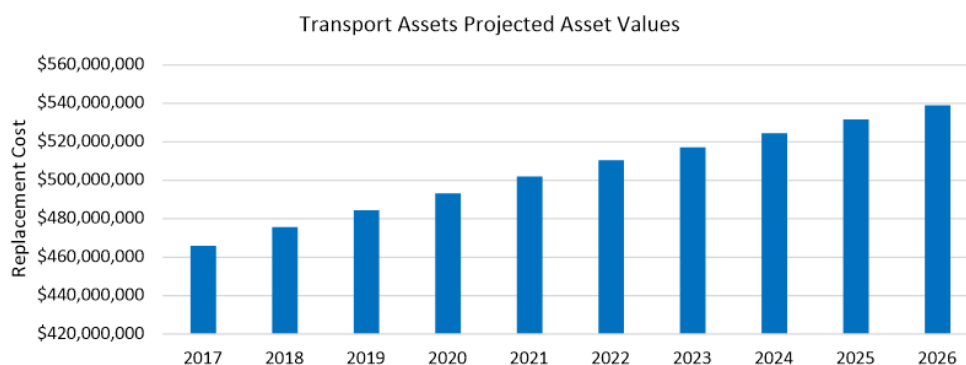


Figure 9-7: Projected Asset Values

Depreciation expense values are forecast in line with asset values as shown in Figure 9-8.

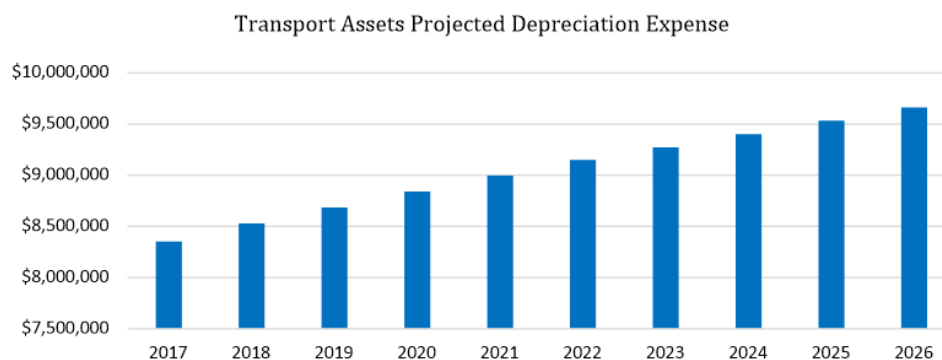


Figure 9-8: Projected Depreciation Expense

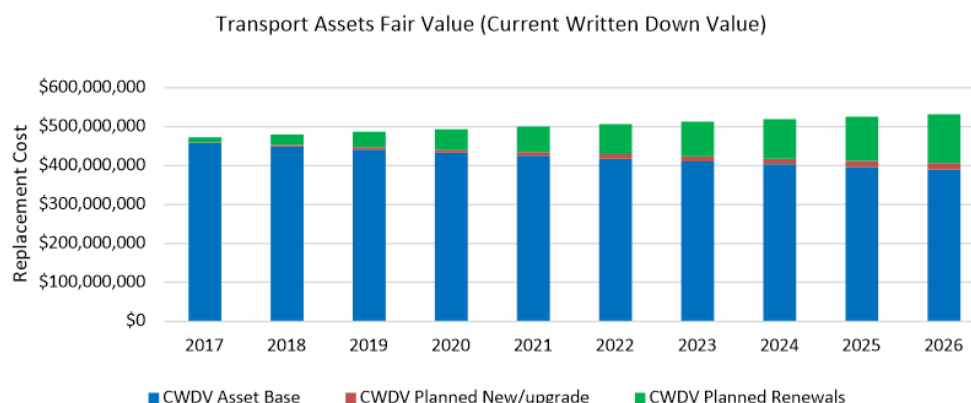


Figure 9-9: Projected Depreciated Replacement Cost

9.5 CURRENT SUSTAINABILITY AND FINANCE RATIOS

Capital Expenditure for 2015-16 is shown in Table 9-4.

TABLE 9-4: CAPITAL EXPENDITURE ON INFRASTRUCTURE ASSETS 2015-16 (\$000's)

Year	Capital Renewal Expenditure	Capital New/Upgrade Expenditure	Total Capital Expenditure
2015-16	\$1,828	\$3,582	\$5,411

The inventory asset consumption residual (Fair Value/Replacement Cost) at the end of the 2015/2016 financial year is 82.3% indicating that 17.7% of the asset base has been consumed.

Council's historic sustainability reporting has been analysed to deduce the rate of annual asset consumption and compare this to asset renewal and asset upgrade and expansion (at 2015/2016 financial year end).

Annual Asset Consumption (Depreciation/depreciable Amount)	1.8%
Annual Asset renewal (Capital renewal expense/depreciable amount)	0.4%
Annual Upgrade/New (Capital upgrade expense/depreciable amount)	0.8%

In the 2014/2015 financial year, Council renewed infrastructure assets at 22.1% of the rate they were being consumed and increased its asset stock by 0.8%. This asset sustainability ratio is below the level necessary (90%) to renew Council's infrastructure assets in a sustainable manner.

To provide services in a financially sustainable manner, Council will need to ensure that it is renewing assets closer to the rate they are being consumed over the medium-long term and funding the life cycle costs for any new assets and services in its long term financial plan.

9.5.1 FINANCIAL SUSTAINABILITY IN SERVICE DELIVERY

There are four key indicators for service delivery sustainability that have been considered in the analysis of the services provided by this asset category, these being the asset renewal funding ratio, long term life cycle costs/expenditures and medium term projected/budgeted expenditures over 5 and 10 years of the planning period.

TABLE 9-5: LIFE CYCLE COST FOR COUNCIL TRANSPORT SERVICES

	Depreciation	Condition	
Asset Renewal Funding Ratio	0.83	1.17	
Long Term - Life Cycle Costs			
Life Cycle Cost (projected)	\$18,018		Average 10 years projected operations, maintenance expense and depreciation.
Life Cycle Expense	\$15,372		Average 10 years LTFP budget operations, maintenance & capital renewal expense
Life Cycle Gap	-\$2,646		Life cycle expenditure – life cycle cost (negative = gap)
Life Cycle Indicator	0.85		Life cycle expenditure / life cycle cost
10 year financial planning period			
10 year Projected Expenditure	\$169,581	\$142,025	Operations, maintenance & renewal expense
10 year LTFP Budget	\$153,719	\$153,719	Operations, maintenance & renewal LTFP budget
10 year financing surplus/deficit	-\$15,862	\$11,694	10 year projected expense - LTFP budget expense
10 year financing indicator	0.91	1.08	LTFP Budget expenditure / 10 year projected expenditure
5 year financial planning period			
5 year	\$81,364	\$72,326	Operations, maintenance & renewal projected expenditure
5 year LTFP Budget	\$77,993	\$77,994	Operations, maintenance & renewal LTFP budget expenditure
5 year financing surplus/deficit	-\$3,370	\$5,667	5 year projected expenditure - LTFP Budget expenditure
5 year financing indicator	0.96	1.08	LTFP budget expenditure / 5 year projected expenditure

Long term – Life Cycle Cost

Life cycle costs (or whole of life costs) are the average costs that are required to sustain the service levels over the longest asset life. Life cycle costs include operations and maintenance expenditure and asset consumption (depreciation expense). The life cycle cost for the services covered in this service management plan at 2015/2016 is shown in Table 9-4.

Life cycle costs can be compared to life cycle expenditure to give an indicator of sustainability in service provision. Life cycle expenditure includes operations, maintenance and capital renewal expenditure in year 1. Life cycle expenditure will vary depending on the timing of asset renewals. The life cycle expenditure at the start of the plan at 2015/2016 is shown in Table 9-5

Medium term – 10 year financial planning period

Estimated (budget) operations, maintenance and capital renewal funding prepared during development of this Plan indicate that for the 10-year period there is sufficient funding in the long term financial plan. Based on top down modelling the ratio is 0.93 however when assessed using bottom up or condition based assessment the ratio is 1.14. This analysis indicates that there is no requirement to increase or decrease the projected expenditures needed to provide the services documented in the service management plan.

Medium Term – 5 year financial planning period

Estimated (budget) operations, maintenance and capital renewal funding prepared during development of this Plan indicate that for the 5-year period there is insufficient funding in the long term financial plan. Based on top down modelling the ratio is 0.98 however when assessed using bottom up or condition based assessment the ratio is 1.13. When considered with the results of the 10-year assessment, this analysis suggests the expenditure requirements are evenly distributed over the 10 plan.

9.6 FUNDING STRATEGY

Projected expenditure identified in Section 5.1 is to be funded from future operating and capital budgets. The funding strategy is detailed in Council's 10-year long term financial plan.

Transport is not recognised financially as an asset class rather it is included in the Roads, Bridges and Drainage asset class in the Long Term Financial Plan (LTFP), therefore the figures used in this plan are based on an apportionment of that funding.

It is recommended that a portion of funding be set aside for the planning and design of all capital works programs, including renewals and new/upgrade of assets. The recommended figures for each type of capital works is shown below:

- \$150,000 per annum for transport renewal and
- \$200,000 per annum for new/upgrade works.

This additional annual funding allocation will help ensure that the capital works programs is planned and executed correctly, reducing the potential for projects to run over budget.

9.7 FINANCIAL RECOMMENDATIONS

One of Council's main objectives is to deliver the agreed levels of service to its customers. To do this Council must continue to renew its assets and keep them in an operable state, continue to maintain the assets to reduce risk to the public, and deliver new and upgraded capital works to cater for identified increases in demand.

The funding allocations set out in the currently adopted long term financial plan do not align well with the forecast and planned expenditure. It is recommended that the long term financial plan be reviewed and overhauled to meet the forecast expenditure shown in this report. Failure to do so will result in Council failing to deliver the levels of service to existing and future customers.

The condition based renewals can be considered as the minimum renewal expense to continue to deliver the agreed levels of service to Council's existing customers. The current long term financial plan has enough funding to deliver these renewals, however they are not reflected in the current capital works program. It is therefore recommended that the condition renewals found in this SMP and outlined in the Works Programs document be used as the basis to develop a new capital works program and long term financial plan.

Council will not be able to deliver the current new and upgraded capital works program with the current funding allocation from the long term financial plan. Council will need approximately \$3.3 M more to deliver the capital works program and continue to deliver the levels of service to any new customers. Council should review the current new/upgraded capital works and the funding allocation for it, and based on the new information found in this report create a new capital works program with correct funding allocations to ensure project delivery is achievable.

The accuracy and relevance of the works in the current capital works programs needs to be considered, ensuring that any planned works in the future aim to deliver the agreed levels of service to customers, both existing and new. In the revision of the Capital Works program, it is recommended that works be prioritised based on restoring or continuing the agreed levels of service in an equitable manner across all services. This applies to both renewals and new/upgrade capital works.

10 PLAN IMPROVEMENT AND MONITORING

10.1 PERFORMANCE MEASURES

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

- The degree to which the required cash flows identified in the development of the final Plan are incorporated into Council's long term financial plan and Community/Strategic Planning processes and documents,
- 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 service management plan;
- The degree to which the existing and projected service levels and service consequences (what we cannot do), risks and residual risks are incorporated into the Council's Strategic Plan and associated plans,
- The Asset Renewal Funding Ratio achieving the target of 1.0.

10.2 IMPROVEMENT PLAN

An asset management improvement plan generated from this service management plan is shown in Table 10-1.

TABLE 10-1: IMPROVEMENT PLAN

Task No	Task	Responsibility	Resources Required	Timeline
1.	Further develop and update the service management plans to a final version.	John Keen/Matt Burdett		February 2018
2.	Develop priority ranking system for renewal / maintenance program.	John Keen/Matt Burdett		March 2018
3.	Undertake an annual review and update of this Asset management plan.	John Keen		1sr qtr. 2018
4.	Develop a condition assessment manual for transport assets	Matt Burdett		March 2018
5.	Align the Long Term Financial Plan to the expenditure forecasts found in this SMP.	Tony Brett		March 2018
6.	Set intervention levels for maintenance	Baldeep Sehmi		June 2018
7.	Review asset data and confirm asset lives and condition.	Matt Burdett		June 2018

10.3 MONITORING AND REVIEW PROCEDURES

This Plan will be reviewed prior to budget preparation and amended to recognise any material changes in service levels and/or resources available to provide those services as a result of the budget decision process.

11 APPENDICES

- Appendix A Transport Asset Type Analysis
- Appendix B Asset Management Practices
- Appendix C Glossary

APPENDIX A ASSET MANAGEMENT PRACTICES

A.1 ROAD

The Roads assets covered by this SMP are shown in Table A-1. Replacement Values are based on revaluation data at 30 June 2010.

Table A-1: Roads Assets

Asset Type	Replacement Cost
Formation	\$728,637,083
Pavement	\$720,163,885
Seal	\$62,222,015
Total	\$361,022,983

Roads age profile information is summarised in Figure A-1 below.

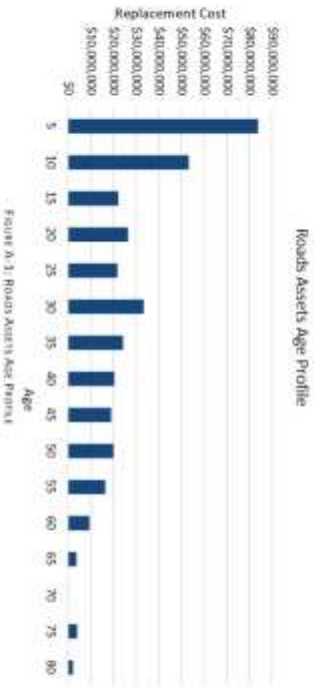


Figure A-1: Roads Assets Age Profile

Currently, around \$5,654 of roads assets have been evaluated as condition 5 and are in need of renewal or replacement. The condition profile of assets included within this Plan is shown in Figure A-2.

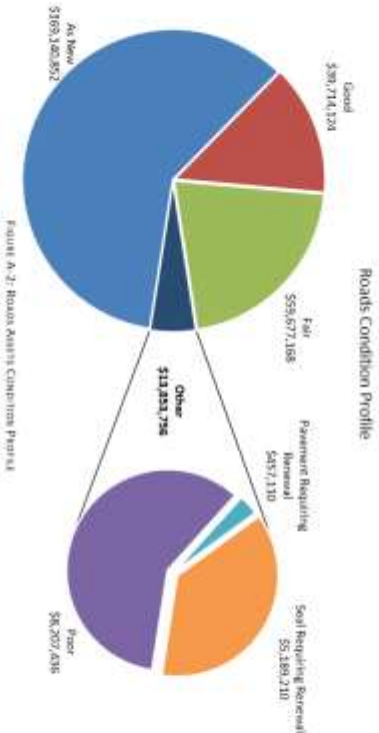


Figure A-2: Roads Assets Condition Profile

A.1.1 ROAD NEW/UPGRADE PROGRAM

Projected upgrade/new asset expenditures are summarised in Figure A-3.



Figure A-3: Projected Capital New/Upgrade Asset Expenditure

A.1.2 ROAD RENEWAL PLAN

Projected renewal and condition based forecast expenditures are summarised in Figure A-4. Note that all amounts are shown in 2010 values.

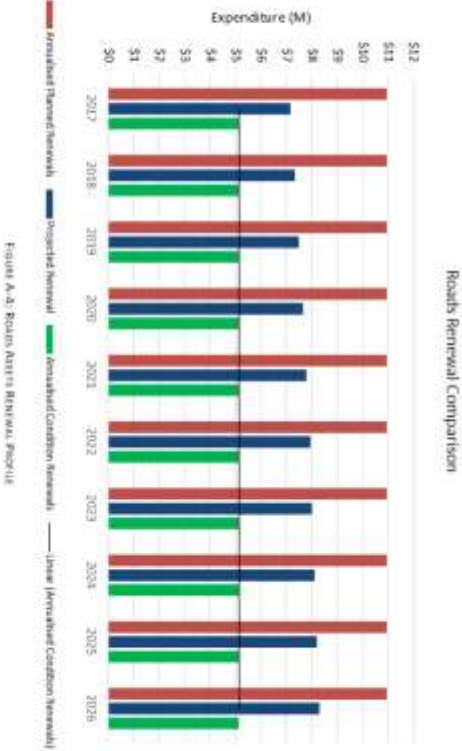
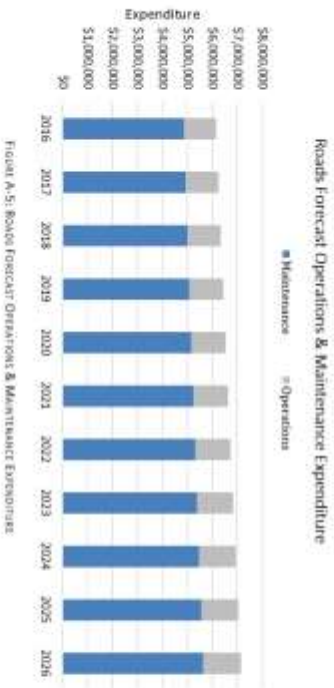


Figure A-4: Roads Assets Renewal Profile

A.1.3 ROADS OPERATIONS AND MAINTENANCE PLAN
Future operations and maintenance expenditure is shown in Figure A.5.



A.1.4 ROADS EXPENDITURE SUMMARY

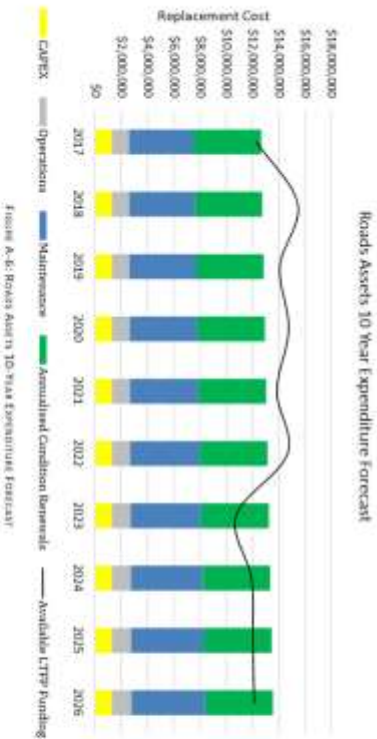


Figure A.6 Illustrates the various expenses forecast for the next 10 years. Based on a 'bottom up' assessment, including CAPEX, the roads assets are now funded in the current LTPF.

TABLE A.2: Roads Expenditure Summary

Year	New/Upgrade ('000s)	Renewal ('000s)	Maintenance & Operations ('000s)	Total ('000s)
2017	\$1,283	\$5,138	\$6,253	\$12,674
2018	\$1,283	\$5,138	\$6,347	\$12,768
2019	\$1,283	\$5,138	\$6,442	\$12,863
2020	\$1,283	\$5,138	\$6,539	\$12,960
2021	\$1,283	\$5,138	\$6,637	\$13,058
2022	\$1,283	\$5,138	\$6,737	\$13,158
2023	\$1,283	\$5,138	\$6,838	\$13,259
2024	\$1,283	\$5,138	\$6,940	\$13,361
2025	\$1,283	\$5,138	\$7,044	\$13,465
2026	\$1,283	\$5,138	\$7,150	\$13,571
Total	\$12,827	\$51,384	\$66,927	\$131,138

A.2 BRIDGES, CULVERTS AND FLOODWAYS

A.2.1 DATA AND PARAMETERS

The bridges, culverts and floodways assets covered by this SMP are shown in Table A.3. Replacement Values are based on revaluation data at 30 June 2016.

Table A.3: ASSETS COVERED BY THIS PLAN

Asset Type	Replacement Cost
Bridge	\$23,330,498
Culvert	\$18,637,197
Floodway	\$21,763,064
Total	\$63,730,758

Asset Age profile information is summarised in Figure A-6 below.

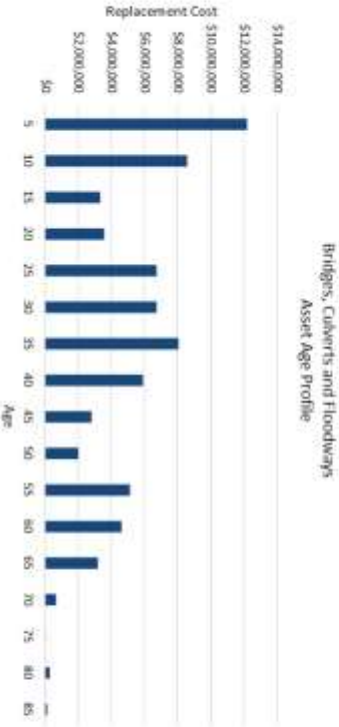


Figure A-6: BRIDGES, CULVERTS AND FLOODWAYS ASSET AGE PROFILE

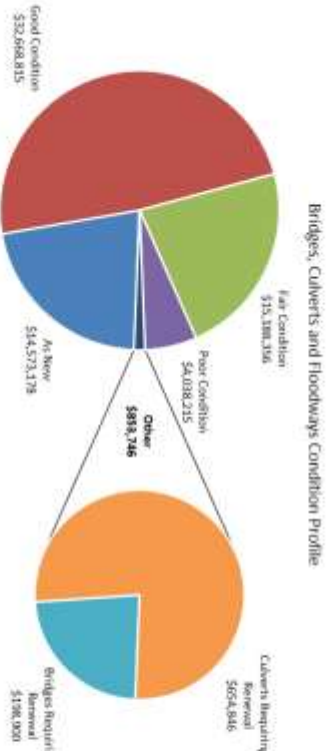


Figure A-7: BRIDGES, CULVERTS AND FLOODWAYS CONDITION PROFILE

Council currently has eight (8) bridges that it is monitoring closely. These bridges have been built since 2009 and are displaying a range of defects that may compromise the durability of the structures over time. Council will continue monitoring these bridges and develop bridge management plans for each of the individual bridges to ensure an appropriate amount of due diligence is undertaken. Through appropriate management, Council will ensure that these bridges provide the highest level of service possible from the structures in situ. The Bridge Management Plans will detail any necessary actions and the cost impacts will be included in the next iteration of this plan.

A.2.2 BRIDGES, CULVERTS AND FLOODWAYS NEW/UPGRADE EXPENDITURE

Projected upgrade/new asset expenditures are summarised in Figure A-8.

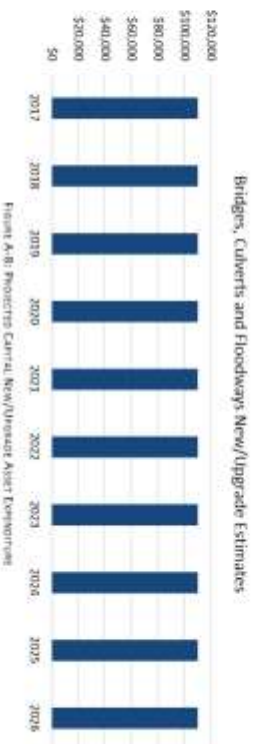


Figure A-8: PROJECTED CAPITAL NEW/UPGRADE ASSET EXPENDITURE

A.2.3 BRIDGES, CULVERTS AND FLOODWAYS RENEWAL PLAN

Projected renewal and Condition based forecast expenditures are summarised in Figure A-9.

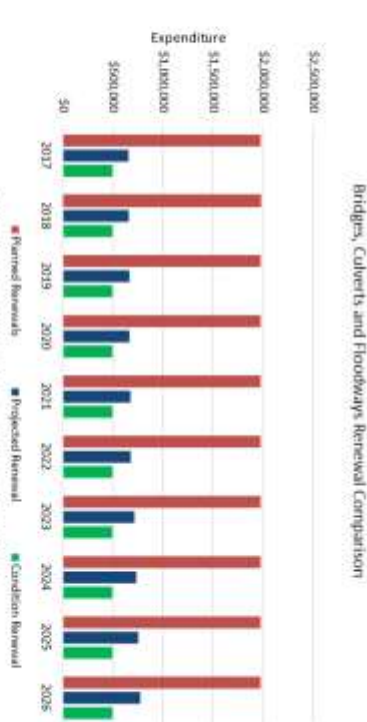
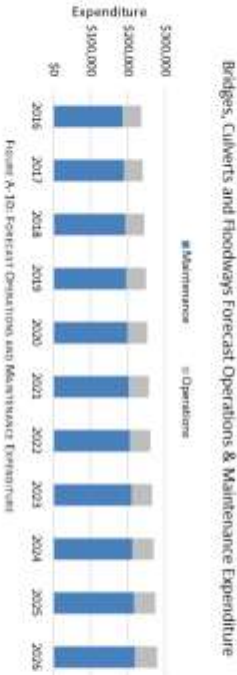


Figure A-9: BRIDGES, CULVERTS AND FLOODWAYS ASSET RENEWAL PROFILE

A.2.4 OPERATIONS AND MAINTENANCE PLAN

Future operations and maintenance expenditure is forecast to trend in line with the increasing value of the asset stock, based from the current maintenance budget funding as shown in figure A.10.



A.2.5 EXPENDITURE SUMMARY

Bridges, Culverts and Floodways Assets 10 Year Expenditure Forecast

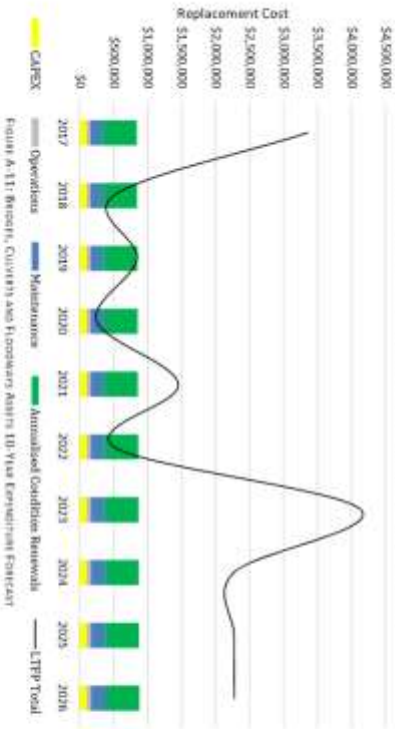


Figure A.10 and Figure A.11 illustrates the various expenses forecast for the next 10 years. Based on the 'bottom up' assessment, including CAPEX, the bridges, culverts and floodways assets are over funded. This assessment does not include any repair works necessary to remediate the eight (8) bridges with known defects affecting their durability.

TABLE A.4: BRIDGE, CULVERTS AND FLOODWAYS EXPENDITURE SUMMARY

Year	New/Upgrade ('000s)	Renewals ('000s)	Maintenance & Operations ('000s)	Total ('000s)
2017	\$110	\$493	\$241	\$844
2018	\$110	\$493	\$245	\$847
2019	\$110	\$493	\$249	\$851
2020	\$110	\$493	\$253	\$855
2021	\$110	\$493	\$257	\$860
2022	\$110	\$493	\$261	\$864
2023	\$110	\$493	\$266	\$868
2024	\$110	\$493	\$270	\$873
2025	\$110	\$493	\$274	\$877
2026	\$110	\$493	\$279	\$882
Total	\$1,103	\$4,928	\$2,594	\$8,624

A.3 KERB AND CHANNEL

A.3.1 DATA AND PARAMETERS

The Kerb and Channel assets covered by this service management plan are shown in Table A-5. Replacement Values are based on evaluation data at 30 June 2016.

Table A-5: Assets Covered by this Plan

Asset Type	Replacement Cost
Kerb & Channel	\$17,273,948

Asset Age profile information is summarised in Figure A-12 below.



Figure A-12: Kerb and Channel Assets Age Profile

Currently \$38.5M kerb and channel assets require renewal. The condition profile of assets included within this plan are shown in Figure A-13. Even though there are significant kerb and channel assets that appear to be in very bad condition, particularly in north cation, overall the kerb and channel assets are still performing adequately.

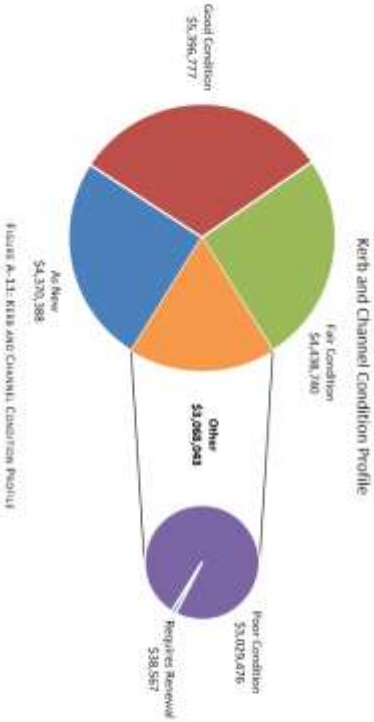


Figure A-13: Kerb and Channel Condition Profile

A.3.2 KERB AND CHANNEL NEW/UPGRADE PROGRAM

There is currently no data on past or forecasted CAPEX new/upgrades.

A.3.3 KERB AND CHANNEL RENEWAL PLAN

Projected renewal and Condition based forecast expenditures are summarised in Figure A-14. Note that all amounts are shown in 2016 values.

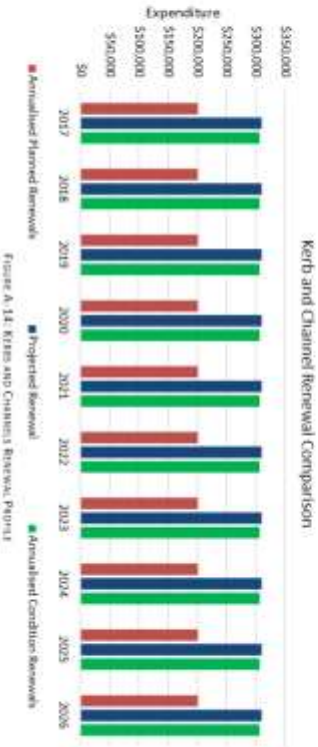


Figure A-14: Kerb and Channel Renewal Comparison

A.3.4 KERB AND CHANNEL OPERATIONS AND MAINTENANCE PLAN

Future operations and maintenance expenditure is shown in Figure A-15.

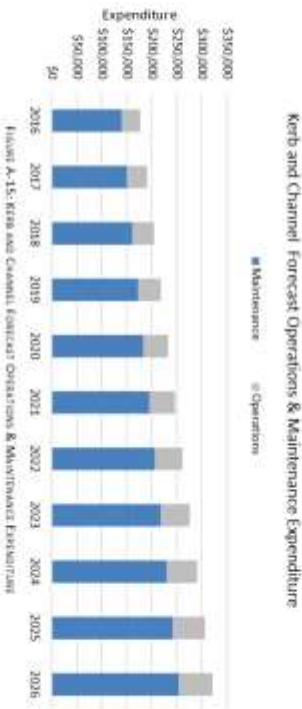


Figure A-15: Kerb and Channel Forecast Operations & Maintenance Expenditure

A-3.5 KIRK AND CHANNEL EXPENDITURE SUMMARY

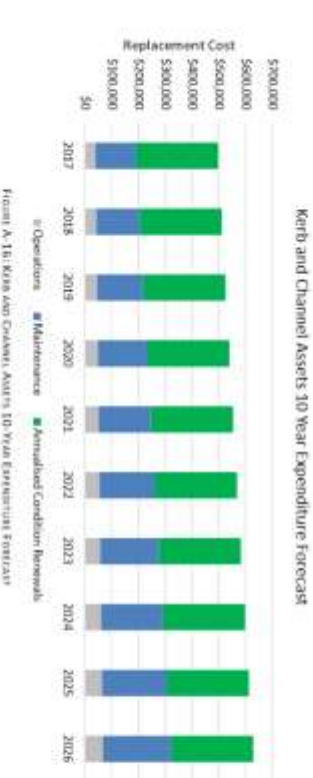


Figure A-15 and Figure A-16 illustrate the various expenses forecast for the next 10 years. There is currently no identified funding in the long term financial plan for kirk and channel.

Table A-6: Kirk and Channel Expenditure Summary

Year	New/Upgrade ('000s)	Renewals ('000s)	Maintenance & Operations ('000s)	Total ('000s)
2017	\$0	\$307	\$191	\$497
2018	\$0	\$307	\$204	\$511
2019	\$0	\$307	\$218	\$525
2020	\$0	\$307	\$232	\$539
2021	\$0	\$307	\$247	\$553
2022	\$0	\$307	\$263	\$568
2023	\$0	\$307	\$276	\$583
2024	\$0	\$307	\$291	\$598
2025	\$0	\$307	\$306	\$613
2026	\$0	\$307	\$321	\$628
Total	\$0	\$3,068	\$2,548	\$5,616

A.4 FOOTPATHS AND CYCLEWAYS

A.4.1 DATA AND PARAMETERS

The Footpath and Cycleway assets covered by the service management plan are shown in Table A-7. Replacement Values are based on evaluation data at 30 June 2016.

Table A-7: FOOTPATHS AND CYCLEWAYS ASSETS COVERED BY THIS PLAN

Asset Type	Replacement Cost
Footpaths and Cycleways	\$7,507,271

Asset Age profile information is summarised in Figure A-17 below.

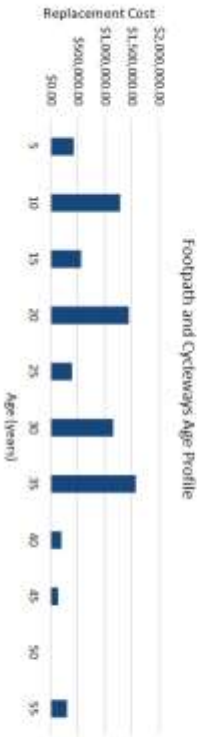


Figure A-17: FOOTPATHS AND CYCLEWAYS ASSETS AGE PROFILE

Currently \$162K of footpath and cycleway assets require renewal. The condition profile of assets included within this Plan is shown in Figure A-18.

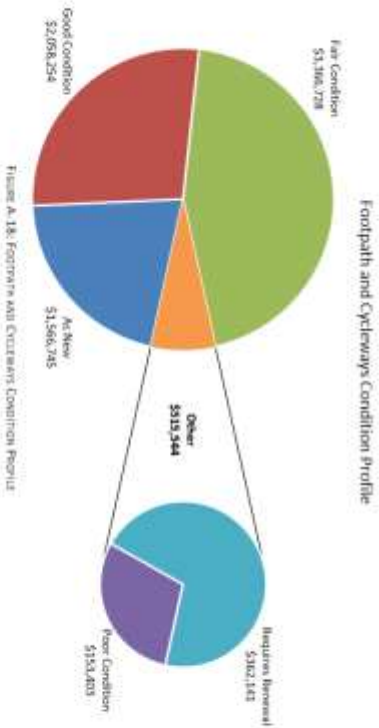


Figure A-18: FOOTPATHS AND CYCLEWAYS CONDITION PROFILE

A.4.2 Footpaths and Cycleways New/Upgrade Program

Projected upgrade/new asset expenditures are summarised in Figure A-19.

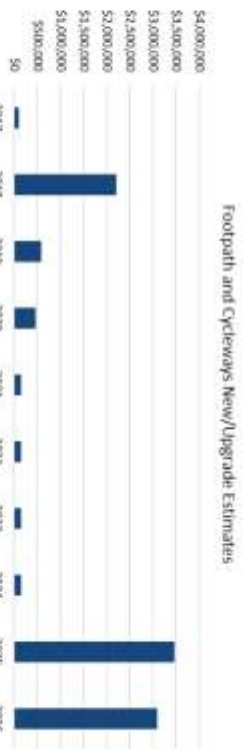


Figure A-19: FOOTPATHS AND CYCLEWAYS ASSETS NEW/UPGRADE CAPITAL EXPENDITURE

A.4.3 FOOTPATHS AND CYCLEWAYS RENEWAL PLAN

There was no expenditure on renewals for footpaths and cycleways for 2015. Future expenditure is forecast to trend in line with the increasing value of the asset stock. Projected renewal and Condition based forecast expenditures are summarised in Figure A-20.

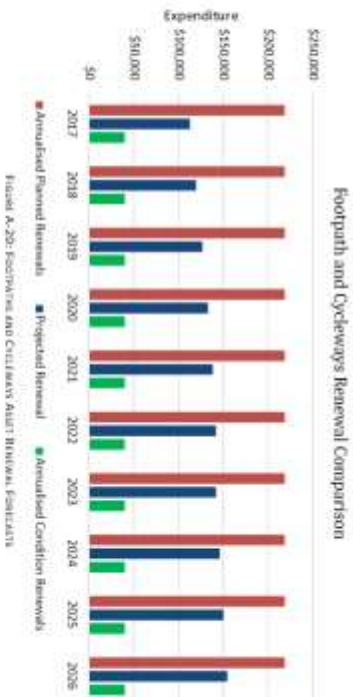


Figure A-20: FOOTPATHS AND CYCLEWAYS ASSETS RENEWAL FORECASTS

A.4.4 OPERATIONS AND MAINTENANCE PLAN

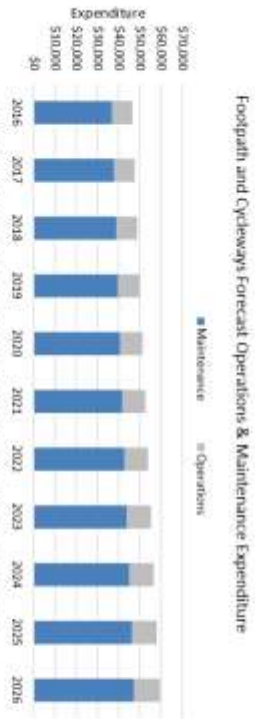


FIGURE A.21: FOOTPATH AND CYCLEWAYS FORECAST OPERATIONS AND MAINTENANCE EXPENDITURE

A.4.5 FOOTPATHS AND CYCLEWAYS EXPENDITURE SUMMARY

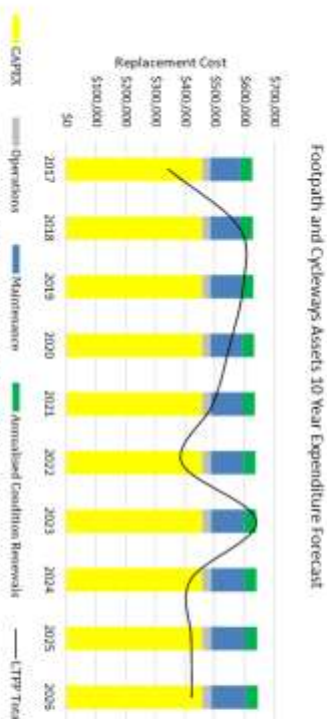


FIGURE A.22: FOOTPATHS AND CYCLEWAYS ASSETS 10-YEAR EXPENDITURE FORECAST

Table A-21 and Figure A-22 illustrates the various expenses forecast for the next 10 years. The current long term financial plan for funding for footpaths and cycleways will result in a \$1.5M shortfall at the end of the 10 year period.

TABLE A.8: FOOTPATH AND CYCLEWAYS EXPENDITURE SUMMARY

Year	New/Upgrade (\$'000)	Renewals (\$'000)	Operations (\$'000)	Maintenance (\$'000)	Total (\$'000)
2017	\$458	\$40	\$128	\$638	\$640
2018	\$458	\$40	\$130	\$642	\$644
2019	\$458	\$40	\$132	\$644	\$648
2020	\$458	\$40	\$134	\$648	\$652
2021	\$458	\$40	\$136	\$650	\$656
2022	\$458	\$40	\$138	\$652	\$660
2023	\$458	\$40	\$140	\$660	\$664
2024	\$458	\$40	\$142	\$668	\$672
2025	\$458	\$40	\$144	\$676	\$680
2026	\$458	\$40	\$146	\$684	\$688
Total	\$4,580	\$397	\$1,375	\$6,443	\$6,443

A.5. Traffic Management

A.5.1 DATA AND PARAMETERS

The Traffic Management assets covered by this SMP are shown in Table A-9. Replacement Values are based on evaluation data as of 30 June 2016.

Table A-9: Assets Covered by this Plan

Asset Type	Replacement Cost
Traffic Management	\$1,317,263

Asset Age profile information is summarized in figure A-23 below.

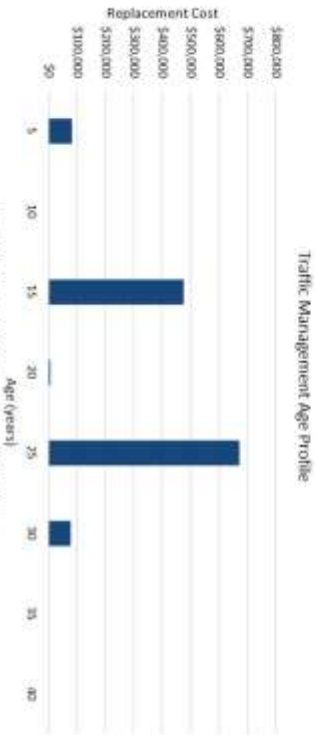


Figure A-23: Traffic Management Assets Age Profile

The condition profile of assets included within this Plan is shown in Figure A-24.

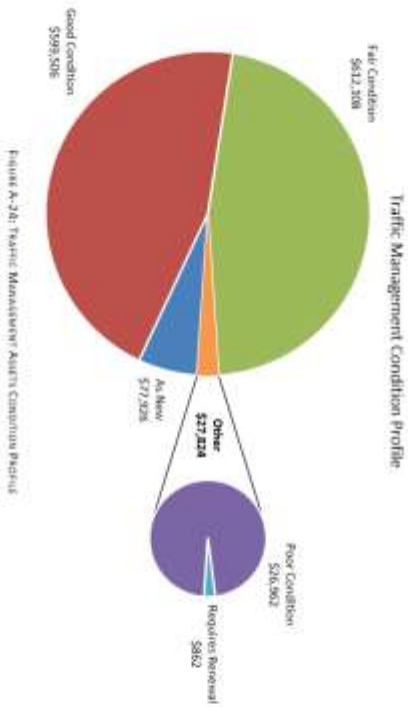


Figure A-24: Traffic Management Assets Condition Profile

A.5.2 TRAFFIC MANAGEMENT NEW/UPGRADE PROGRAM

Future expenditure is forecast to trend in line with existing expenditure. Projected upgrade/new asset expenditures are summarized in Figure A-25.

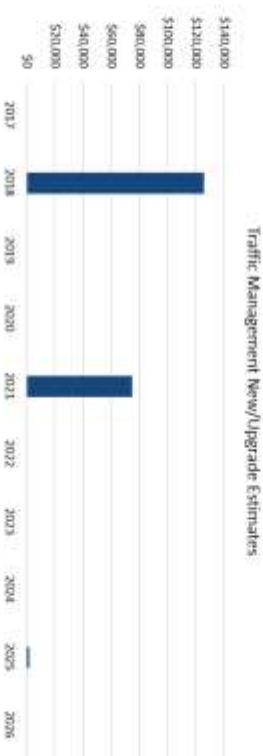


Figure A-25: Projected Traffic Management Assets New/Upgrade Capital Expenditure

A.5.3 TRAFFIC MANAGEMENT RENEWAL PLAN

There was no expenditure on traffic management renewals in 2015. Future expenditure is forecast to trend in line with the increasing value of the asset stock. Projected renewal and condition based forecast expenditures are summarized in Figure A-26.

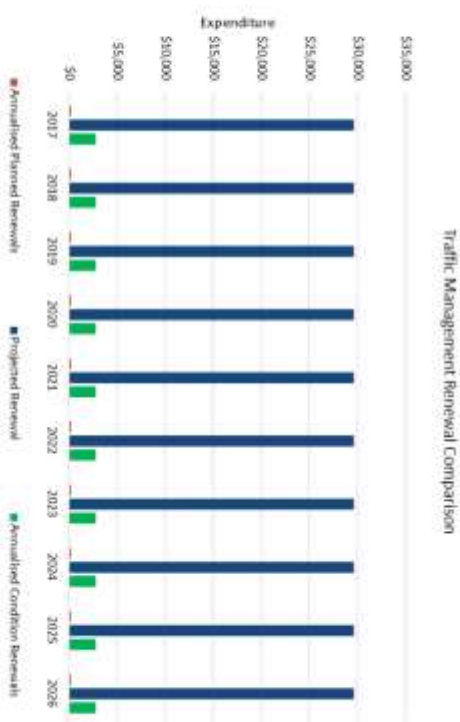


Figure A-26: Traffic Management Assets Renewal Profile

A.5.4 TRAFFIC MANAGEMENT OPERATIONS AND MAINTENANCE PLAN
Future operations and maintenance expenditure is shown in Figure A.27.

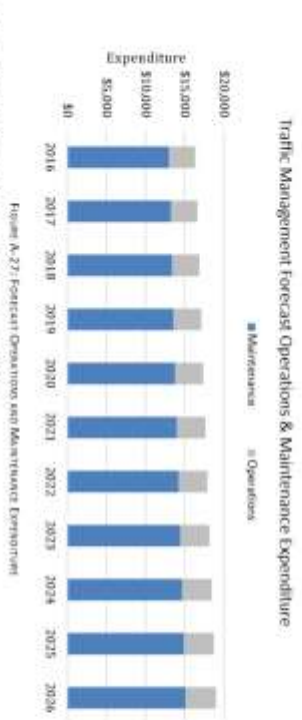


Figure A.27: Forecast Operations and Maintenance Expenditure

A.5.5 TRAFFIC MANAGEMENT EXPENDITURE SUMMARY
Traffic Management Assets 10 Year Expenditure Forecast

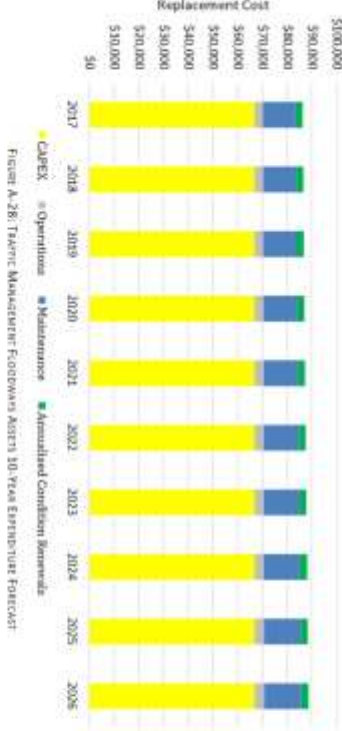


Figure A.28: Traffic Management Roadway Assets 10 Year Expenditure Forecast

Figure A.27 and Figure A.28 illustrates the various expenses forecast for the next 10 years. The current long term financial plan shows there will be a \$5956 shortfall at the end of the 10 year period

Table A.10: Traffic Management Expenditure Summary				
Year	New/Upgrade ('000s)	Renewals ('000s)	Maintenance & Operations ('000s)	Total ('000s)
2017	\$67	\$3	\$17	\$86
2018	\$67	\$3	\$17	\$86
2019	\$67	\$3	\$17	\$86
2020	\$67	\$3	\$17	\$86
2021	\$67	\$3	\$17	\$86
2022	\$67	\$3	\$17	\$86
2023	\$67	\$3	\$17	\$86
2024	\$67	\$3	\$17	\$86
2025	\$67	\$3	\$17	\$86
2026	\$67	\$3	\$17	\$86
Total	\$669	\$28	\$230	\$926

A.6 CRASH BARRIERS

A.6.1 DATA AND PARAMETERS

The Crash barrier assets covered by this service management plan are shown in Table A.11. Replacement Values are based on evaluation data at 30 June 2016.

Table A.11: Crash Barrier Assets Covered by this Plan

Asset Type	Replacement Cost
Crash Barrier	\$1,654,546

Asset Age profile information is summarised in Figure A.29 below.

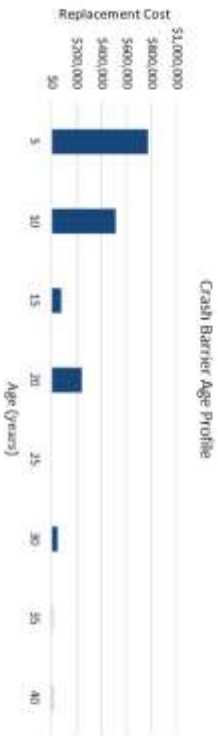


Figure A.29: Crash Barrier Assets Age Profile

Currently around \$8K crash barrier assets need to be renewed. The condition profile of assets included within this plan is shown in Figure A.30.

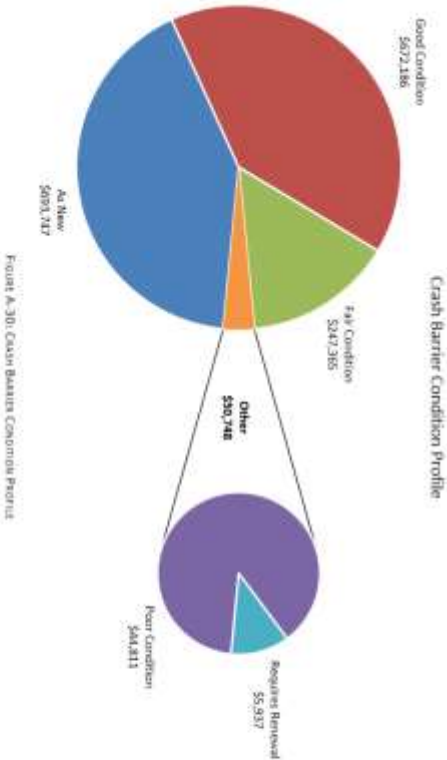


Figure A.30: Crash Barrier Condition Profile

A.6.2 CRASH BARRIER NEW/UPGRADE PROGRAM

There is currently no planned CAPEX expenditure on crash barriers for the next 10 years.

A.6.3 CRASH BARRIER RENEWAL PLAN

Projected renewal and Condition based forecast expenditures are summarised in Figure A.31.

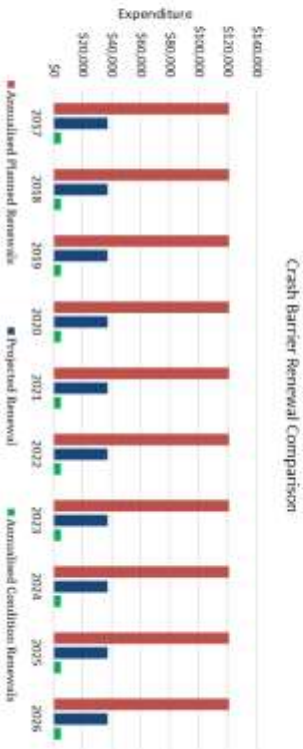


Figure A.31: Crash Barrier Asset Renewal Forecasts

A.6.4 CRASH BARRIER OPERATIONS AND MAINTENANCE PLAN

Future operation and maintenance expenditure is shown in Figure A.32.

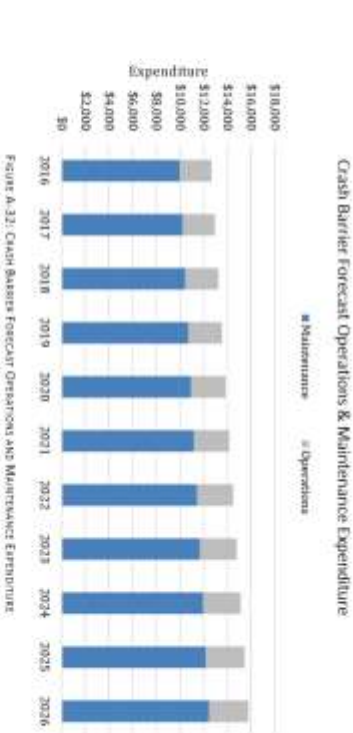


Figure A.32: Crash Barrier Forecast Operations and Maintenance Expenditure

A-6.5 CRASH BARRIER EXPENDITURE SUMMARY

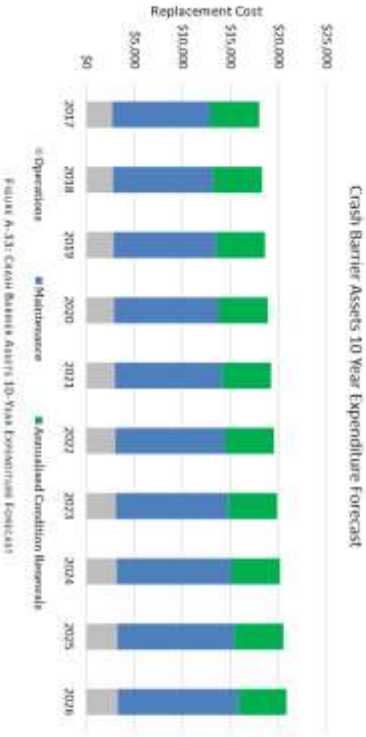


Table A-32: CRASH BARRIER Expenditure Summary

Year	New/Upgrade ('000s)	Renewals ('000s)	Maintenance & Operations ('000s)	Total ('000s)
2017	\$0	\$5	\$11	\$16
2018	\$0	\$5	\$11	\$16
2019	\$0	\$5	\$11	\$16
2020	\$0	\$5	\$11	\$16
2021	\$0	\$5	\$11	\$16
2022	\$0	\$5	\$11	\$16
2023	\$0	\$5	\$11	\$16
2024	\$0	\$5	\$11	\$16
2025	\$0	\$5	\$11	\$16
2026	\$0	\$5	\$11	\$16
Total	\$0	\$51	\$143	\$194

A.7 CARPARK

A.7.1 DATA AND PARAMETERS

The carpark assets covered by this service management plan are shown in Table A-12. Replacement Values are based on evaluation data at 30 June 2016.

Table A-12: Carpark Assets Covered in this Plan

Asset Type	Replacement Cost
Carpark	\$3,392,170

Asset Age profile information is summarised in Figure A-34 below.

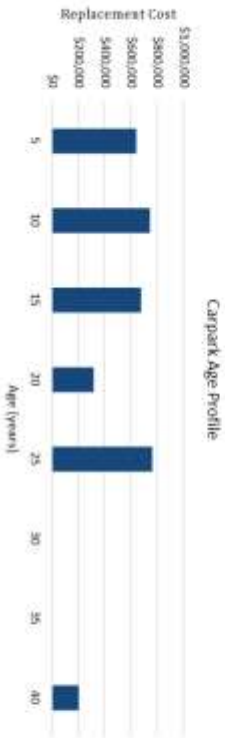


Figure A-34: Carpark Asset Age Profile

Currently, around \$36K per park assets require removal. The condition profile of assets included within this Plan is shown in Figure A-35.

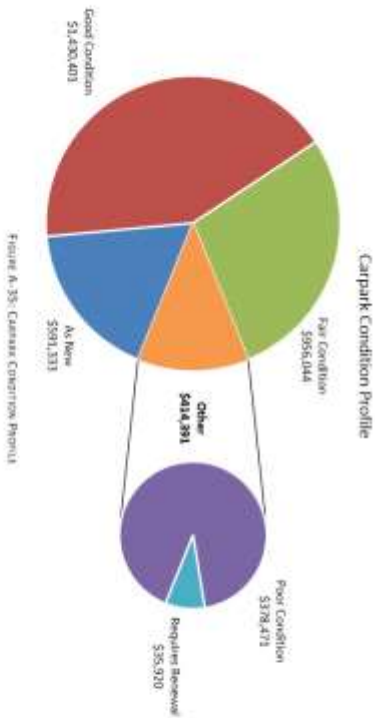


Figure A-35: Carpark Condition Profile

A.7.2 CARPARK NEW/UPGRADE PROGRAM

There is currently no planned CAPEX expenditure on carparks for the next 10 years.

A.7.3 CRASH BARRIER RENEWAL PLAN

Projected renewal and condition based forecast expenditures are summarised in Figure A-36.

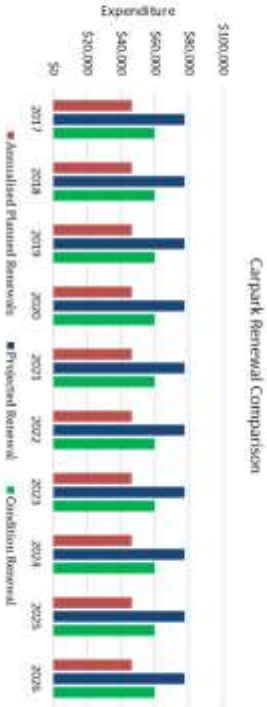


Figure A-36: Carpark Asset Renewal Forecasts

A.7.4 CARPARK OPERATIONS AND MAINTENANCE PLAN

Future operations and maintenance expenditure is shown in Figure A-37.

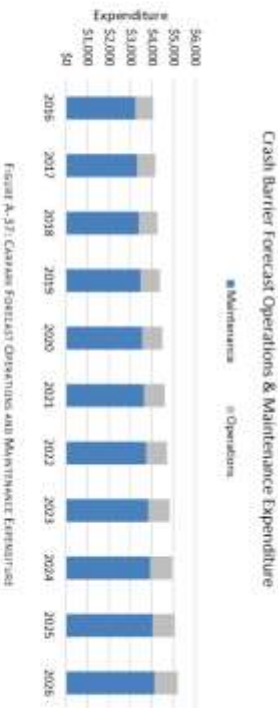


Figure A-37: Carpark Forecast Operations and Maintenance Expenditure

A.7.5 CARPARK EXPENDITURE SUMMARY

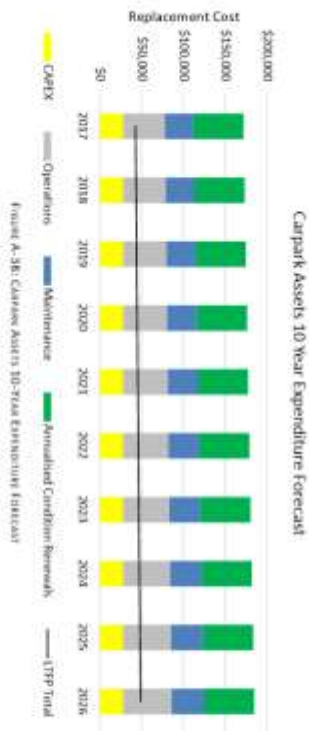


Figure A.37 and Table A.38 illustrate the various expenses forecast for the next 10 years. The current long term financial plan for funding for Carparks will result in a \$393K shortfall at the end of the 10 year period.

Table A.38: Carpark Assets 10-Year Expenditure Summary

Year	New/Upgrade ('000s)	Renewals ('000s)	Maintenance & Operations ('000s)	Total ('000s)
2017	528	560	543	582
2018	528	560	543	583
2019	528	560	544	583
2020	528	560	545	584
2021	528	560	545	585
2022	528	560	546	585
2023	528	560	547	586
2024	528	560	547	587
2025	528	560	548	587
2026	528	560	549	588
Total	5275	5600	5458	5849

APPENDIX B ASSET MANAGEMENT PRACTICES

Lockyer Valley Regional Council is currently using the *Technology One* financial system for asset accounting processes and related reporting functions. Asset data included in the system is directly integrated with the financial system.

The intention is to record, further develop and consolidate the processes used for asset and services management, and then review the systems available which will complement those processes.

The finance module is the responsibility of the Finance Department. The Infrastructure and Finance departments are jointly responsible for ensuring the integrity of the system and contained data.

Technology One has an Asset Database module that Council uses to monitor their assets. In this way the asset and financial data bases can be aligned.

The key information flows into this service management plan are:

- Council corporate and operational plans,
- Service requests from the community,
- Network assets information,
- The unit rates for categories of work/materials,
- Current levels of service and expenditures,
- Projections of various factors affecting future demand for services and new assets acquired by Council,
- Future capital works programs,
- Financial asset values.

The key information flows from this service management plan are:

- The projected Works Program and trends,
- The resulting budget and long term financial plan expenditure projections,
- Financial sustainability indicators.

These will impact the Long Term Financial Plan, Strategic Longer-Term Plan, annual budget and departmental business plans and budgets.

Standards, guidelines and policy documents referenced in this service management plan are:

- Lockyer Valley Regional Council Corporate Plan (2013-2018).
- Lockyer Valley Regional Council Operational Plan (2016/2017).
- Lockyer Valley Regional Council Asset Management Policy.
- Austroads technical specifications and guidelines.
- IPWEA standard drawings
- Disability and Discrimination Act
- Applicable Australian Standards associated with asset maintenance, renewal and upgrade works.

APPENDIX C GLOSSARY

Asset

A resource controlled by an entity as a result of past events and from which future economic benefits are expected to flow to the entity. Infrastructure assets are a sub-class of property, plant and equipment which are non-current assets with a life greater than 12 months and enable services to be provided.

Asset class

A group of assets having a similar nature or function in the operations of an entity, and which, for purposes of disclosure, is shown as a single item without supplementary disclosure.

Asset condition assessment

The process of continuous or periodic inspection, assessment, measurement and interpretation of the resultant data to indicate the condition of a specific asset so as to determine the need for some preventative or remedial action.

Asset management (AM)

The combination of management, financial, economic, engineering and other practices applied to physical assets with the objective of providing the required level of service in the most cost effective manner.

Average annual asset consumption (AAAC)*

The amount of an Council's asset base consumed during a reporting period (generally a year). This may be calculated by dividing the depreciable amount by the useful life (or total future economic benefits/service potential) and totalled for each and every asset OR by dividing the carrying amount (depreciated replacement cost) by the remaining useful life (or remaining future economic benefits/service potential) and totalled for each and every asset in an asset category or class.

Borrowings

A borrowing or loan is a contractual obligation of the borrowing entity to deliver cash or another financial asset to the lending entity over a specified period of time or at a specified point in time, to cover both the initial capital provided and the cost of the interest incurred for providing this capital. A borrowing or loan provides the means for the borrowing entity to finance outlays (typically physical assets) when it has insufficient funds of its own to do so, and for the lending entity to make a financial return, normally in the form of interest revenue, on the funding provided.

Capital expenditure

Relatively large (material) expenditure, which has benefits, expected to last for more than 12 months. Capital expenditure includes renewal, expansion and upgrade. Where capital projects involve a combination of renewal, expansion and/or upgrade expenditures, the total project cost needs to be allocated accordingly.

Capital expenditure - expansion

Expenditure that extends the capacity of an existing asset to provide benefits, at the same standard as is currently enjoyed by existing beneficiaries, to a new group of users. It is discretionary expenditure, which increases future operations and maintenance costs, because it increases the Council's asset base, but may be associated with additional revenue from the new user group, eg. extending a drainage or road network, the provision of an oval or park in a new suburb for new residents.

Capital expenditure - new

Expenditure which creates a new asset providing a new service/output that did not exist beforehand. As it increases service potential it may impact revenue and will increase future operations and maintenance expenditure.

Capital expenditure - renewal

Expenditure on an existing asset or on replacing an existing asset, which returns the service capability of the asset up to that which it had originally. It is periodically required expenditure, relatively large (material) in value compared with the value of the components or sub-components of the asset being renewed. As it reinstates existing service potential, it generally has no impact on revenue, but may reduce future operations and maintenance expenditure if completed at the optimum time, eg. resurfacing or resheeting a material part of a road network, replacing a material section of a drainage network with pipes of the same capacity, resurfacing an oval.

Capital expenditure - upgrade

Expenditure, which enhances an existing asset to provide a higher level of service or expenditure that will increase the life of the asset beyond that which it had originally. Upgrade expenditure is discretionary and often does not result in additional revenue unless direct user charges apply. It will increase operations and maintenance expenditure in the future because of the increase in the Council's asset base, eg. widening the sealed area of an existing road, replacing drainage pipes with pipes of a greater capacity, enlarging a grandstand at a sporting facility.

Capital funding

Funding to pay for capital expenditure.

Capital grants

Monies received generally tied to the specific projects for which they are granted, which are often upgrade and/or expansion or new investment proposals.

Capital investment expenditure

See capital expenditure definition

Capitalisation threshold

The value of expenditure on non-current assets above which the expenditure is recognised as capital expenditure and below which the expenditure is charged as an expense in the year of acquisition.

Carrying amount

The amount at which an asset is recognised after deducting any accumulated depreciation / amortisation and accumulated impairment losses thereon.

Class of assets

See asset class definition

Component

Specific parts of an asset having independent physical or functional identity and having specific attributes such as different life expectancy, maintenance regimes, risk or criticality.

Cost of an asset

The amount of cash or cash equivalents paid or the fair value of the consideration given to acquire an asset at the time of its acquisition or construction, including any costs necessary to place the asset into service. This includes one-off design and project management costs.

Current replacement cost (CRC)

The cost the entity would incur to acquire the asset on the reporting date. The cost is measured by reference to the lowest cost at which the gross future economic benefits could be obtained in the normal course of business or the minimum it would cost, to replace the existing asset with a technologically modern equivalent new asset (not a second hand one) with the same economic benefits (gross service potential) allowing for any differences in the quantity and quality of output and in operating costs.

Depreciable amount

The cost of an asset, or other amount substituted for its cost, less its residual value.

Depreciated replacement cost (DRC)

The current replacement cost (CRC) of an asset less, where applicable, accumulated depreciation calculated on the basis of such cost to reflect the already consumed or expired future economic benefits of the asset.

Depreciation / amortisation

The systematic allocation of the depreciable amount (service potential) of an asset over its useful life.

Economic life

See useful life definition.

Expenditure

The spending of money on goods and services. Expenditure includes recurrent and capital.

Fair value

The amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties, in an arm's length transaction.

Funding gap

A funding gap exists whenever an entity has insufficient capacity to fund asset renewal and other expenditure necessary to be able to appropriately maintain the range and level of services its existing asset stock was originally designed and intended to deliver. The service capability of the existing asset stock should be determined assuming no additional operating revenue, productivity improvements, or net financial liabilities above levels currently planned or projected. A current funding gap means service levels have already or are currently falling. A projected funding gap if not addressed will result in a future diminution of existing service levels.

Heritage asset

An asset with historic, artistic, scientific, technological, geographical or environmental qualities that is held and maintained principally for its contribution to knowledge and culture and this purpose is central to the objectives of the entity holding it.

Impairment Loss

The amount by which the carrying amount of an asset exceeds its recoverable amount.

Investment property

Property held to earn rentals or for capital appreciation or both, rather than for:

- (a) Use in the production or supply of goods or services or for administrative purposes; or
- (b) Sale in the ordinary course of business.

Key performance indicator

A qualitative or quantitative measure of a service or activity used to compare actual performance against a standard or other target. Performance

indicators commonly relate to statutory limits, safety, responsiveness, cost, comfort, asset performance, reliability, efficiency, environmental protection and customer satisfaction.

Level of service

The defined service quality for a particular service/activity against which service performance may be measured. Service levels usually relate to quality, quantity, reliability, responsiveness, environmental impact, acceptability and cost.

Life Cycle Cost

1. Total LCC The total cost of an asset throughout its life including planning, design, construction, acquisition, operation, maintenance, rehabilitation and disposal costs.
2. Average LCC The life cycle cost (LCC) is average cost to provide the service over the longest asset life cycle. It comprises annual operations, maintenance and asset consumption expense, represented by depreciation expense. The Life Cycle Cost does not indicate the funds required to provide the service in a particular year.

Life Cycle Expenditure

The Life Cycle Expenditure (LCE) is the actual or planned annual operations, maintenance and capital renewal expenditure incurred in providing the service in a particular year. Life Cycle Expenditure may be compared to average Life Cycle Cost to give an initial indicator of life cycle sustainability.

Loans / borrowings

See borrowings.

Maintenance

All actions necessary for retaining an asset as near as practicable to its original condition, including regular ongoing day-to-day work necessary to keep assets operating, eg road patching but excluding rehabilitation or renewal. It is operating expenditure required to ensure that the asset reaches its expected useful life.

- Planned maintenance
Repair work that is identified and managed through a maintenance management system (MMS). MMS activities include inspection, assessing the condition against failure/breakdown criteria/experience, prioritising scheduling, actioning the work and reporting what was done to develop a maintenance history and improve maintenance and service delivery performance.

- Reactive maintenance
Unplanned repair work that is carried out in response to service requests and management/supervisory directions.
- Significant maintenance
Maintenance work to repair components or replace sub-components that needs to be identified as a specific maintenance item in the maintenance budget.
- Unplanned maintenance
Corrective work required in the short-term to restore an asset to working condition so it can continue to deliver the required service or to maintain its level of security and integrity.

Maintenance and renewal gap

Difference between estimated budgets and projected required expenditures for maintenance and renewal of assets to achieve/maintain specified service levels, totalled over a defined time (e.g. 5, 10 and 15 years).

Maintenance and renewal sustainability index

Ratio of estimated budget to projected expenditure for maintenance and renewal of assets over a defined time (e.g. 5, 10 and 15 years).

Maintenance expenditure

Recurrent expenditure, which is periodically or regularly required as part of the anticipated schedule of works required to ensure that the asset achieves its useful life and provides the required level of service. It is expenditure, which was anticipated in determining the asset's useful life.

Materiality

The notion of materiality guides the margin of error acceptable, the degree of precision required and the extent of the disclosure required when preparing general purpose financial reports. Information is material if its omission, misstatement or non-disclosure has the potential, individually or collectively, to influence the economic decisions of users taken on the basis of the financial report or affect the discharge of accountability by the management or governing body of the entity.

Modern equivalent asset

Assets that replicate what is in existence with the most cost-effective asset performing the same level of service. It is the most cost efficient, currently available asset which will provide the same stream of services as the existing asset is capable of producing. It allows for technology changes and, improvements and efficiencies in production and installation techniques

Net present value (NPV)

The value to the Council of the cash flows associated with an asset, liability, activity or event calculated using a discount rate to reflect the time value of money. It is the net amount of discounted total cash inflows after deducting the value of the discounted total cash outflows arising from eg the continued use and subsequent disposal of the asset after deducting the value of the discounted total cash outflows.

Non-revenue generating investments

Investments for the provision of goods and services to sustain or improve services to the community that are not expected to generate any savings or revenue to Council, eg. parks and playgrounds, footpaths, roads and bridges, libraries, etc.

Operations expenditure

Recurrent expenditure, which is continuously required to provide a service. In common use the term typically includes, eg power, fuel, staff, plant equipment, on-costs and overheads but excludes maintenance and depreciation. Maintenance and depreciation is on the other hand included in operating expenses.

Operating expense

The gross outflow of economic benefits, being cash and non-cash items, during the period arising in the course of ordinary activities of an entity when those outflows result in decreases in equity, other than decreases relating to distributions to equity participants.

Pavement management system

A systematic process for measuring and predicting the condition of road pavements and wearing surfaces over time and recommending corrective actions.

PMS Score

A measure of condition of a road segment determined from a Pavement Management System.

Rate of annual asset consumption

A measure of average annual consumption of assets (AAAC) expressed as a percentage of the depreciable amount (AAAC/DA). Depreciation may be used for AAAC.

Rate of annual asset renewal

A measure of the rate at which assets are being renewed per annum expressed as a percentage of depreciable amount (capital renewal expenditure/DA).

Rate of annual asset upgrade

A measure of the rate at which assets are being upgraded and expanded per annum expressed as a

percentage of depreciable amount (capital upgrade/expansion expenditure/DA).

Recoverable amount

The higher of an asset's fair value, less costs to sell and its value in use.

Recurrent expenditure

Relatively small (immaterial) expenditure or that which has benefits expected to last less than 12 months. Recurrent expenditure includes operations and maintenance expenditure.

Recurrent funding

Funding to pay for recurrent expenditure.

Rehabilitation

See capital renewal expenditure definition above.

Remaining useful life

The time remaining until an asset ceases to provide the required service level or economic usefulness. Age plus remaining useful life is useful life.

Renewal

See capital renewal expenditure definition above.

Residual value

The estimated amount that an entity would currently obtain from disposal of the asset, after deducting the estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.

Revenue generating investments

Investments for the provision of goods and services to sustain or improve services to the community that are expected to generate some savings or revenue to offset operating costs, eg public halls and theatres, childcare centres, sporting and recreation facilities, tourist information centres, etc.

Risk management

The application of a formal process to the range of possible values relating to key factors associated with a risk in order to determine the resultant ranges of outcomes and their probability of occurrence.

Section or segment

A self-contained part or piece of an infrastructure asset.

Service potential

The total future service capacity of an asset. It is normally determined by reference to the operating capacity and economic life of an asset. A measure of service potential is used in the not-for-profit sector/public sector to value assets, particularly those not producing a cash flow.

Service potential remaining

A measure of the future economic benefits remaining in assets. It may be expressed in dollar values (Fair Value) or as a percentage of total anticipated future economic benefits. It is also a measure of the percentage of the asset's potential to provide services that is still available for use in providing services (Depreciated Replacement Cost/Depreciable Amount).

Source: IPWEA, 2009, Gloss

Strategic Longer-Term Plan

A plan covering the term of office of councillors (4 years minimum) reflecting the needs of the community for the foreseeable future. It brings together the detailed requirements in Council's longer-term plans such as the service management plan and the long-term financial plan. The plan is prepared in consultation with the community and details where Council is at that point in time, where it wants to go, how it is going to get there, mechanisms for monitoring the achievement of the outcomes and how the plan will be resourced.

Specific Maintenance

Replacement of higher value components/sub-components of assets that is undertaken on a regular cycle including pothole repairs, replacement of pump equipment, etc. This work generally falls below the capital/ maintenance threshold and needs to be identified in a specific maintenance budget allocation.

Sub-component

Smaller individual parts that make up a component part.

Useful life

Either:

- (a) the period over which an asset is expected to be available for use by an entity, or
- (b) the number of production or similar units expected to be obtained from the asset by the entity.

It is estimated or expected time between placing the asset into service and removing it from service, or the estimated period of time over which the future economic benefits embodied in a depreciable asset, are expected to be consumed by Council.

Value in Use

The present value of future cash flows expected to be derived from an asset or cash generating unit. It is deemed to be depreciated replacement cost (DRC) for those assets whose future economic benefits are not primarily dependent on the asset's ability to generate net cash inflows, where the entity would, if deprived of the asset, replace its remaining future economic benefits.

**SPECIAL MEETING
(BUDGET ADOPTION)
AGENDA
27 JUNE 2017**

5.2 Operational Plan 2017/2018

Date: 16 June 2017
Author: Madonna Brennan, Business Improvement Officer
Responsible Officer: David Lewis, Executive Manager Corporate & Community Services

Summary:

The *Local Government Act 2009* and the *Local Government Regulation 2012* require the Chief Executive Officer to present to Council before the adoption of its Annual Budget, the Operational Plan and its planned activities and the future directions for the community and the organisation for the financial year that is consistent with its adopted Corporate Plan.

The Operational Plan for 2017/2018 is based on the Corporate Plan for 2017/2022, with the key strategic themes based upon the adopted Community Plan. The Operational Plan recognises our key strategies and how these and core business will be resourced in the delivery of the plan.

Officer's Recommendation:

THAT Council resolve to adopt the Operational Plan 2017/2018.

Report

1. Introduction

Each financial year Council adopts an Operational Plan with its Budget, which captures key projects, and priorities to be actioned based on the outcomes of the Corporate Plan 2017/2022.

2. Background

Council sets a Corporate Plan in consultation with the community that outlines the vision and future direction of the organisation and the community for a period of up to five (5) years. Each year the Council is required to adopt an Operational Plan that contributes to the achievement of the outcomes and commitments outlined in the Corporate Plan.

The 2017/2018 Operational Plan provides the detail of the key programs and identified outcomes to be achieved against the Corporate Plan for the 2017/2018 financial year. This year there is a stronger link between our core local government service delivery and those projects and activities that are more aspirational, all of which will contribute to the community of the Lockyer Valley.

3. Report

The Annual Operational Plan 2017/2018 (as attached) is provided for adoption before Council considers and accepts the 2017/2018 Budget.

Section 104(5)(a) of the *Local Government Act 2009*, identifies the Annual Operational Plan as one of the key financial planning documents of Council. The Annual Operational Plan is

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required to be prepared under Section 174(1) of the *Local Government Regulation 2012* and must be consistent with the annual budget, showing how Council will progress the implementation of the 5 year Corporate Plan and state how Council will manage its operational risks. Section 174(5) of the *Local Government Regulation 2012* requires Council to discharge its responsibilities in a way that is consistent with its annual operational plan.

As such, the 2017/2018 Operational Plan is presented in accordance with the legislative requirements from the *Local Government Act 2009* and the *Local Government Regulation 2012*.

The Operational Plan 2017/2018 has been developed in consultation between Officer's, the Leadership Team and Councillors through the development of the 2017/2018 Budget.

This plan has direct linkages to the Corporate and Community Plans and directs the key initiatives to be undertaken by Council throughout the year. Community Plan Themes with the same key outcomes for the Community have been combined in the new Corporate Plan 2017/2022 to streamline the reporting process and this has continued through to the development of the 2017/2018 Operational Plan.

There are a total of 71 initiatives to be delivered in the 2017/2018 year, a breakdown of the initiatives across the plans themes are as follows:

Theme	Lockyer Community	Lockyer Business, Farming & Livelihood	Lockyer Nature	Lockyer Planned	Lockyer Leadership & Council
Total Initiatives for 2017/2018	14	6	8	16	27

4. Policy and Legal Implications

Section 174(1) of the *Local Government Regulation 2012* requires Council to prepare and adopt an annual Operational plan for each financial year. Further, Section 175(1) *Local Government Regulation 2012* requires that the Operational Plan must be consistent with Council's Annual Budget, state how Council will progress the implementation of the 5 year Corporate Plan during the period of the annual Operational Plan, manage operational risks and include as annual performance plan for each commercial business unit of Council.

5. Financial and Resource Implications

The financial performance of each of the key strategies is summarised and can provide an indication on the progress of initiatives or of constraints in delivering outcomes for the Operational Plan. Overall, financial performance aligns with the budget and allocation of resources to deliver the outcomes. The financial allocations in the 2017/2018 budget are included in the Operational Plan against each key strategic theme.

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6. Delegations/Authorisations

No delegations are required for this report and existing authorities are appropriate for the delivery of the Operational Plan outcomes.

7. Communication and Engagement

The significant achievements of the Operational Plan 2017/2018 will be regularly reported through corporate communications and media channels as required. Overall achievements will be documented in quarterly progress reports to Council and will be incorporated into Council's Annual Report.

8. Conclusion

The Operational Plan 2017/2018 is to be adopted as part of the overall Annual Budget process and it is recommended that the Operational Plan as tabled be approved.

9. Action/s

1. Publish the adopted Operational Plan for 2017/2018 on Council's website.
2. Report quarterly to Council on progress against the 2017/2018 Operational Plan.

Attachments

1 [View](#) Draft 17-18 Operational Plan 23 Pages



Lockyer Valley Regional Council Operational Plan 2017 – 2018

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About the Operational Plan

The Operational Plan (the Plan) is a key strategic document that is developed and adopted annually with the annual Budget. The Plan captures key projects and priorities for 2017/18 financial year to ensure Council delivers the outcomes and commitments of the Corporate Plan 2017-2022.

The Operational Plan 2017-2018 sets the one year direction for Council. The Plan articulates our deliverables, areas of responsibility, addresses Council's risks and monitors the overall performance of Council.

Section 104 (5)(v) of the *Local Government Act 2009* requires that Council must under its system of financial management establish an annual operational plan. Sections 175 and 176 of the *Local Government Regulation 2012* determine the preparation, adoption and the content requirements of the annual operational plan.

Building Our Operational Plan

The Operational Plan 2017-2018 was prepared in response to achieving the outcomes of the Corporate Plan 2017-2022. The development process was undertaken in conjunction with the 2017/18 budget process in consultation with key Council staff.

Like the Corporate Plan, the Operational Plan utilises the seven (7) themes of the Community Plan as the framework with the inclusion of an eighth theme, Lockyer Council.

Below are the eight themes, some of which have been combined in the Corporate and Operational Plans where similar outcomes exist:

- Lockyer Community
- Lockyer Business, Farming and Livelihood
- Lockyer Nature
- Lockyer Planned
- Lockyer Leadership and Council

The draft Operational Plan was presented to Council at its workshop on 14 June 2017 for review and was adopted prior to the budget at the Special Meeting of Council on 27 June 2017.

Vision, Mission and Values

Vision: We will deliver sustainable services to enhance the liveability of our community while embracing our economic, cultural and natural diversity.

Mission: Lead, engage and empower.

Our Values:

Values form the basis of our culture. They add meaning to work and they provide a basis for consistent planning and decision making across the organisation. The desired values and behaviours that every employee of Lockyer Valley Regional Council is expected to demonstrate in their daily activities, in the way they behave and in the way they make decisions are:

Leadership

We lead through excellence and partner with the community to achieve Council's vision and mission.

Accountability

We accept ownership of our role and take responsibility for our actions. We are results focused, take pride in our successes and efforts and learn from our mistakes.

Integrity

We strive to be valued and trusted by the Lockyer Valley community. We are respectful, open, transparent and honest in our dealings with the community. At all times we act in the best interests of the community.

Communication

We embrace diversity and communicate openly and honestly. We listen actively, consider and value the views of others. Our communication is clear, concise and consistent.

Customer Focus

We strive to engage and communicate with our internal and external customers to meet agreed outcomes. We identify and aim to meet the needs of all customers in a responsive and equitable manner.

Teamwork and Collaboration

We value creative thinking and look for opportunities to collaborate and connect to deliver a better Lockyer Valley. We work together by recognising and sharing our talents, skills, experience and knowledge.

Federal, State and Local Government Responsibilities

The priorities raised by the community present challenges which cannot be addressed by Council alone. Many of these priorities are the responsibility of other organisations such as Federal Government, State Government and community organisations. In “Lockyer: Our Valley, Our Vision Community Plan 2017-2027” these organisations are identified for the Lockyer Valley region.

Where Council is not responsible for the provision of a particular service we can advocate to the relevant agency to secure support, funding and agreements for the benefit of the Lockyer Valley community.

Our Role

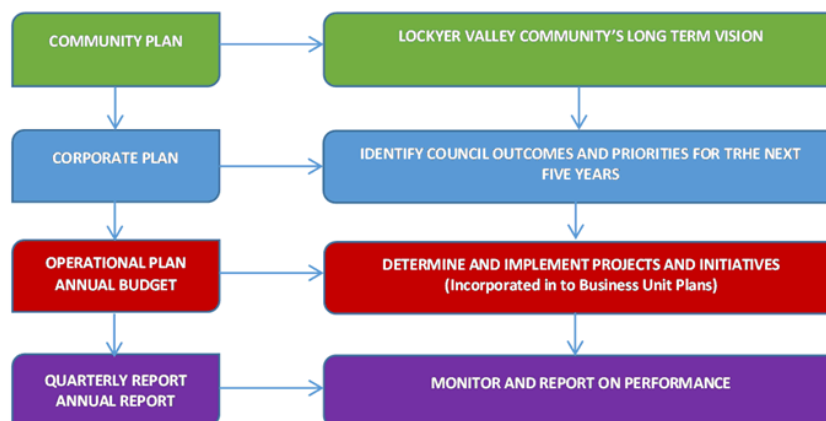
As we work towards our outcomes, we recognise that not all of them can be achieved by Council alone. Council will fulfil a range of roles in working to achieve the outcomes outlined in this plan.

These roles include:

Council Role	Description
Provider	Delivering services
Funder	Funding other parties to deliver services
Regulator	Regulating activities through legislation, local laws or policies
Partner	Forming partnerships and strategic alliances with other parties in the interests of the community
Facilitator	Assisting others to be involved in activities by bringing groups and interested parties together
Advocate	Promoting the interest of the community to other decision makers and influencers

Council's Strategic Planning Framework

The diagram below represents the strategic planning framework used by Council:



Monitoring Our Progress

Quarterly Performance Report

Every quarter, a performance report is prepared and presented to Council by the Chief Executive Officer. This report outlines performance against the outcomes of the Corporate Plan and activities of the Annual Operational Plan.

Annual Report

At the end of the financial year, Council produces an Annual Report that reviews the performance achieved. The Annual Report provides the community with operational and financial information about Council's performance against the outcomes and service delivery commitments set out in the Corporate and Operational Plans.

Financing Our Operations

The following table outlines Council's 2017/18 Budget against the themes of the Corporate Plan 2017-2022.

Theme	Operating Revenue	Operating Expense	Capital Revenue	Capital Expense
Lockyer Community	927,750	4,101,090	4,500	237,000
Lockyer Business, Farming and Livelihood	2,066,655	4,401,037		152,500
Lockyer Nature	274,200	1,352,268		30,000
Lockyer Planned	14,358,490	25,813,609	4,042,500	14,201,432
Lockyer Leadership and Council	38,977,215	19,538,136	266,000	2,940,000
Total	56,604,310	55,206,140	4,313,000	17,560,932

Managing Our Operational Risks

To enable a more streamlined and simplified approach to managing risk a revised corporate risk register and framework has been developed for Council. The following key focus areas have been determined as Council's overarching risk register and have been incorporated into the strategic planning process with risk identification included against each initiative of the Operational Plan:

- Financial and Economic (FE1) – financial sustainability
- Financial and Economic (FE2) – decision making governance, due diligence, accountability and sustainability
- Infrastructure and Assets (IA1) – Planning, managing and maintaining assets for the future
- Infrastructure and Assets (IA2) – Deliver major projects (time, cost, scope and quality)
- Infrastructure and Assets (IA3) – Information and technology strategy
- Business Continuity and Systems (BC1) – Provision of core services now and into the future
- Environmental and Community (EC1) – Environmental health and protection
- Legal compliance and liability (LCL1) – compliance management
- Political (P1) - Intergovernmental relationships/relationships with other key stakeholders.
- Reputation (R1) – Reputation and goodwill
- Staff (S1) – Strategic workforce planning and management
- Workplace Health and Safety (WHS1) – Health and Safety

Lockyer Community: Our healthy community welcomes the spirited diversity found within our region. Times of hardship highlight our resilience. Our high standards support our quality of life and vibrancy while providing a dynamic and safe place full of opportunity. We strive to build on who we are and all that our region has to offer by connecting business, the community and government.

1.1 A Community with fair and reasonable access to services

Reference	Operational Plan Strategy for 2017/18	Performance Measurement			Responsibility	Key Risk Category	Target
		Key Performance Indicator	Description of Measure	Source of Validation Data			
1.1.1	Provision and use of Council child care centres	Enrolment numbers at child care centres	Centres operating at a minimum of 75% capacity	Enrolment numbers at child care centres	Corporate and Community Services	BC1 - Business Continuity and Systems	2017/18
1.1.2	Work with a wide range of stakeholders and the community to increase accessibility to human and social services.	Deliver development and engagement activities	Number of activities delivery and feedback provided	Monthly report	Executive Office	PI - Political RI - Reputation and Goodwill	2017/18

1.2 Council optimises the use of its open spaces and facilities by improving access to and the quality of the facilities for individuals and groups for cultural, recreational and community activities.

Reference	Operational Plan Strategy for 2017/18	Performance Measurement			Responsibility	Key Risk Category	Target
		Key Performance Indicator	Description of Measure	Source of Validation Data			
1.2.1	Provision of quality library services to the community. Implement agreed outcomes of the Library Services Review Strategy	Increase in library membership, borrowings and participation in organised activities	5% increase in membership, borrowings and activity participation	Library services review strategy, reporting from Synplus	Corporate and Community Services	BC1 - Business Continuity and Systems	2017/18
1.2.2	Review Public Parks Strategy document to develop a investment plan for the regions parks and gardens	Develop investment plan	Investment Plan adopted by Council	Plan and council business papers	Infrastructure Works and Services	IA1 - Infrastructure and Assets	2017/18
1.2.3	Provision of mowing, slashing and maintenance of Council parks across the region	Define levels of service that are linked to Council's budget	Provision of services within budget constraints	Operational Budget - costs within budget for these activities	Infrastructure Works and Services	IA1 - Infrastructure and Assets	2017/18

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1.3 Enhanced wellbeing and safety of the community.							
Reference	Operational Plan Strategy for 2017/18	Performance Measurement			Responsibility	Key Risk Category	Target
		Key Performance Indicator	Description of Measure	Source of Validation Data			
1.3.1	Improve flood warning capability by increasing the capacity of the flood based infrastructure and its usability including flood gauges and flood warning systems	Deliver identified disaster management capital works projects	Identified projects delivered to scope, time and budget	Budget	Corporate and Community Services	IA1 - Infrastructure & Assets BC1 - Business Continuity & Systems	2017/18
1.3.2	Monitor food safety compliance across the region	All food premise licences renewed and inspected and new food premise licences issued	100% of licences renewed and inspected	Food licence records	Corporate and Community Services	LC1 - Legal Compliance and Liability EC1 - Environmental and Community FE2 - Finance and Economic	2017/18
1.3.3	Maintain animal management practices and standards and undertake annual dog survey	Undertake animal management compliance activities in line with Council policy and laws (state and local) Complete survey	Compliance with animal management policies and local laws Decrease in number of unregistered dogs	CRW's, dog registration records and audit program and PetPop program	Corporate and Community Services	LC1 Legal Compliance and Liability EC1 - Environmental and Community FE2 - Finance and Economic	2017/18
1.3.4	Provision of Building and Plumbing certification assessment and Building and Plumbing Regulatory Compliance	Undertake plumbing and building certification assessments and inspections in accordance with the statutory requirements	100 % of licences are processed within or better than Building and Plumbing statutory timeframes	Techone, building records and plumbing records	Organisational Development and Planning Services	BC1 - Business Continuity and Systems LC1 - Legal compliance and liability EC1 - Environment and Community	2017/18

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1.4 Council seek to understand community needs, resulting in partnerships that realise long-term benefits for the community in a timely manner.

Reference	Operational Plan Strategy for 2017/18	Performance Measurement			Responsibility	Key Risk Category	Target
		Key Performance Indicator	Description of Measure	Source of Validation Data			
1.4.1	Implement the following initiatives of the Sport and Recreation Plan Support local clubs and associations with their facilities by providing opportunities to enable them to obtain external funding opportunities that are available and Support local clubs and association to identify suitable facilities that meet the needs Develop and implement a sports ground user policy	Deliver identified initiatives of the Sport and Recreation Plan	All identified initiatives delivered	Policy, successful grant applications, facilities identified	Organisational Development and Planning Services	R1 - Reputation and Goodwill P1 - Political	2017/18
1.4.2	Administer Council's Community Grants and Assistance Programme	Deliver community grants program	Community Grant budget exhausted	Budget and council business papers	Organisational Development and Planning Services	R1 - Reputation and Goodwill	2017/18
1.4.3	Deliver community development activities	Community development activities delivered including youth, multicultural etc.	Number of activities delivered and feedback received	Monthly report	Executive Office	R1 - Reputation and Goodwill P1 - Political	2017/18

1.5 Events and activities that bring together and support greater connectivity in the community.

Reference	Operational Plan Strategy for 2017/18	Performance Measurement			Responsibility	Key Risk Category	Target
		Key Performance Indicator	Description of Measure	Source of Validation Data			
1.5.1	Deliver and support events and activities for the community	Community Events and activities supported and delivered	32 events and activities delivered and supported and feedback from participants received	Monthly report, post event evaluation	Executive Office	P1 - Political R1 - Reputation and Goodwill	2017/18

1.6 The community's preparedness for disasters is improved through community education, training and strong partnerships between Council and other agencies

Reference	Operational Plan Strategy for 2017/18	Performance Measurement			Accountability	Key Risk Category	Target
		Key Performance Indicator	Description of Measure	Source of Validation Data			
1.6.1	Participate in joint exercises and training. Co-present at community events and hold joint meetings to discuss risk reduction strategies.	Exercises and training sessions are assessed.	At least one exercise conducted	Final assessment reports and meeting minutes.	Corporate and Community Services	P1 - Political R1 - Reputation & Goodwill	2017/18

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Lockyer Business

Our business community is a thriving and inclusive network where it is easy to do business. We create opportunities and encourage innovation that inspires business confidence and collaborative partnerships.

Lockyer Farming

As custodians we manage our water and land assets to ensure our farming future. We pride ourselves on our innovation and clean, green reputation. We work together to support our farmers of current and future generations.

Lockyer Livelihood

We are a community where lifelong learning opportunities exist. Our quality education facilities are highly regarded and provide diverse career pathways. We look to develop skills and generate job opportunities for all.

2.1 Encourage opportunities for the Lockyer Valley to drive economic and community outcomes.

Reference	Operational Plan Strategy for 2017/18	Performance Measurement			Responsibility	Key Risk Category	Target
		Key Performance Indicator	Description of Measure	Source of Validation Data			
2.1.1	Facilitate opportunities for business/industry to seek further information for regional economic outcomes.	Facilitate business and industry opportunities	Number of opportunities facilitated	Forum documentation monthly reporting	Executive Office	P1 - Political R1 - Reputation and Goodwill	2017/18
2.1.2	Advocate for improved and connected infrastructure networks for the region including: - telecommunications - transportation - water security	Capitalize on advocacy opportunities to provide improved and connected infrastructure	Number of advocacy opportunities engaged in	Monthly reporting	Executive Office	P1 - Political R1 - Reputation and Goodwill	2017/18

2.2 Maximise opportunities through engagement and partnership with stakeholders to achieve a strong resilient economy.

Reference	Operational Plan Strategy for 2017/18	Performance Measurement			Responsibility	Key Risk Category	Target
		Key Performance Indicator	Description of Measure	Source of Validation Data			
2.2.1	Provision of support to the Region's business and industry groups including: - Lockyer Growers Group - Lockyer Chamber of Industry and Commerce - Lockyer Valley Tourism	Participation in and facilitation of forums and events that will support the region's business and industry groups	12 forums and events supported and outcomes achieved	Monthly reporting	Executive Office	P1 - Political R1 - Reputation and Goodwill	2017/18

2.3 Promote and market the Lockyer Valley as a destination for commerce, tourism and lifestyle.

Reference	Operational Plan Strategy for 2017/18	Performance Measurement			Responsibility	Key Risk Category	Target
		Key Performance Indicator	Description of Measure	Source of Validation Data			
2.3.1	Utilise marketing channels to successfully promote and market the region as a destination for commerce, tourism and lifestyle	The region as a destination is marketed	4 marketing activities undertaken and feedback received	Social media statistics, VIC and QIM attendance, Council business papers	Executive Office	R1 - Reputation and Goodwill	2017/18

2.4 Attract and support education and employment opportunities for the community.

Reference	Operational Plan Strategy for 2017/18	Performance Measurement			Responsibility	Key Risk Category	Target
		Key Performance Indicator	Description of Measure	Source of Validation Data			
2.4.1	Facilitate partnership opportunities between employers, education and training providers	Facilitate and participate in collaboration activities between employers and education and training providers	10 collaboration activities supported and outcomes achieved	Meeting business papers	Executive Office	P1 - Political R1 - Reputation and Goodwill	2017/18

2.5 Foster a flexible, supportive and inclusive business environment.

Reference	Operational Plan Strategy for 2017/18	Performance Measurement			Responsibility	Key Risk Category	Target
		Key Performance Indicator	Description of Measure	Source of Validation Data			
2.5.1	Provision of support to enable business and industry investment in the region	Occupancy of the Leading Business Incubator	50% occupancy of the Leading Business Incubator	Incubator booking records	Executive Office	P1 - Political R1 - Reputation and Goodwill	2017/18

Lockyer Nature*Our natural assets are valued and protected to sustain our unique rural lifestyle.***3.1 Lockyer Valley's natural assets are managed, maintained and protected.**

Reference	Operational Plan Strategy for 2017/18	Performance Measurement			Responsibility	Key Risk Category	Target
		Key Performance Indicator	Description of Measure	Source of Validation Data			
3.1.1	Implement an initiative of the Lockyer Catchment Action Plan including Riparian Restoration Project	Implementation of identified projects	Identified projects completed to scope, time and budget	Project Plan, budget	Organisational Development and Planning Services	EC1 - Environmental and Community IA2 - Infrastructure and Asset	2017/18
3.1.2	Develop strategic environmental management plans to ensure that the region's natural assets are valued and protected including: - Natural Resource Management Plan - Biosecurity Plan - Flying Fox Roost Management Plan	Plans developed	Plans developed and adopted in accordance with statutory requirements	Plan, meeting, business papers (Project and Council)	Organisational Development and Planning Services	EC1 - Environmental and Community IA2 - Infrastructure and Asset	2019/20

3.2 Council's policies and plans support environmentally sustainable development.

Reference	Operational Plan Strategy for 2017/18	Performance Measurement			Responsibility	Key Risk Category	Target
		Key Performance Indicator	Description of Measure	Source of Validation Data			
3.2.1	The Lockyer Valley Planning Scheme includes provisions that ensure development in the Lockyer Valley is environmentally sustainable.	Scheme provisions require development to demonstrate that it is environmentally sustainable	Finalisation of planning scheme	Audit of content of new planning scheme	Organisational Development and Planning Services	EC1 - Environmental and Community IA2 - Infrastructure and Asset	2018/19

3.3 Community and private landholders' stewardship of natural assets increases.

Reference	Operational Plan Strategy for 2017/18	Performance Measurement			Responsibility	Key Risk Category	Target
		Key Performance Indicator	Description of Measure	Source of Validation Data			
3.3.1	Deliver the initiatives of the Land for Wildlife Program including landholder assistance program, workshops and field days and native plan program	Successful delivery of the Land for Wildlife Program	Provision of services within budget constraints	Budgets and participant feedback	Organisational Development and Planning Services	EC1 - Environmental and Community	2017/18
3.3.2	Deliver Council's environmental and pest management programs	Successful delivery of the environmental and pest management programs	Provision of services within budget constraints	RMC contact, Budget, One Council	Organisational Development and Planning Services	EC1 - Environmental and Community	2017/18

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3.4 Locals and visitors experience our natural assets.

Reference	Operational Plan Strategy for 2017/18	Performance Measurement			Responsibility	Key Risk Category	Target
		Key Performance Indicator	Description of Measure	Source of Validation Data			
3.4.1	Utilise marketing channels to promote the regions natural assets to locals and visitors	Number of marketing activities undertaken	4 marketing activities of the region's natural assets	Marketing Material	Executive Office	R1 - Reputation and Goodwill	2017/18

3.5 Council and the community actively reduce waste, recycle and reuse more.

Reference	Operational Plan Strategy for 2017/18	Performance Measurement			Responsibility	Key Risk Category	Target
		Key Performance Indicator	Description of Measure	Source of Validation Data			
3.5.1	Maintain waste and recycling service across the region Review the Waste Reduction and Recycling Plan (WRPP) Deliver the waste management capital works program (landfill capping)	Waste and recycling service delivered across the region. External review of WRPP Complete capital works program	Services delivered WRPP reviewed and adopted by Council Delivery of capital works program	Contract meeting minutes, WRPP, budget	Corporate and Community Services	CL1 - Legal Compliance and Liability EC1 - Environmental and community FE2 - Finance and Economic	2018/19

3.6 Council and the community actively reduce consumption of non-renewable resources.

Reference	Operational Plan Strategy for 2017/18	Performance Measurement			Responsibility	Key Risk Category	Target
		Key Performance Indicator	Description of Measure	Source of Validation Data			
3.6.1	Implement outcomes of the energy audits of Council's major facilities	Implementation of renewable energy sources	Installation of solar panel on one major council facility and energy consumption reduced	Budget	Corporate and Community Services	EC1 - Environmental and Community	2017/22

Lockyer Planned:

We have unique, well connected communities. We have places and spaces that bring together people. Local services match the needs of the community. Our built infrastructure is designed and constructed to enable access for all.

4.1 Growth and development in the region is sustainably managed through the adoption and implementation of the Lockyer Valley Planning Scheme.

Reference	Operational Plan Strategy for 2017/18	Performance Measurement			Responsibility	Key Risk Category	Target
		Key Performance Indicator	Description of Measure	Source of Validation Data			
4.1.1	Develop a new Lockyer Valley Planning Scheme for the Region	Adoption of a new Planning Scheme for the Lockyer Valley Region	Planning scheme finalised and adopted	Planning Scheme, council business papers project meeting minutes	Organisational Development and Planning Services	IA2 - Infrastructure and Assets	2016/19

4.2 Provision of fit-for-purpose infrastructure which meets the current and future needs of the region.

Reference	Operational Plan Strategy for 2017/18	Performance Measurement			Responsibility	Key Risk Category	Target
		Key Performance Indicator	Description of Measure	Source of Validation Data			
4.2.1	Implement service management plan for all council buildings and facilities and deliver the community facility asset renewal programme	Delivery of Asset Renewal Program for Building assets and Community Facilities Delivery of all Maintenance requirements	80% of the program delivered	Service Management Plan and Budget, TechDraw	Corporate and Community Services	IA1 - Infrastructure and Assets	2017/18
4.2.2	Development of a Service Management Plan (SMP) for cemetery assets	Service Management Plan adopted by Council	Completed SMP, adopted by Council	Service Management Plan and Budget	Infrastructure Works and Services	IA3 - Infrastructure and Assets	2017/18
4.2.3	Implement Service Management Plan (SMP) for all Council parks, gardens and amenities	Works Order Structure to capture maintenance costs	Capture costs against asset type	Service Management module	Infrastructure Works and Services	IA1 - Infrastructure and Assets	2017/18
4.2.4	Review and update the Service Management Plan for the Plant and Fleet Business Unit	Service Management Plan adopted by Council	Number of plans reviewed and updated	Council business papers	Infrastructure Works and Services	IA1 - Infrastructure and Assets	2017/18
4.2.5	Deliver Council-funded Road Maintenance Programme	Deliver annual road maintenance programme	90% of projects delivered on scope, time and within 10% of budget	Budget	Infrastructure Works and Services	IA1 - Infrastructure and Assets	2017/18
4.2.6	Deliver Council-funded Road Capital Expenditure Programme	Deliver annual capital expenditure projects (no of projects)	90% of projects delivered on scope, time and within 10% of budget	Budget	Infrastructure Works and Services	IA1 - Infrastructure and Assets	2017/18

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4.2.7	Deliver externally funded road projects as per agreed funding agreements	100% complete	Actual versus budget	Funding agreements	Infrastructure Works and Services	IA2 - Infrastructure and Assets	2017/18
4.2.8	Review and update the Service Management Plan for the Roads and Drainage business unit	Service Management Plan	Number of plans reviewed and updated	Completed SAMP	Infrastructure Works and Services	IA3 - Infrastructure and Assets	2017/18
4.2.9	Stormwater catchment modelling, planning and design for Carlton sub-catchments	Project completed within funding timeframe and budget	Completion by 29 November 2017 (as per funding agreement)	Project plan reflects State timeframes. Completion of final reporting to State.	Infrastructure Works and Services	IA3 - Infrastructure and Assets	2017/18
4.2.10	Kensington Grove and Mainland Transport Study	Transport Study completed	Study complete and adopted by Council	Council business papers	Infrastructure Works and Services	IA3 - Infrastructure and Assets	2017/18
4.2.11	Develop the Lockyer Valley Local Government Infrastructure Plan (LGIP) to set out the desired standards of services for the Region's future roads, stormwater and public open space and trunk infrastructure networks	Adoption of the Lockyer Valley Local Government Infrastructure Plan (LGIP)	Plan finalised and adopted by Council and progress made towards implementation of recommendations	LGIP and council business papers	Organisational Development and Planning Services	IA1 - Infrastructure and Assets IA2 - Infrastructure and Assets	2018/19

4.3 A development assessment process that delivers quality development that is consistent with legislation, best practice and community expectations.

Reference	Operational Plan Strategy for 2017/18	Performance Measurement			Responsibility	Key Risk Category	Target
		Key Performance Indicator	Description of Measure	Source of Validation Data			
4.3.1	Council's Development Assessment Team undertakes the assessment of development applications to manage community expectations and best practice that are reflected in the Lockyer Valley Planning Scheme.	IOAS timeframes and standard of customer service.	IOAS timeframes and standards of service are met.	TecheOne and reporting	Organisational Development and Planning Services	FE2 - Financial and Economic LC1 - Legal Compliance and Liability	2017/18
4.3.2	Implement Development Assessment Service Improvement Plan	Implement the current financial year actions	Current financial year actions completed	Plan	Organisational Development and Planning Services	LC1 - Legal Compliance and Liability FE2 - Finance and Economic PI - Political RI - Reputation and Goodwill	2018/19

4.4 Regional collaboration and targeted advocacy that drives external funding, for timely delivery of key infrastructure and enhanced community outcomes.

Reference	Operational Plan Strategy for 2017/18	Performance Measurement			Responsibility	Key Risk Category	Target
		Key Performance Indicator	Description of Measure	Source of Validation Data			
4.4.1	Tanookinla Second Range Crossing - minimisation of construction impacts on the Lockyer Valley region	Ongoing representation and participation in the State Government's Tanookinla Second Range Crossing Project	Representation at relevant meetings. Feedback on relevant issues to Transport and Main Roads and the construct.	TSEC comment logs, council business papers, meetings with the constructor and Transport and Main Roads.	Infrastructure Works and Services	IA1 - Infrastructure and Assets	2017/18

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4.5 An integrated approach to the planning of all communities that strengthens local identity and lifestyle.

Reference	Operational Plan Strategy for 2017/18	Performance Measurement			Responsibility	Key Risk Category	Target
		Key Performance Indicator	Description of Measure	Source of Validation Data			
4.5.1	Town Regeneration Planning for Laidley and Garton	Completion of planning of project implementation where appropriate.	Reports complete and accepted by Council.	Minutes from Garton Revalidation, Laidley Futures.	Infrastructure Works and Services	IA1 - Infrastructure and Assets	2017/18

Lockyer Leadership

Our leaders are visionary and seek coordinated outcomes for the benefit of the whole community.

Lockyer Council

A well-managed, transparent and accountable organisation that gives the community confidence, demonstrates financial sustainability, where customers are satisfied with our services and our employees are proud to work.

5.1 Undertake robust and accountable financial, resource and infrastructure planning and management to ensure affordable and sustainable outcomes for our community.

Reference	Operational Plan Strategy for 2017/18	Performance Measurement			Responsibility	Key Risk Category	Target
		Key Performance Indicator	Description of Measure	Source of Validation Data			
5.1.1	Provision of quality financial services to internal and external customers including: - management of Council's rating, general revenue and payable functions; - manage and delivery of Council's statutory financial reporting obligations; - manage and provide advice on procurement processes in accordance with legislation and Council policy.	Average level of satisfaction identified with services provided.	5 point scale where 1 is highly dissatisfied and 5 is highly satisfied. Score to be 3.5 or higher	Internal survey of staff.	Corporate and Community Services	FE2 - Financial and Economic.	2017/18
5.1.2	Review Council's funding and cash management processes in consultation with Queensland Treasury Corporation	Reduced cash and debt levels and alternative funding solutions	Alternative funding models reviewed and position adopted by Council	External review	Corporate and Community Services	FE2 - Financial and Economic.	2017/18
5.1.3	Through engagement with key stakeholders implement recommendations of the workforce plan to ensure alignment with long term financial plan, asset management plans and associated service level	Key recommendations of the workforce plan implemented	All key recommendations implemented	Workforce Plan	Organisational Development and Planning Services	SA - Strategic Workforce Planning and Management	2020/21
5.1.4	Undertake plant replacement program as per approved Council budget	Plant replacement	90 % of plant replacement program completed	TeckOne Finance Module	Infrastructure Works and Services	IA1 - Infrastructure and Assets	2017/18
5.1.5	Inspect infrastructure Works and Services infrastructure for defects and manage defect reporting mechanisms.	Inspections undertaken on rooks, drainage, paths, gardens and corners	100% of infrastructure Works and Services infrastructure inspected	TeckOne Works and Assets Module	Infrastructure Works and Services	IA1 - Infrastructure and Assets	2017/18
5.1.6	Undertake review of business operations on: - Child Care Centres - Seagay Post - Lake Dyer Camping and Caravan Ground	Completion of review	Position agreed with Council	Review documents and council business papers	Corporate and Community Services	FE3 - Financial and Economic.	2017/18

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5.2 Excellence in customer service to our community.

Reference	Operational Plan Strategy for 2017/18	Performance Measurement			Responsibility	Key Risk Category	Target
		Key Performance Indicator	Description of Measure	Source of Validation Data			
5.2.1	Provision of quality customer service to internal and external customers, including: - Front counter services at the Gorton and Ladbroke Offices. - Community market centre operations using live chat and video conferencing. - Distribution of customer request to other areas of the organisation. - Booking services for community facilities and amenities. - Implement deliverables of the Customer Service Strategy	(a) Phone Wait Time (b) Call Abandonment Rates (c) Contact Resolution (d) Customer service strategy deliverables implemented	(a) 75% of calls answered within 25 seconds. (b) Less than 15% of calls abandoned before answering. (c) 80% of requests answered at first point of contact. (d) Year one deliverables of the customer services strategy implemented	Statistics from telephone and CRM systems. External Survey Results	Corporate and Community Services	IT - Reputation & Goodwill	2021/2022

5.3 Actively engage with the community to inform council decision making processes.

Reference	Operational Plan Strategy for 2017/18	Performance Measurement			Responsibility	Key Risk Category	Target
		Key Performance Indicator	Description of Measure	Source of Validation Data			
5.3.1	Provide well-planned engagement advice and support in response to Council needs	Respond to internal enquiries and issues of high concern in the community	Number of projects supported	Monthly Reports	Executive Office	FE2 - Finance and Economic RI - Reputation & Goodwill	2017/18

5.4 Commit to open and accountable governance to ensure community confidence and trust in council and our democratic values.

Reference	Operational Plan Strategy for 2017/18	Performance Measurement			Responsibility	Key Risk Category	Target
		Key Performance Indicator	Description of Measure	Source of Validation Data			
5.4.1	Enhance Council decision making through research, training, policy development and information reporting.	Meeting and Workshop Schedule Delivered	Delivered within the statutory timeframes	Council business papers	Executive Office	FE2 - Finance and Economic	2017/18
5.4.2	Apply a framework to guide Council's decision making reflecting good governance principles and promoting ethical business practice, transparency and accountability. Undertake a comprehensive review of Council's policies, plans and strategies to assess alignment to the new Corporate Plan 2017-2022, and recommend changes and create a framework for future strategy development. Continuous improvement strategy	Policies, plans and strategies reviewed and developed that reflect Corporate Plan outcomes Items on the continuous improvement register assessed as viable commenced	80% of policies, strategies reviewed 90% of items assessed	Policy, Procedure, Guideline and Strategic Document Register Continuous Improvement Register	Executive Office	FE2 - Finance and Economic	2017/18
5.4.3	Undertake a review of Council's performance reporting framework to ensure alignment to the new Corporate Plan 2017-2022 Implementation of business planning for all business units to capture forward planning and business as usual activities	Operational Plan strategies that respond to the outcomes of the Corporate Plan % of Business Units with plans developed and implemented % of Business Unit Plans that respond to the Operational Plan Strategies	100% strategies responding to Corporate Plan outcomes 50% of plans developed 100% plans responding to operational plan	Operational Plan Quarterly Reports Business Plan Reports Annual Report	Executive Office	FE2 - Finance and Economic	2018/19

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5.5 Promote a values based culture that appreciates and empowers its workforce.

Reference	Operational Plan Strategy for 2017/18	Performance Measurement			Responsibility	Key Risk Category	Target
		Key Performance Indicator	Description of Measure	Source of Validation Data			
5.5.1	Embed Council's new vision, mission and values through a range of communication and engagement activities.	Schedule of communication and engagement activities and outcomes prepared	Scheduled agreed with leadership team and implemented	Schedule and Employee Opinion Survey	Executive Office	S1 - Strategic Workforce Planning and Management	2017/18
5.5.2	Identify and implement processes for reducing employee opinion survey identified gaps such as: - establish a working group to implement recommended outcomes of the employee opinion survey	Implementation of recommended outcomes from employee opinion survey and working group	Improvement in employee opinion survey results	Employee Opinion Survey	Organisational Development and Planning Services	S1 - Strategic Workforce Planning and Management	2018/19
5.5.3	Develop and implement a new Enterprise Bargaining Agreement (EBA)	EBA adopted by Council and certified	A certified Enterprise Bargaining Agreement	Enterprise Bargaining Agreement, Meeting Minutes (Council and Joint Consultative Committee)	Organisational Development and Planning Services	S1 - Strategic Workforce Planning and Management	2017/18

5.6 Provide leadership and contemporary management systems that drive a coordinated and connected organisation.

Reference	Operational Plan Strategy for 2017/18	Performance Measurement			Responsibility	Key Risk Category	Target
		Key Performance Indicator	Description of Measure	Source of Validation Data			
5.6.1	Develop a cohesive Leadership Team that communicates and engages with staff	ELT to meet quarterly with all staff Quarterly combined manager and supervisor meetings held	All meetings held All meetings held and minuted	Outlook calendar and meeting minutes	Executive Office	S1 - Strategic Workforce Planning and Management	2017/18
5.6.2	Provision of training and development to the organisation including: - ensure that legislative training requirements are met and undertake training needs analysis - develop and implement relevant leadership training for managers and supervisors	Training and development programs delivered to the organisation	Statutory requirements and identified training needs met	TrackOne	Organisational Development and Planning Services	S1 - Strategic Workforce Planning and Management	2017/18
5.6.3	Advocate on matters of strategic significance to Council and the Community through regional, state and national planning and policy development opportunities	Advocacy matters endorsed by Council	Acceptance of policy position	Council business papers	Executive Office	P1 - Political	2017/18

Draft 17-18 Operational Plan - Council Workshop 20160514

5.7 Compliant with relevant legislation.						
Reference	Operational Plan Strategy for 2017/18	Performance Measurement			Responsibility	Key Risk Category
		Key Performance Indicator	Description of Measure	Source of Validation Data		
5.7.4	Ensure that Council meets its obligations under the Qld State Disaster Management Act 2003.	Islander Valley Disaster Management Plan is assessed annually.	Inspector General Emergency Management assessment completed	Office of the Inspector General Emergency Management & District Disaster Coordinator	Corporate and Community Services	IC13 - Legal Compliance & Liability
5.7.2	Ensure that Council meets its obligations under the Work Health and Safety Act 2011 by - conducting an internal WHS management system audit - completing of monthly action plans - conducting hazard inspections - completing rectification action plans.	Completion of WHS internal audit. Monthly Action Plan hazard inspections and rectification action plans.	100% MAAS 90% hazard inspections 80% RAMPs by due date	Safetyplan, TechOne	Organisational Development and Planning Services	WHS1 - Workplace Health and Safety IC11 - Legal Compliance and Liability
5.7.3	Clearly identify governance obligations and comply with statutory requirements - Audit and risk functions (including business continuity) - Identify functions - Local laws - Delegations and Authorisations.	Compliance with local Government Act 2009 obligations	100% compliance with statutory requirements	(H)GP Legislative Compliance Checklist	Executive Office	IC13 - Legal Compliance & Liability
						2017/18

Draft 17-18 Operational Plan - Councils Workshop 20160614

5.8 Deliver reliable internal support services.

Reference	Operational Plan Strategy for 2017/18	Performance Measurement			Responsibility	Key Risk Category	Target
		Key Performance Indicator	Description of Measure	Source of Validation Data			
5.8.1	Conduct a major upgrade of Council's Core Property and Rating system to CAdynwhere (CAd).	Majority of Technology One Property & Rating functionally working on the CAd platform.	80% of Technology One Property & Rating running in CAd.	Business Systems Team	Corporate and Community Services	IA3 - Infrastructure and Assets	2017/18
5.8.2	Implement Office 365 Productivity Suite	Version of Office deployed to computers.	80% of staff utilizing Office 2010 productivity suite.	ICT Team Application deployment report.	Corporate and Community Services	IA3 - Infrastructure and Assets	2018/19
5.8.3	Records Digitisation - development of a program to achieve sign off by Queensland State Archives of a policy to achieve full digitisation of all Council records by 30 June 2018.	Draft Digitisation Strategy sent to Queensland State Archives (QSA).	Draft Policy Developed and sent to QSA for feedback.	Email to QSA	Corporate and Community Services	IA3 - Infrastructure and Assets	2017/18
5.8.4	Provision of assistance to develop, review and update Infrastructure Works and Services, Service Management Plans (SMP)	Develop service management plan for emergency assets review and update services management plan for roads and drainage	Plans developed and adopted by Council	Plans and Council business papers	Infrastructure Works and Services	IA1 - Infrastructure and Assets	2017/18
5.8.5	Provision of Legal and Property Services	Meet the organisational needs on legal and property requirements.	80% of legal and property requests responded to within agreed timeframes	Land register, Council business papers	Executive Office	LC1 - Legal Compliance and Liability	2017/18
5.8.6	Implement tranch 2 of Land Nationalisation Programme	Report to council identifying suitable land to sell	Council approval and identified land sales significantly progressed	Council business papers	Executive Office	LC1 - Legal Compliance and Liability	2017/18
5.8.7	Undertake all of Council's external and internal communication requirements.	Delivery of internal and external communication requirement	Internal communications delivered - 12 in loop - 52 watercookers External communications delivered - media deadlines met - social media monitored and responded as required	Media releases, newsletters, social media statistics	Executive Office	RI - Reputation & Goodwill	2017/18

Draft 17-18 Operational Plan - Councils Workshop 2016/01/14

**SPECIAL MEETING
(BUDGET ADOPTION)
AGENDA
27 JUNE 2017**

5.3 2017/2018 Financial Policies

Date: 14 June 2017

Author: Tony Brett, Manager Finance and Customer Service

Responsible Officer: David Lewis, Executive Manager Corporate & Community Services

Summary:

The *Local Government Regulation 2012* Sections 191, 192 and 198 require Council to prepare an Investment Policy, Debt Policy and Procurement Policy. The Debt Policy is required to be adopted each financial year with the Investment Policy and Procurement Policy to be reviewed on an annual basis.

All policies have been reviewed as part of the 2017/2018 Budget process with no significant changes needing to be made from the previous year.

The adoption of these policies satisfies Council's legislative obligations and provides clear guidance to staff to ensure ongoing understanding and compliance.

Officer's Recommendation:

THAT Council adopt the 2017/2018 Investment Policy, 2017/2018 Debt Policy and 2017/2018 Procurement Policy as attached to this report.

Report

1. Introduction

The *Local Government Regulation 2012* requires Council to adopt or review specified policies each financial year.

2. Background

The Investment Policy, Debt Policy and Procurement Policy are key statutory policies of Council.

3. Report

The *Local Government Regulation 2012* requires Council to prepare an Investment Policy, Debt Policy and Procurement Policy.

Investment Policy

Under Section 191 of the *Local Government Regulation 2012*, Council must prepare and adopt an investment policy that outlines Council's investment objectives and overall risk philosophy together with the procedures for achieving the goals outlined in the policy.

The attached Investment Policy provides Council's finance officers with an investment framework within which to place Council investments to achieve competitive returns whilst

**SPECIAL MEETING
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27 JUNE 2017**

adequately managing risk exposure and ensuring cash funds are available to meet Council's short term cash requirements. In order of priority, the order of investment activities is preservation of capital, liquidity and return.

A small increase from 35% to 40% for the maximum percentage investment for institutions rated A to BBB+ is recommended due to recent changes to the ratings of certain institutions. This change will also improve Council's flexibility to invest in this part of the portfolio should further rating changes occur. The maximum percentage investment with any one institution remains unchanged.

Debt Policy

Under Section 192 of the *Local Government Regulation 2012*, Council must prepare and adopt a debt policy each financial year. The debt policy must state new borrowings for the current financial year and the next nine years and the time over which Council plans to repay existing and new borrowings.

The attached Debt Policy forecasts no borrowings for the life of the long term financial plan.

Under Council's debt policy, Council will not utilise loan funds to finance operating activities and where capital assets are funded through borrowings, Council will repay the loans within a term not exceeding the life of the asset. Current loans are planned to be repaid within 20 years. Additional repayments will be made where sufficient funds are available.

Procurement Policy

The policy covers the principles of procurement applicable under the *Local Government Regulation 2012* and remains unchanged from the previous year.

4. Policy and Legal Implications

The adoption of these policies satisfies Council's legislative obligations and provides clear guidance to staff to ensure ongoing understanding and compliance.

5. Financial and Resource Implications

These policies underpin elements of the 2017/2018 budget.

6. Delegations/Authorisations

Matters arising from this report will be dealt with in accordance with existing delegations.

7. Communication and Engagement

The implications of these policies will be incorporated into extensive communications associated with the 2017/2018 Budget.

8. Conclusion

These policies are used in the formulation of Council's annual budget and have been reviewed as part of the 2017/2018 Budget process with the policies remaining largely unchanged.



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9. Action/s

Update Council's Policy Register and upload to the internet.

Attachments

1View	Attachment 1 - 2017-2018 Financial Policies Report - Investment Policy	3 Pages
2View	Attachment 2 - 2017-2018 Financial Policies Report - Debt Policy	3 Pages
3View	Attachment 3 - 2017-2018 Financial Policies Report - Procurement Policy	1 Page



Policy document

Statutory S02

Investment

Head of Power

Section 191 of the *Local Government Regulation 2012* states a Local Government must prepare an investment policy each financial year. Council must also consider the *Statutory Bodies Financial Arrangements (SBFA) Act 1982* and *Statutory Bodies Financial Arrangements Regulation 2007*.

Key Supporting Council Document

Corporate Plan (2017 – 2022) Lockyer Leadership and Council “To be financial sustainable”

Definitions

NA

Policy Objective

To provide Council’s finance officers with an investment framework within which to place Council investments to achieve competitive returns whilst adequately managing risk exposure and ensuring cash funds are available to meet Council’s short term cash requirements.

Policy Statement

This policy is applicable to the investment of Lockyer Valley Regional Council’s cash balances as they occur throughout the year. It specifically does not apply to the long term loan arrangement with Queensland Urban Utilities.

Council’s overall objective is to invest its funds at the most advantageous interest rate available to it at the time, for that type of investment and in a way that it considers most appropriate.

Without specific approval from Council or the treasurer, investments are limited to those prescribed by Part 6 of the *Statutory Bodies Financial Arrangements Act 1982* for local governments with Category 1 investment power.

In order of priority, the order of investment activities will be preservation of capital, liquidity and return.

This policy prohibits any investments carried out for speculative purposes.

Council’s bank balances and short term cash flows will be reviewed daily.

Group: Corporate & Community Services
Unit: Finance
Approved:
Date Approved:

Effective Date: 01/07/2017
Version: 1.6 Last Updated: 07/06/2017
Review Date: 30/06/2018
Superseded/Revoked: Investment Policy S 02 2016/2017

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Policy document

Statutory S02

Investments will be placed so as to minimise the cash held in low/no interest operating bank accounts whilst ensuring sufficient cash is available to meet Council's financial obligations on a day to day basis.

Funds will be invested for a term not exceeding 12 months.

To mitigate risk and protect the Capital value of Investments, funds will only be placed with recognised financial institutions with a Standard and Poors Long Term Rating of BBB- or better and operating in Australia.

Investments will be placed with various financial institutions such that the maximum percentage of the total investment portfolio does not exceed:

Standard and Poors Long Term Rating	Maximum % Investment in any one Institution	Maximum % Investment all institutions in this category
QTC (currently AA+)	100%	100%
AAA to A+ (excluding QTC)	30%	80%
A to BBB+	20%	40%
BBB to BBB-	15%	25%

The Manager Finance and Customer Services is to ensure an appropriate system is maintained at all times to ensure all investments are accounted for and the portfolio managed appropriately.

The Manager Finance and Customer Services will ensure that effective internal controls are established to ensure that investment objectives are met and that investments are protected from loss, theft or inappropriate use. These controls will address control of collusion, separation of transaction activity from accounting and record keeping, safekeeping, physical delivery of securities, delegation to investment officers, requirements for the settlement of securities, compliance and oversight of investment parameters and compliance reporting.

Investments and associated internal controls will be subject to periodic reviews by Council's Internal Audit function to verify compliance with this policy and legislation.

Any breach of this policy must be reported to the Executive Manager Corporate & Community Services and be rectified within 24 hours of the breach occurring.

Group: Corporate & Community Services
Unit: Finance
Approved:
Date Approved:

Effective Date: 01/07/2017
Version: 1.6 Last Updated: 07/06/2017
Review Date: 30/06/2018
Superseded/Revoked: Investment Policy S 02 2016/2017

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Policy document

Statutory S02

Quarterly reports detailing compliance with the policy and earning performance compared to the benchmark are to be prepared by the Manager Finance and Customer Services and provided to Council.

Earning Performance will be benchmarked against the Bank Bill Swap Rate and the Bloomberg AUSBOND Index which includes the 90 day bank bills from a number of Australian institutions.

Related Documents

2017-2018 Lockyer Valley Regional Council Budget

Group: Corporate & Community Services
Unit: Finance
Approved:
Date Approved:

Effective Date: 01/07/2017
Version: 1.6 Last Updated: 07/06/2017
Review Date: 30/06/2018
Superseded/Revoked: Investment Policy S 02 2016/2017

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Policy document

Statutory S 01

Debt

Head of Power

Section 192 of the *Local Government Regulation 2012* requires a Local Government to annually prepare a Debt Policy. Council's borrowing activities continue to be governed by the *Statutory Bodies Financial Arrangements Act 1982* and the *Statutory Bodies Financial Arrangements Regulation 2007*.

Key Supporting Council Document

Corporate Plan (2017 – 2022) Lockyer Leadership and Council "To be financial sustainable"

Definitions

NA

Policy Objective

To establish a responsible debt management framework for the management of Council's existing and future debt.

Policy Statement

This policy provides clear guidance for staff in the management of Council's debt portfolio and the maintenance of appropriate debt and debt servicing levels.

External Loans

Council will not utilise loan funds to finance operating activities.

Council recognises that the infrastructure requirements placed upon it in many instances can only be funded through borrowings, but is mindful of the additional cost incurred by ratepayers when assets are acquired through borrowings.

Council will endeavor to fund all capital renewal projects from operating cash flows and borrow only for new or upgrade projects having regard to sound financial management principles and giving consideration to inter-generation equity for the funding of long term assets.

Borrowings for infrastructure that provide a return on assets will take priority over borrowings for other assets.

Group: Corporate & Community Services
Unit: Finance
Approved:
Date Approved:

Effective Date: 01/07/2017
Version: 1.6 Last Updated: 07/06/2017
Review Date: 30/06/2018
Superseded/Revoked: Debt Policy 2016-17

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Policy document

Statutory S 01

Where capital assets are funded through borrowings, Council will repay the loans within a term not exceeding the life of the asset. Current loans are planned to be repaid within 20 years.

Consideration will be given to renegotiating loans where it is in Council's long term interests to do so.

If surplus funds become available and where it is advantageous to do so, one-off loan repayments will be made to reduce the term of existing loans.

Council will maintain close scrutiny of debt levels to try and ensure that sustainability indicators do not exceed the target parameters recommended by the Queensland Treasury Corporation and the *Local Government Regulation 2012*.

Council will raise all external borrowings at the most competitive rates available from sources defined by legislation.

Loans will be drawn down annually subject to cash flow requirements so as to minimise interest expenses.

Pursuant to Section 192 of the *Local Government Regulation 2012*, proposed borrowings for capital works projects as outlined in the adopted budget for the current financial year and subsequent financial years are as follows:

Financial Year	\$'000
2017/2018	-
2018/2019	-
2019/2020	-
2020/2021	-
2021/2022	-
2022/2023	-
2023/2024	-
2024/2025	-
2025/2026	-
2026/2027	-

Internal Loans

The provision of internal loans will depend upon the availability of excess Council funds and the capacity of the internal business unit to repay the loan.

Group: Corporate & Community Services
Unit: Finance
Approved:
Date Approved:

Effective Date: 01/07/2017
Version: 1.6 Last Updated: 07/06/2017
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Superseded/Revoked: Debt Policy 2016-17

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Policy document

Statutory S 01

The term of the internal loan will not exceeding the life of the asset being financed.

The interest rate of the internal loan will be the sum of the equivalent Queensland Treasury Corporation borrowing rate, the Queensland Treasury Corporation administrative charge for the loan and an addition risk margin of no less than 1%.

The provision for the interest and redemption payments of internal loans will be included in the annual budget for the business unit.

Related Documents

2017-2018 Lockyer Valley Regional Council Budget

Group: Corporate & Community Services
Unit: Finance
Approved:
Date Approved:

Effective Date: 01/07/2017
Version: 1.6 Last Updated: 07/06/2017
Review Date: 30/06/2018
Superseded/Revoked: Debt Policy 2016-17

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Policy document

Statutory S 03

Procurement

Head of Power

Chapter 5: Part 6: section 198 *Local Government Regulation 2012*

Key Supporting Council Document

Corporate Plan (2017 – 2022) Lockyer Leadership and Council “To be financial sustainable”

Definitions

NA

Policy Objective

This policy establishes the procurement principles to be used by Lockyer Valley Regional Council in undertaking all procurement activities for the organization.

Policy Statement

Lockyer Valley Regional Council will carry out all of its procurement activities in accordance with the prescribed legislative framework and its Procurement Procedures Handbook.

To do so, Council will apply the sound contracting principles of; value for money, open and effective competition, the development of competitive local business and industry, environmental protection, and ethical behavior and fair dealing.

Council will apply the ethics principles of integrity and impartiality, promoting the public good, commitment to the system of government, and accountability and transparency in undertaking its procurement activities.

Council will apply sound contracting practices when making its contracts to carry out work, supply goods or services, or dispose of non-current assets.

Council will also provide a framework for the development and implementation of systems, practices and controls for efficient, effective and economic financial and performance management in its procurement activities.

Related Documents

Procurement Procedures Handbook

Group: Corporate & Community Services
Unit: Finance Services
Approved:
Date Approved:

Effective Date: 01/07/2017
Version: 1.2 Last Updated: 07/06/2017
Review Date: 30/06/2018
Superseded/Revoked: Procurement Policy 2016/2017

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**SPECIAL MEETING
(BUDGET ADOPTION)
AGENDA
27 JUNE 2017**

5.4 2017/2018 Revenue Policy

Date: 14 June 2017
Author: Tony Brett, Manager Finance and Customer Service
Responsible Officer: David Lewis, Executive Manager Corporate & Community Services

Summary:

Section 169 (2) (c) of the *Local Government Regulation 2012* requires Council to include a Revenue Policy in its annual budget.

Section 193 (3) of the *Local Government Regulation 2012* requires Council to review its Revenue Policy annually and in sufficient time to allow an annual budget that is consistent with the revenue policy to be adopted for the next financial year.

The purpose of the Revenue Policy is to set out the principles used by Lockyer Valley Regional Council for:

- the making and levying rates and charges;
- determining the purpose of and the granting of concessions for rates and charges;
- recovering overdue rates and charges;
- methods for setting cost recovery fees; and
- the extent to which physical and social infrastructure costs for new developments are to be funded by charges for the development.

Council levies rates and charges to fund the provision of valuable services to our community. When adopting its annual budget Council will set rates and charges at a level that will provide for both current and future community requirements. Council also provides concessions to pensioners to assist property owners to remain in their own homes, and concessions to non-profit community, sporting and cultural groups as they contribute to the health and well-being of the community and to the social cohesion of the region.

The 2017/2018 Revenue Policy has been reviewed and no changes are recommended.

Officer's Recommendation:

THAT Council resolve to adopt, pursuant to Section 193 of the *Local Government Regulation 2012*, the 2017/2018 Revenue Policy (Attachment 1) for inclusion in the 2017/2018 Budget.

Report

1. Introduction

Council is required under *Section 169 of the Local Government Regulation 2012* to include a Revenue Policy in its annual budget.

This report recommends the adoption of the Revenue Policy as part of the 2017/2018 Budget.

**SPECIAL MEETING
(BUDGET ADOPTION)
AGENDA
27 JUNE 2017**

2. Background

The Revenue Policy is a key statutory document of Council and is required to be adopted as part of the annual budget. The Revenue Policy is reviewed every year as part of the budget development process. Changes made to the document reflect the wishes of Council in making and levying rates for the coming financial year.

3. Report

Section 193 (3) of the *Local Government Regulation 2012* requires Council to review its Revenue Policy annually and in sufficient time to allow an annual budget that is consistent with the revenue policy to be adopted for the next financial year.

The purpose of the Revenue Policy is to set out the principles used by Lockyer Valley Regional Council for:

- the making and levying rates and charges;
- determining the purpose of and the granting of concessions for rates and charges;
- recovering overdue rates and charges;
- methods for setting cost recovery fees; and
- the extent to which physical and social infrastructure costs for new developments are to be funded by charges for the development.

Council levies rates and charges to fund the provision of valuable services to our community. When adopting its annual budget Council will set rates and charges at a level that will provide for both current and future community requirements. Council also provides concessions to pensioners to assist property owners to remain in their own homes, and concessions to non-profit community, sporting and cultural groups as they contribute to the health and well-being of the community and to the social cohesion of the region.

The Revenue Policy also sets out the principles that will apply in the management of and recovery of debt. These principles are as follows:

- transparency by making clear the obligations of ratepayers and the processes used by Council in assisting them to meet their financial obligations;
- efficiency by ensuring the processes used to recover overdue rates and charges are simple to administer and cost effective;
- equity by having regard to providing the same treatment for ratepayers with similar circumstances; and
- flexibility by responding where necessary to changes in the local economy.

The 2017/2018 Revenue Policy has been reviewed as part of the 2017/2018 budget process and no changes are required to be made.

4. Policy and Legal Implications

The adoption of the Revenue Policy ensures Council's compliance with the requirements of the *Local Government Regulation 2012*. Section 169 (2) (c) of the *Local Government Regulation 2012* requires Council to include a Revenue Policy in its annual budget.

**SPECIAL MEETING
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5. Financial and Resource Implications

The adoption of the 2017/2018 Revenue Policy and 2017/2018 Revenue Statement ensures that Council can rate in accordance with the proposed 2017/2018 Budget.

6. Delegations/Authorisations

No further delegations are required to manage the issues raised in this report. The Chief Executive Officer will manage the requirements within existing delegations.

7. Communication and Engagement

The implications of the 2017/2018 Revenue Policy will be incorporated into extensive communications associated with the 2017/2018 Budget.

8. Conclusion

The 2017/2018 Revenue Policy is used in the formulation of Council's 2017/2018 Revenue Statement and 2017/2018 Budget and must be included in the adoption of the annual budget each financial year. Council's annual budget must be consistent with its Revenue Policy.

9. Action/s

1. Council to adopt the attached Revenue Policy as required under the *Local Government Regulation 2012*
2. The Revenue Policy to be used as the basis for the preparation of the 2017/2018 annual budget.

Attachments

- 1 [View](#) 2017-2018 Revenue Policy Report 5 Pages



Policy document

Statutory S 05

Revenue

Head of Power

Local Government Act 2009

Section 193 Local Government Regulation 2012

Key Supporting Council Document

Corporate Plan (2017 – 2022) Lockyer Leadership and Council “To be financial sustainable”

Definitions

All terms within this policy have the meaning assigned under the Dictionary from the schedule contained within the *Local Government Regulation 2012*.

Policy Objective

The purpose of the 2017/2018 Revenue Policy is to set out the principles used by Lockyer Valley Regional Council for:

- the making & levying rates and charges
- determining the purpose of and the granting of concessions for rates and charges
- recovering overdue rates and charges
- methods for setting cost recovery fees
- the extent to which physical and social infrastructure costs for a new development are to be funded by charges for the development.

Policy Statement

The Levying of Rates and Charges

Rates and charges are defined in the *Local Government Regulation 2012* as including differential general rates, minimum general rate levies, separate rates and charges, special rates and charges, utility charges and accrued interest on outstanding balances.

Council levies rates and charges to fund the provision of valuable services to our community. When adopting its annual budget Council will set rates and charges at a level that will provide for both current and future community requirements. Council will apply the principle of transparency in making rates and charges.

General Rates

Group: Corporate and Community Service
Unit: Financial Services
Approved:
Date Approved:

Effective Date: 01/07/2017
Version: 1.1 Last Updated 06/06/2017
Review Date: 30/06/2018
Superseded/Revoked: Revenue Policy S 05 2016/2017

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Policy document

Statutory S 05

General Rates revenue provides essential whole of community services not funded through trading income, subsidies, grants, contributions or donations received from other entities or not provided for by other levies or charges. Council will consider all full cost recovery options before calculating the general rate.

Council is required to raise an amount of revenue it sees as being appropriate to maintain assets and provide services to the region as a whole. In deciding how that revenue is raised, Council has formed the opinion that a differential general rating scheme, based primarily on land use, provides the most equitable basis for the distribution of the general rate burden.

The rateable value for each property is the basis for determining the amount of the general rate levied. The value, of land for a financial year, is its value under the *Land Valuation Act 2010* when a liability for payment of rates or charges for the land arises for the financial year.

The *Local Government Regulation 2012* allows Council in accordance with Section 77 (1) to fix a minimum amount of general rates and under Section 80, Council may levy differential general rates.

Separate and Special Rates and Charges

Where appropriate Council will fund certain services, facilities or activities by means of separate or special rates or charges.

Special rates:

In accordance with Section 94 of the *Local Government Regulation 2012* Council will levy special rates and charges on certain properties that are considered to be specially benefited by the provision of a specific service, facility or activity.

Special rates are charged on the rateable value of the land and special charges are a flat charge per assessment, other than specifically identified exclusions, as this is considered to provide a more equitable basis for the sharing of the cost.

Separate rates:

In accordance with Section 103 of the *Local Government Regulation 2012* Council will levy a separate rate or charge on all rateable land, subject to stated exceptions, in the region to fund a particular service, facility or activity.

The Levying of Rates and Charges

In levying rates and charges, Council will apply the principles of:

- consistency in timing the levy of rates in a predictable way to enable rate payers to plan for their rating obligations by the issue of rate notices on a half yearly basis;

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Unit: Financial Services
Approved:
Date Approved:

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Policy document

Statutory S 05

- flexibility by providing short-term payment commitment plans to ratepayers in financial difficulty, along with a wide array of payment options;
- communication by clearly setting out the Council's and each ratepayer's obligations in relation to rates and charges by advising ratepayers about rate notice issue dates and discount dates;
- clarity by providing meaningful information on rate notices to enable ratepayers to clearly understand their responsibilities.

In making and levying rates and charges, Council will be guided by the principles of:

- efficiency through having a rating regime that is efficient to administer;
- full cost pricing and user pays where appropriate.
- equitable distribution of the general rates burden as broadly as possible;
- transparency in the making and levying of rates;
- flexibility, to take account of changes in the local economy;
- clarity in terms of responsibilities (Council's and ratepayers') in regard to the rating process;
- National Competition Policy legislation where applicable.

The Purpose of and Granting of Concessions for rates and charges

Council Pension Subsidy:

Council has determined that pensioners as defined by the *Local Government Regulation 2012* are entitled to receive concessions on rates and charges levied by Council. Council may grant a concession for land that is owned by a pensioner under Section 120(1)(a) of the *Local Government Regulation 2012*.

The Lockyer Valley Regional Council Pension Subsidy aims to help pensioner property owners to remain in their own homes by reducing the financial impact of rates and charges levied.

Council Remissions – Non Profit Community, Cultural and Sporting Groups:

In accordance with section 120(1)(b) of the *Local Government Regulation 2012* non-profit community, sporting and cultural groups may also be eligible for a concession.

The purpose of these concessions is to encourage and support non-profit community, sporting and cultural groups as they contribute to the health and well-being of the community and to the social cohesion of the region.

Upon written application, Council will consider applications for concessions on rates and charges received from property owners who are qualifying pensioners or non-profit community, cultural and sporting organisations.

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Unit: Financial Services
Approved:
Date Approved:

Effective Date: 01/07/2017
Version: 1.1 Last Updated 06/06/2017
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Policy document

Statutory S 05

In exercising these concession powers, Council will be guided by the principles of:

- transparency by making clear the requirements necessary to receive concessions; and
- equity by ensuring that all applicants of the same type receive the same concession.

The Recovery of Overdue Rates and Charges

Council will exercise its rate recovery powers pursuant to the provisions of Chapter 4 Part 12 of the *Local Government Regulation 2012* in order to reduce the overall rate burden on ratepayers.

Council has adopted a policy for the recovery of outstanding rates and charges. The objective of this policy is to set out Council's principles in regard to the management of debt, and to provide consistent and ethical recovery of outstanding rates and charges across the organisation in accordance with the parameters and requirements of the *Local Government Regulation 2012*.

The principles that will apply in the management of and recovery of debt are as follows:

- transparency by making clear the obligations of ratepayers and the processes used by Council in assisting them to meet their financial obligations;
- efficiency by ensuring the processes used to recover overdue rates and charges are simple to administer and cost effective;
- equity by having regard to providing the same treatment for ratepayers with similar circumstances;
- flexibility by responding where necessary to changes in the local economy.

Fees and Charges

In general, Council will be guided by the principle of user pays in making all other charges. All fees and charges will be set with reference to full cost pricing.

When determining Commercial Charges, Council takes into account "user pays" principles and market conditions when determining commercial charges for Council services and facilities.

When determining Regulatory Fees, Council takes into account "user pays" principles and sets regulatory fees at a level sufficient to recover no more than the full cost of providing the service or taking the action for which the fee is charged.

All fees set by Council are included in a Register of Fees and Charges as adopted by Council at the meeting held on 24 May 2017 and amended from time to time.

New Development Costs

Developer contributions for infrastructure are determined each year in accordance with the philosophy that a developer should pay reasonable and relevant contributions towards the

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Unit: Financial Services
Approved:
Date Approved:

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Policy document

Statutory S 05

capital cost of the provision of infrastructure to meet past and future augmentation costs associated with this new development. Council assesses the level of contribution towards physical and social infrastructure in respect of new developments during the development application approval process to ensure an equitable contribution is made by developments which increase the demand on Council infrastructure. Infrastructure agreements are negotiated outcomes between council and the developer.

Guiding Principles

Council is required to prepare and adopt Financial Policies under Chapter 5 Part 4 of the *Local Government Regulation 2012* that comprise of an Investment Policy, a Debt Policy and a Revenue Policy.

Accordingly, the principles contained within the Revenue Policy are applied in the determination of Council's revenue statement, rates, fees and charges, rating concessions and recovery of overdue rates and charges.

Roles and responsibilities

All Council staff are bound by the principles outlined in this policy in determining the level of rates, fees and charges, and in the application of rebates and concessions relating to those fees.

Related Documents

Local Government Act 2009

Local Government Regulation 2012

Rates and Charges Debt Collection and Recovery Policy

2017-2018 Revenue Statement

Group: Corporate and Community Service
Unit: Financial Services
Approved:
Date Approved:

Effective Date: 01/07/2017
Version: 1.1 Last Updated 06/06/2017
Review Date: 30/06/2018
Superseded/Revoked: Revenue Policy S 05 2016/2017

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5.5 2017/2018 Revenue Statement

Date: 15 June 2017
Author: Tony Brett, Manager Finance and Customer Service
Responsible Officer: David Lewis, Executive Manager Corporate & Community Services

Summary:

Section 169(2) (b) of the *Local Government Regulation 2012* requires Council to include a Revenue Statement in its annual budget.

The 2017/2018 Revenue Statement is an explanatory statement, detailing the revenue measures adopted in Council's 2017/2018 Budget. The Revenue Statement has been reviewed and updated as part of Council's budget process and provides the basis for the generation of Council's rates revenue for 2017/2018.

The 2017/2018 Revenue Statement will achieve an initial yield of \$39.54 million in rates and utility charges with \$1.61 million allowed for discounts and remissions. Budget parameters include a conservative growth rate of 1.50%.

Officer's Recommendation: **THAT Council resolve to:**

- (a) **Adopt, pursuant to Section 81 of the *Local Government Regulation 2012*, the different categories of rateable land and a description of those contained in Table 1 of the 2017/2018 Revenue Statement as follows:**

No	Name	Description
1	Commercial <= \$200,000	Land used or intended to be used, in whole or in part for commercial purposes, other than primary production, with a rateable value less than or equal to \$200,000, other than land included in category 5 to 11, or 17 to 23, or 37 to 47.
2	Commercial \$200,001 & <=\$700,000	Land used or intended to be used, in whole or in part for commercial purposes, other than primary production, with a rateable value greater than \$200,000 and up to or equal to \$700,000, other than land included in category 5 to 11, or 17 to 23, or 37 to 47.
3	Commercial > \$700,000 & <=\$2Million	Land used or intended to be used, in whole or in part for commercial purposes, other than primary production, with a rateable value greater than \$700,000 and less than or equal to \$2M, other than land included in category 5 to 11, or 17 to 23, or 37 to 47.
4	Commercial > \$2Million	Land used or intended to be used, in whole or in part for commercial purposes, other than primary production, with a rateable value greater than \$2M, other than land included in category 5 to 11, or 17 to 23, or 37 to 47.
5	Supermarkets <= \$1Million	Land used or intended to be used, in whole or in part for a Supermarket, with a rateable value of less than or equal to \$1 million.
6	Supermarkets > \$1Million	Land used or intended to be used, in whole or in part for a Supermarket, with a rateable value greater than \$1million.

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7	Shopping Centres ≤ 7000 sq m	Land used or intended to be used, in whole or in part for a Shopping Centre that has a property land area of up to or equal to 7000 sq metres, or less than or equal to 120 onsite car parking spaces.
8	Shopping Centres >7000 sq m	Land used or intended to be used, in whole or in part for a Shopping Centre that has a property land area greater than 7000 sq metres, or more than 120 onsite car parking spaces.
9	Motels ≤ 25 Rooms	Land used or intended to be used, in whole or in part for a motel with no more than 25 rooms.
10	Motels 26 - 50 Rooms	Land used or intended to be used, in whole or in part for a motel with 26 to 50 rooms.
11	Motels ≥ 51 Rooms	Land used or intended to be used, in whole or in part as a motel with 51 or more rooms.
12	Farming/Agriculture ≤ \$200,000	Land used or intended to be used, in whole or in part for farming or agricultural purposes with a rateable value of less than or equal to \$200,000, except land included in categories 25-29. Properties in this category receive a concessional value for primary production.
13	Farming/Agriculture \$200,001-\$380,000	Land used or intended to be used, in whole or in part for farming or agricultural purposes with a rateable value between \$200,001 and \$380,000, except land included in categories 25-29. Properties in this category receive a concessional value for primary production.
14	Farming/Agriculture \$380,001-\$610,000	Land used or intended to be used, in whole or in part for farming or agricultural purposes with a rateable value between \$380,001 and \$610,000, except land included in categories 25-29. Properties in this category receive a concessional value for primary production.
15	Farming/Agriculture ≥ \$610,001	Land used or intended to be used, in whole or in part for farming or agricultural purposes with a rateable value of \$610,001 or greater, except land included in categories 25-29. Properties in this category receive a concessional value for primary production.
16	Rural Residential – Owner Occupied	Residential land with a dwelling used or intended to be used, in whole or in part for residential purposes that is a Principal Place of Residence owned by a natural person or residential Vacant land that is within the Rural Fire Service boundaries.
17	Service Stations/Garages ≤ 100,000 litres	Land used or intended to be used, in whole or in part for fuel retailing where there is or is not an associated shop and/or fuel outlet and approved onsite bulk fuel storage of up to and including 100,000 litres. In addition, the category includes any land used for a fuelling area, fuel storage area, retail shop or parking area associated with land used for fuel retailing.
18	Service Stations/Garages 100,001 to 200,000 litres	Land used or intended to be used, in whole or in part for fuel retailing where there is or is not an associated shop and/or fuel outlet and approved onsite bulk fuel storage of between 100,001 and up to and including 200,000 litres.
19	Service Stations/Garages Over 200,000 litres	Land used or intended to be used, in whole or in part for fuel retailing where there is an associated shop and/or fuel outlet and approved onsite bulk fuel storage of more than 200,000 litres.
20	Services Stations & Garages without Shops or Food Outlets >200,000 litres	Land used or intended to be used, in whole or in part for fuel retailing where there is not any associated shop and/or fuel outlet and approved onsite bulk fuel storage of more than 200,000 litres.
21	Transmission Sites	Land used or intended to be used, in whole or in part for the transmission or distribution of electricity from a coal or gas-fired power plant including, but not limited to, a substation.

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22	Gas Compressor Sites	Land used or intended to be used, in whole or in part for the transportation of gas under compression and/or any purpose associated or connected with the transportation of gas under compression.
23	Workers Accommodation	Land used or intended to be used, in whole or in part for the provision of intensive accommodation for more than 50 persons (other than the ordinary travelling public) in rooms, suites, dongas, caravan sites, or a combination of these specifically built or provided for this purpose. Land within this category is commonly known as "workers accommodation", "single person's quarters", "work camps", "accommodation village", or "barracks".
24	Urban Residential – Owner Occupied	Residential land with a dwelling used or intended to be used, in whole or in part for residential purposes that is a Principal Place of Residence owned by a natural person or residential Vacant land that is not within the Rural Fire Service boundaries.
25	Farming/Agriculture On Farm Packing Operation	Land used or intended to be used, in whole or in part for farming or agricultural purposes containing an on farm packing operation. An on farm packing operation: shall mean land containing a facility where fruit and/or vegetables are received and/or processed prior to distribution to market. Operations may include but are not limited to sorting, trimming, washing, drying, waxing, curing, chemical treatment, packaging, pre-cooling, storage, and transportation.
26	Intensive Agriculture Poultry <=200,000 birds	Land used or intended to be used, in whole or in part for intensive poultry farming with an approved capacity of up to or equal to 200,000 birds.
27	Intensive Agriculture Poultry 200,001 birds and over	Land used or intended to be used, in whole or in part for intensive poultry farming with an approved capacity of over 200,000 birds.
28	Intensive Agriculture Piggeries <=3,000 SPU	Land used or intended to be used, in whole or in part for intensive pig farming with an approved capacity of up to or equal to 3,000 SPU.
29	Intensive Agriculture Piggeries 3,001 SPU and over	Land used or intended to be used, in whole or in part for intensive pig farming with an approved capacity of over 3,000 SPU.
30	Multiple Dwelling	Residential land used for a multi-unit residential building, which does not form part of a community title scheme or residential group title consisting of 2 or more flats or units or a duplex. This also includes properties with 2 or more residential dwellings.
31	Land which is Subject to Chapter 2, Part 2, Subdivision 3 of the Land Valuation Act 2010	Land which is subject to chapter 2, part 2 subdivision 3 of the Land Valuation Act 2010.
32	Nursing Homes/Retirement Villages	Land used or intended to be used, in whole or in part for the provision private medical care, the provision of aged care nursing or as a Retirement Village.
33	Sporting Clubs & Facilities	Land used or intended to be used, in whole or in part for sporting clubs and facilities associated with a sporting club where the operator does not hold a liquor and/or gaming licence, except land included in category 34.
34	Licensed Clubs & Sporting Clubs	Land used or intended to be used, in whole or in part for the operation of a sporting club and facilities associated with a sporting club where the land is subject to a liquor and/or gaming licence.

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35	Non-Principal Place of Residence	Land with a dwelling used or intended to be used, in whole or in part for a residential purpose, including rural residential land, that is not a Principal Place of Residence and not included in Category 16, 24, 30, or 31.
36	Sundry Purposes	Land used or intended to be used, in whole or in part for a permit to occupy, water storage, or a pump site and land which is not otherwise categorized.
37	Extractive & Mining Lease > 100,000 tonnes.	Land used or intended to be used, in whole or in part for extractive industry and land which is a mining lease, where more than 100,000 tonnes of material is removed per annum.
38	Extractive & Mining Lease 5,001 tonnes – 100,000 tonnes.	Land used or intended to be used, in whole or in part for extractive industry and land, which is a mining lease, where between 5,001 and 100,000 tonnes of material, is removed per annum.
39	Extractive & Mining Lease up to 5,000 tonnes.	Land used or intended to be used, in whole or in part for extractive industry and land, which is a mining lease, where up to 5,000 tonnes of material, is removed per annum.
40	Noxious/Offensive Industry – Explosive Factories	Land used or intended to be used, in whole or in part for the manufacture and/or storage of explosives.
41	Noxious/offensive Industry – Abattoirs	Land used or intended to be used, in whole or in part as an abattoir having more than 20 employees and a valuation greater than \$500,000.
42	Noxious/offensive Industry – Other	Land used or intended to be used, in whole or in part for the purpose of a sawmill, tannery or any other industrial purpose or any use associated or connected with an industrial purpose, other than land included in categories 40 or 41.
43	Caravan Parks & Camping Grounds <= \$300,000	Land used or intended to be used, in whole or in part as a Caravan Park with a rateable value of less than or equal to \$300,000.
44	Caravan Parks and Camping Grounds \$300,001 to \$600,000	Land used or intended to be used, in whole or in part as a Caravan Park with a rateable value of between \$300,001 up to and including \$600,000.
45	Caravan Parks and Camping Grounds > \$600,000	Land used or intended to be used, in whole or in part as a Caravan Park with a rateable value of greater than \$600,000.
46	Power Stations <= 50MW	Land used or intended to be used, in whole or in part for ancillary to the generation of electricity from a coal and/or gas fired power station with an output capacity of no more than 50MW.
47	Power Stations >=51MW	Land used or intended to be used, in whole or in part for ancillary to the generation of electricity from a coal and/or gas fired power station with an output capacity of 51MW or more.

- (b) Adopt pursuant to Section 169 (2) (b) of the *Local Government Regulation 2012* the 2017/2018 Revenue Statement (Attachment 1) for inclusion in the 2017/2018 Budget.
- (c) Adopt, pursuant to Section 94 of the *Local Government Regulation 2012*, the overall plan for the special charge for the Rural Fire Levy as outlined in Section 5.1 of the 2017/2018 Revenue Statement.
- (d) Adopt, pursuant to Section 94 of the *Local Government Regulation 2012*, the levying of a special charge for the Rural Fire Levy of \$30.00 per annum, per

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assessment on all rateable properties, which are in an area serviced by a Rural Fire Brigade.

- (e) Adopt, pursuant to Section 94 of the *Local Government Regulation 2012*, the overall plan for the special charge for the Thomas Road Maintenance as outlined in Section 5.2 of the 2017/2018 Revenue Statement.
- (f) Adopt, pursuant to Section 94 of the *Local Government Regulation 2012*, the levying of the special charge for the Thomas Road Maintenance of \$5,000.00 per annum on the rateable land described as Lot 34 on CA31381.
- (g) Adopt, pursuant to Section 103 of the *Local Government Regulation 2012* the levying of a separate charge for the Emergency Preparedness Levy of \$104.00 per annum per assessment on all rateable properties.
- (h) Adopt, pursuant to Section 103 of the *Local Government Regulation 2012* the levying of a separate charge for the Environmental Levy of \$14.00 per annum per assessment on all rateable properties.
- (i) Adopt, pursuant to Section 103 of the *Local Government Regulation 2012* the levying of a separate charge for the Resilient Rivers Initiative Levy of \$2.00 per annum per assessment on all rateable properties.
- (j) Adopt, pursuant to Sections 77 and 80 of the *Local Government Regulation 2012* the levying of minimum general rates and differential general rates on all rateable land, at the values included within Table 1 of the 2017/2018 Revenue Statement.
- (k) Adopt, pursuant to Section 99 of the *Local Government Regulation 2012* utility charges for the 2017/2018 financial year at the values included within Section 4 of the 2017/2018 Revenue Statement.
- (l) Adopt, pursuant to Section 118 of the *Local Government Regulation 2012*, that rates and charges are due to be paid within 30 days of the issue date shown on the rates notice.
- (m) Adopt, pursuant to Section 133 of the *Local Government Regulation 2012* that interest at the rate of 11% per annum calculated and compounded on daily balances on all rates and charges, which remain unpaid after the expiration of the discount period, and on any arrears of rates and charges.
- (n) Allow a discount for the prompt payment of rates and charges pursuant to Section 130 of the *Local Government Regulation 2012* in accordance with Sections 2.2.3 and 2.2.4 of the 2017/2018 Revenue Statement.
- (o) Allow payment of certain rates or charges by instalments and concessions to

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certain classes of ratepayer pursuant to Part 10 Concessions of the *Local Government Regulation 2012* in accordance with Section 2.7 of the 2017/2018 Revenue Statement.

- (p) Levy all rates (as defined in the *Local Government Act 2009*) on a half yearly basis with payment to be made on or before the due date for payment as shown on the rates notice.

Report

1. Introduction

Council is required under Section 169 (2) (b) of the *Local Government Regulation 2012* to include a revenue statement in its annual budget. This report recommends the adoption of this document as part of the 2017/2018 Budget as well as other key measures that Council will use to generate its rating revenue.

2. Background

The Statement is a key statutory document of Council and is required to be adopted as part of the annual budget. The Revenue Statement is reviewed every year as part of the budget development process. Changes made to the documents reflect the wishes of Council in making and levying rates for the coming financial year.

3. Report

Section 172 of the *Local Government Regulation 2012* details what must be included in the revenue statement and Section 193 (2) states that the guidelines for preparing the revenue statement may be included in the revenue policy.

Following a series of budget workshops, Council is now in a position to formalise its Revenue Statement for the 2017/2018 financial year. In 2017/2018, general rates revenue will continue to be levied using a system of differential rating. The system includes forty seven differential categories.

The Department of Natural Resources and Mines have not issued new property valuations for the region for 2017/2018 and therefore the values as at 1 July 2016 still apply.

The key items in the attached Revenue Statement include:

- An overall 1.98% increase in the minimum general rate and the rate in the dollar for all categories except for properties in the Agriculture, Non-Principal Place of Residence, and Multiple Dwellings categories;
- Maintenance of the minimum general rate and the rate in the dollar for properties in the non-principal place of residence category at 20% above the equivalent rates for properties in the Urban Residential – Owner Occupied category;
- An overall 4.98% increase in the minimum general rate and the rate in the dollar for properties in the various agricultural categories;

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- The creation of a new rating category for Multiple Dwellings not strata-titled with the minimum general rate and rate in the dollar set at the same level as the non-principal place of residence category;
- The realignment of the minimum general rate and rate in the dollar for the Worker's Accommodation category with the Motels >= 51 Rooms category;
- Domestic and Commercial Waste Collection rates to increase by 4.00%;
- The Waste Management charge to decrease to \$153.00 per annum as the environmental component is moved into a separate levy;
- The separate charge Emergency Preparedness Levy has increased by \$4.00 to \$104.00 per annum;
- A new separate charge of \$14.00 per annum to be known as the Environmental Levy which will fund expenditure on the implementation of physical/biological, cultural, social and economic environmental initiatives throughout the region;
- A new separate charge of \$2.00 per annum to fund Council's contribution for the Council of Mayors South East Queensland's (COMSEQ's) Resilient Rivers Initiative, which will deliver projects to keep soil on the land, protect water security, promote partnerships and improve climate resilience. The charge will be known as the Resilient Rivers Initiative Levy;
- The Special Charge for Rural Fire Brigades remains unchanged at \$30.00 per assessment;
- The Special Charge for increased road maintenance requirements on Thomas Road to be levied on the property described as Lot 34 on CA31381 remains at \$5,000.00;
- Retention of early payment discounts of 5% on general rates and waste collection charges; and
- Retention of the amount for Council's pensioner concessions at \$30 per half year for full concessions and \$15 per half year for partial concessions.

The 2017/2018 Revenue Statement will achieve an initial yield of \$39.54 million in rates and utility charges with \$1.61 million allowed for discounts and remissions. Budget parameters include a conservative growth rate of 1.5%. The increase in the yield from general rates for 2017/2018 is 3.43%; when the changes to the levies, charges and other rates are taken into account the overall increase in yield is 3.75%.

The increase in yield from 2016/2017 is a combination of natural growth in assessments, changes in categorisation, and the general increase to the minimum rates and rates in the dollar and other charges applied by Council. An average residential property will see a combined increase of all rates and charges of around 2.60%, which equates to approximately \$50.00 for the year.

4. Policy and Legal Implications

The adoption of the Revenue Statement ensures Council's compliance with the requirements of the *Local Government Regulation 2012* and provides the basis for the levying of rates and charges for the 2017/2018 financial year.

The Revenue Statement may only be adopted at the budget meeting for the year and once passed, it cannot be changed until the following year.

The 2017/2018 Revenue Statement is consistent with Council's 2017/2018 Revenue Policy.

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5. Financial and Resource Implications

Rates and charges are the largest source of revenue for Council. The adoption of the 2017/2018 Revenue Statement ensures that Council can rate in accordance with the proposed 2017/2018 Budget.

The budget assumes a growth rate in assessments of 1.50%. As this is dependent on changes in the number of properties through land development, this growth may not always be achieved. The growth rate will need to be monitored throughout the year with any loss in revenue matched by corresponding expenditure reductions in formal amendments to Council's 2017/2018 Budget.

The long term financial plan assumes annual rate increases on top of natural growth at between 2.00% and 2.50% over the next nine years. Natural growth in assessments is estimated at 1.50% over the term of the plan.

Changes in the future rate increases or natural growth estimates will impact on the amount of rates revenue generated and will affect Council's long term sustainability unless there are corresponding reductions in costs or increases in other revenues.

6. Delegations/Authorisations

The Chief Executive Officer has been delegated the power to determine the category to which each parcel of rateable land belongs. This delegation is exercised with regard to the definitions contained within the Revenue Statement and the Rating Category Identification Policy.

Any other issues arising from this report will be dealt with in accordance with existing delegations.

7. Communication and Engagement

The implications of the 2017/2018 Revenue Statement will be incorporated into extensive communications associated with the 2017/2018 Budget.

8. Conclusion

Section 169 (2) (b) of *the Local Government Regulation 2012* requires Council to include a revenue statement in its annual budget. The 2017/2018 Revenue Statement is an explanatory statement, detailing the revenue measures adopted in Council's 2017/2018 Budget and provides the basis for the generation of Council's rates revenue.

9. Action/s

1. Council to adopt the attached Revenue Statement, which will be used as the basis for rating properties during the 2017/2018 financial year.
2. Place a copy of the Revenue Statement on Council's Website.

Attachments

1 [View](#) 2017-2018 Revenue Statement Report 22 Pages

LOCKYER VALLEY REGIONAL COUNCIL

2017/2018 - REVENUE STATEMENT

1. INTRODUCTION

Section 169 of the *Local Government Regulation 2012* requires Council to prepare and adopt each financial year a Revenue Statement as part of its Annual Budget. Section 172 of the *Local Government Regulation 2012* specifies the content to be included in the Revenue Statement.

Pursuant to Sections 169 and 172 of the *Local Government Regulation 2012*, Council adopts the following Revenue Statement, which provides details of:

- General Rates;
- Separate Charges (a charge made and levied equally on all rateable land, subject to stated exclusions);
 - Emergency Preparedness Levy
 - Environmental Levy
 - Resilient Rivers Initiative Levy
- Special Charges (a charge made and levied on some, but not all, rateable land in the region);
 - Rural Fire Levy
 - Thomas Road Maintenance Special Charge
- Waste Management, Collection and Recycling Charges;
- Administration which covers Pensioner Concessions, Early Payment Discounts, Payment Commitments, General Rate Concessions and Interest;
- The criteria used to decide the amount of cost-recovery fees;
- The criteria used to decide the amount of charges for any business activity conducted on a commercial basis;
- Any resolution limiting an increase of Rates and Charges; and
- Levies Council may charge on behalf of the Queensland State Government.

Guiding Principles

Council is required to prepare and adopt Financial Policies under Chapter 5 Part 4 of the *Local Government Regulation 2012* that comprise of an Investment Policy, a Debt Policy and a Revenue Policy. These Financial Policies must be consistent with Council's five year corporate plan and annual operational plan.

Accordingly, the principles contained within the Revenue Policy are applied in the determination of the Revenue Statement; rates, fees and charges, rating concessions and recovery of overdue rates and charges.

Roles and responsibilities

All Council officers are bound by the principles outlined in this statement in determining the level of rates, fees and charges, in the application of rebates and concessions relating to those fees and in the recovery of overdue rates and charges.

Interpretation

Section 7 sets out definitions specific to this statement. Other words within this statement should be given the meaning assigned, if any, under the *Local Government Regulation 2012*.

Related Policies and Legislation

Local Government Act 2009
Local Government Regulation 2012

REVENUE STATEMENT

*Lockyer Valley Regional Council Rates and Charges Debt Collection and Recovery Policy
Rating Category Identification Policy for Financial Year 2017/2018*

2. ADMINISTRATION**2.1 Issue of rate notices**

Under section 104 of the *Local Government Regulation 2012* Council may only levy rates and charges by the issue of a rate notice.

A **rate notice** is a document stating—

- (a) the date when the rate notice is issued; and
- (b) the due date for payment of the rates or charges; and
- (c) if the local government has decided a discount applies to the rates or charges—
 - (i) the terms of the discount; and
 - (ii) the last day of the discount period; and
- (d) if the local government has decided rates or charges may be paid by instalments—the requirements for paying by instalments; and
- (e) the ways in which the rates or charges may be paid.

Separate rate notices shall be issued in the first six months of the financial year (July to December) and in the second (January to June) halves of the financial year, for the billing periods 1 July 2017 to 31 December 2017 and 1 January 2018 to 30 June 2018 respectively. Each notice will include one half of the annual Rates and Charges to be levied.

Supplementary rate notices for variations in rates and charges payable may be issued as required during the year.

A rate notice, including a rating category statement contained in or accompanying the notice, may be given electronically to a person who has provided written consent to Council.

2.2 The Levying of Rates and Charges**2.2.1 General**

Rates and charges are defined in the *Local Government Regulation 2012* as including differential general rates, minimum general rate levies, separate rates and charges, special rates and charges, utility charges and accrued interest on outstanding balances.

Council levies rates and charges to fund the provision of valuable services to our community. When adopting its annual budget Council will set rates and charges at a level that will provide for both current and future community requirements. Council will apply the principle of transparency in making rates and charges.

In levying rates and charges, Council will apply the principles of:

- *consistency* in timing the levy of rates in a predictable way to enable property owners to plan for their rating obligations by the issue of rate notices on a half yearly basis;
- *flexibility* by providing short-term payment commitment plans to property owners in financial difficulty, along with a wide array of payment options;
- *communication* by clearly setting out the Council's and each property owner's obligations in relation to rates and charges by advising property owners about rate notice issue dates and discount dates; and
- *clarity* by providing meaningful information on rate notices to enable property owners to clearly understand their responsibilities.

In making and levying rates and charges, Council will be guided by the principles of:

- efficiency through having a rating regime that is efficient to administer;

REVENUE STATEMENT

- full cost pricing and user pays where appropriate;
- equitable distribution of the general rates burden as broadly as possible;
- transparency in the making and levying of rates;
- flexibility, to take account of changes in the local economy;
- clarity in terms of responsibilities (Council's and property owners') in regard to the rating process; and
- National Competition Policy legislation where applicable.

2.2.2 Time Within Which Rates Must be Paid

For the twelve months ending 30 June 2018, Council resolves under Section 118 of the *Local Government Regulation 2012* that rates and charges are due to be paid within thirty days of the issue date shown on the rates notice.

The land owner is liable to pay the amount on the rate notice even if the owner lodges a Notice of Objection and/or any enquiries relating to or not relating to the assessment. The rate notice remains due and payable by the due date.

2.2.3 Early payment discount on Rates and Charges

(*Local Government Regulation 2012* - Section 130)

A discount shall be allowed where full payment of the current period rates and charges, plus any overdue rates and charges and interest thereon, is received on or before the due date at a Council customer service centre, an approved agency, or by electronic means, and this payment is recorded on Council's accounts on or before the due date.

For the twelve months ending 30 June 2018, Council will allow an early payment discount of five percent (5%) subject to the terms above on the below listed Rates and Charges:

- Differential General Rates (Section 3.1 below); and
- Waste Collection and Recycling Charges (Section 4.1 below).

No discount is allowable on the following charges which may appear on the rate notice:-

- Special Charges;
- Separate Charges not listed above;
- Utility Charges not listed above;
- Any property charge relating to the carrying out of Council works on or in connection with the property;
- Any non-rate item included on rate notice;
- Legal costs incurred by Council in rate collection;
- Interest charges on overdue rates;
- Overdue rates or charges;
- Any other rate, charge or amount unless a discount is specifically permitted by this Revenue Statement.

2.2.4 Allowance of early payment discount for late payments.

There are limited occasions when payment by the due date is not achieved through circumstances beyond the control of the property owner. The *Local Government Act 2009* provides Council with a discretionary power to allow the discount to an individual in such circumstances. All applications must be made in writing for consideration by Council's duly appointed officer.

Payment of rates and charges in full must be paid before Council will consider any allowance of early discount for late payments and the property owner's prior payment history may also be taken into account when considering to allow the discount. The property owner will be notified of the outcome in writing and Council's decision will be final.

REVENUE STATEMENT

A discount may be allowed if the full payment of the overdue rates and charges is made within the period specified by Council AND the applicant provides **proof satisfactory** to Council of any of the following:

- Illness involving hospitalisation and/or incapacitation of the property owner at or around the time of the rates being due for payment;
- The death or major trauma (accident/life threatening illness/emergency operation) of the property owner and/or associated persons (Spouse/Children/Parents) at or around the time of the rates being due for payment; or
- The loss of records or failure of mail delivery resulting from factors beyond the property owner's control (Fire/Flood etc),

and Council is satisfied that the event was the cause of the property owner's failure to make full payment by the due date.

Discount will **NOT** be allowed due to:

- the failure of the property owner to ensure that Council was given correct notification of its postal address prior to the issue of the Rate Notices;
- the failure of the property owner to ensure that Council was given the correct notification of the email address for notices prior to the issue of the Rate Notices where the option for delivery by electronic means has been selected; or
- a change of ownership, where Council received notification of the change of ownership after the issue of the Rates Notice.

Property owners are obliged to notify Council of their change of address in writing. A mail re-direction or verbal communication with Council will not be sufficient notice to Council.

2.2.5 Interest on Overdue Rates and Charges

(*Local Government Regulation 2012* - Section 133)

For the twelve months ending 30 June 2018, interest will be charged at the rate of 11.0% per annum calculated and compounded on daily balances on all rates and charges which remain unpaid after the expiration of the discount period and on any arrears of rates and charges.

2.3 General Rates

General rates revenue provides essential whole of community services not funded through trading income, subsidies, grants, contributions or donations received from other entities and not provided for by other levies or charges. Council will consider all full cost recovery options before calculating the general rate.

Council is required to raise an amount of revenue it sees as being appropriate to maintain assets and provide services to the region as a whole. In deciding how that revenue is raised, Council has formed the opinion that a differential general rating scheme, as provided for in Section 80 of the *Local Government Regulation 2012*, based primarily on land use categories, provides the most equitable basis for the distribution of the general rate burden.

The rateable value for each property is the basis for determining the amount of the general rate levied. The value of land for a financial year is its value under the *Land Valuation Act 2010* when a liability for payment of rates or charges for the land arises for the financial year.

The *Local Government Regulation 2012* allows Council, in accordance with Section 77(1), to fix a minimum amount of general rates.

REVENUE STATEMENT

2.4 Separate and Special Rates and Charges

Where appropriate, Council will fund certain services, facilities or activities by means of separate or special rates or charges.

2.5 Separate rates

In accordance with section 103 of the *Local Government Regulation 2012* Council will levy a separate rate or charge on all rateable land, subject to stated exceptions, in the region to fund a particular service, facility or activity.

2.6 Special rates

In accordance with section 94 of the *Local Government Regulation 2012* Council will levy special rates and charges on properties that are considered to be specially benefited by, or contribute to the need for, the provision of a specific service, facility or activity.

Special rates are charged on the rateable value of the land and special charges are a flat charge per assessment.

2.7 Concessions on rates and charges**2.7.1 Council Pension Subsidy**

The Lockyer Valley Regional Council Pension Subsidy and the Queensland State Government Pension Subsidy scheme aim to help pensioner property owners to remain in their own homes by reducing the financial impact of rates and charges levied.

Council has determined that pensioners as defined by the *Local Government Regulation 2012* are entitled to receive concessions on rates and charges levied by Council. Council may grant a concession for land that is owned by a pensioner under Section 120(1)(a) of the *Local Government Regulation 2012*.

In exercising these concession powers Council will be guided by the principles of:

- *transparency* by making clear the requirements necessary to receive concessions; and
- *equity* by ensuring that all applicants of the same type receive the same concession.

General Eligibility

Upon written application to Council, a pensioner may be eligible for a pension concession. To be eligible under the Council Pension Subsidy Scheme for a full or part remission of rates, the applicant must be an approved pensioner who meets **all** of the criteria below:

- The applicant is the sole owner, joint owner, part owner or life tenant of a property;
- The property is the principle place of residence of the pensioner or life tenant;
- The applicant has, either solely or jointly with a co-owner, the legal responsibility for the payment of rates and charges as defined herein, which are levied by Council in respect of the property; and
- The applicant must be a current holder of one of the following cards:
 - Queensland 'Pensioner Concession Card' issued by Centrelink;
 - a Veterans' Affairs Gold card;
 - a Veterans' Affairs Pensioner Concession card; or
 - Repatriation Health card for all conditions.

The following cards do not satisfy the concession criteria: Seniors cards, Health Care Card and Health Benefit cards.

REVENUE STATEMENT

In the case of life tenancy, the applicant must meet the above criteria and provide:

- a certified copy of the will, stating the applicant is a life tenant and responsible for paying the rates; **OR**
- a court order and a duly signed copy of death certificate.

Concessions (by way of rebate) can only be granted on one property per pensioner per half year.

Accounts in arrears

If a pensioner's rates account goes into arrears at any time for any rate notice issued, Council will cease to apply the Council Pensioner Subsidy concession. When all arrears are paid in full, the concession will be reinstated from the beginning of the following half yearly rating period.

The Queensland State Government component of the pension subsidy will continue even if the rates account is in arrears.

Additional Concession eligibility

A pensioner may be eligible for a **full** concession on rates payable if the pensioner receives the **full pension entitlement** under these Government pensions:

- Age pension;
- Carer payment;
- Disability Support pension;
- Wife pension;
- Widow pension;
- Parenting Payment Single and Service pension;
- War Widow/Widower pensions with full Income Support Supplement; or
- Veterans' Affairs' Disability/TPI pension.

Council may grant a concession by way of rebate on rates up to a maximum of \$30 per half year.

A pensioner may be eligible for a **partial** concession by way of rebate on rates payable if the pensioner receives the **part pension entitlement** under these Government pensions:

- Age pension;
- Carer payment;
- Disability Support pension;
- Wife pension;
- Widow pension;
- Parenting Payment Single and Service pension;
- War Widow/Widower pensions with partial or no Income Support Supplement; or
- Veterans' Affairs' Disability/TPI pension.

Council may grant a concession by way of rebate on rates up to a maximum of \$15 per half year.

2.7.2 Queensland State Government Pension Subsidy

Upon written application, a concession by way of rebate on rates will be granted to all pensioners who are eligible in accordance with the Administrative Guidelines of the Queensland State Government Pensioner Rate Subsidy Scheme. The Queensland State Government currently grants a 20% remission on rates up to a maximum of \$100 per half year (\$200 per year).

Council adheres to the Administrative Guidelines of the Queensland State Government Pension Rate and Subsidy Scheme when determining the proportional eligibility of the applicant in terms of ownership.

REVENUE STATEMENT

This Subsidy concession will only be granted for a particular half year where the application is received by Council prior to the commencement of the period. No pro-rata adjustments will be applied.

2.7.3 Non Profit Community, Cultural and Sporting Groups

In accordance with section 120 of the *Local Government Regulation 2012* non-profit community, sporting and cultural groups may be eligible for rates concessions.

The purpose of these concessions is to encourage and support non-profit community, sporting and cultural groups as they contribute to the health and well-being of the community and to the social cohesion of the region.

In exercising these concession powers Council will be guided by the principles of:

- *transparency* by making clear the requirements necessary to receive concessions; and
- *equity* by ensuring that all applicants of the same type receive the same concession.

Eligibility Criteria for Community Group Rate Remissions

Under Council's Community Grants and Assistance Policy, Council may consider an application for concession on rates in the following circumstances:

- The organisation must be a non-profit community based organization;
- The applicant organisation must be the owner or lessee of the land and be able to demonstrate that they are required to pay the rates levied;
- The land or any part of the land must not be rented or leased to a third party on a commercial basis; and
- A Liquor Licence (allowing trading on more than three days per week) must not be held by the organisation or any affiliate relating to the property subject to the application.

Where General Rates do not apply to a property by virtue of a condition contained in a lease of a reserve from Council, no further relief will be available.

Council may grant a maximum rebate of 100% of the General Levy to approved applicants.

Council will not approve requests for financial contributions to reimburse rate payments unless hardship under the *Local Government Act 2009* can be demonstrated in writing.

Applications for Community Group Rate Rebates must be made to Council in writing for assessment and resolution by elected members at a Council meeting.

2.7.4 Mining Leases

In accordance with section 120(1)(g) and section 122(1)(a) of the *Local Government Regulation 2012*, Council may grant a concession for separately rateable mining leases for the following rates and charges:-

- Rural Fire Levy;
- Waste Management Charge;
- Environmental Levy;
- Resilient Rivers Initiative Levy; and
- Emergency Preparedness Levy.

The concession may be granted because the land over which the mining leases are granted is already subject to these charges, such that Council considers that it would be unfair or inequitable to levy the charges twice over the same area of land.

REVENUE STATEMENT

2.7.5 Other Land

In accordance with section 120(1)(c) and section 122(1)(a) of the *Local Government Regulation 2012*, Council may grant a concession for land used for a permit to occupy, water storage or as a pump site where the payment of rates or charges would cause hardship to the property owner for the following rates and charges:-

- Rural Fire Levy;
- Waste Management Charge;
- Environmental Levy;
- Resilient Rivers Initiative Levy; and
- Emergency Preparedness Levy.

The concession may be granted in circumstances where Council is satisfied that the payment of the aforementioned levies would cause a property owner hardship.

2.8 The Recovery of Overdue Rates and Charges

Council will exercise its rate recovery powers pursuant to the provisions of Chapter 4 Part 12 of the *Local Government Regulation 2012* in order to reduce the overall rate burden on property owners.

Council has adopted a Rates and Charges Debt Collection and Recovery Policy for the recovery of outstanding rates and charges. The objective of this policy is to set out Council's principles in regard to the management of debt, and to provide consistent and ethical recovery of outstanding rates and charges across the region in accordance with the parameters and requirements of the *Local Government Regulation 2012*.

The principles that will apply in the management of and recovery of debt are as follows:-

- *communication* by making clear the obligations of property owners and the processes used by Council in assisting them meet their financial obligations;
- *transparency* by making the processes used to recover overdue rates and charges simple to administer and cost effective;
- *equity* by treating all property owners in similar circumstances in the same manner; and
- *flexibility* by responding where necessary to changes in the local economy.

Payment Commitments

As a general guide a periodic payment commitment may be agreed between Council and the property owner. To avoid recovery action being taken, requests are to be made to Council in writing before the last date on the legal action letter at which time the relevant Council officer or Council delegate will consider the offer on a case by case basis. The property owner must begin payments on the date they have supplied to Council. If approved, the Council officer or Council delegate will document the commitment and a copy will be provided in writing to the property owner. Council's preferred payment method with regards to payment commitments is direct debit.

Regular reviews will be undertaken by Council officers of all payment commitments.

An agreed periodic payment commitment should ensure all current rates and charges are paid as issued to ensure the account does not fall further into arrears. An appropriate periodic payment commitment will generally result in all overdue rates and charges being paid in full by the end of the half year period in which the payment commitment is made.

Council reserves the right to renegotiate or cancel a payment commitment should circumstances change where the debt will not be paid within Council's current policy time frame. In these circumstances, Council will not initiate further recovery action without reference to the property owner concerned.

REVENUE STATEMENT

Council will not pursue further recovery action against a property owner who has an agreed written periodic payment commitment, while the commitment is current and the property owner adheres to the agreed repayment schedule. In the event that a payment commitment is not maintained within the agreed terms, the following action will occur:

The first payment default - A Payment Commitment First Notice of Default letter will be issued to the property owner advising that the commitment has been dishonoured and stating the overdue amount and the next payment commitment due date.

The second and final default - The payment commitment will be removed from Council's rate assessment and the debt forwarded to Council's external debt recovery agency with written notice to the property owner.

All payment commitments are removed from Council's rating system at the end of the six (6) month rating period. The property owner will be required to enter into a new approved payment commitment once the new rates are issued.

2.9 Fees and Charges (including cost-recovery fees)

In general, Council will be guided by the principle of user pays in making all other charges. This includes cost-recovery fees as defined under section 97(2) of the *Local Government Act 2009* (Qld). For a significant business activity, all fees and charges will be set with reference to full cost pricing.

When determining Commercial Charges for Council services and facilities that are not defined as a cost-recovery fee but relate to a business activity Council conducts on a commercial basis, Council takes into account "user pays" principles and market conditions.

When determining Regulatory Fees which are defined as cost-recovery fees, Council takes into account as the criteria for deciding the amount of the cost-recovery fee "user pays" principles and sets regulatory fees at a level sufficient to recover no more than the full cost of providing the service or taking the action for which the fee is charged.

All fees set by Council are included in a Register of Fees and Charges as originally adopted by Council at the meeting held on 24 May 2017 and amended from time to time.

New Development Costs

Developer contributions for infrastructure are determined each year in accordance with the philosophy that a developer should pay reasonable and relevant contributions towards the capital cost of the provision of infrastructure to meet past and future augmentation costs associated with this new development. Council assesses the level of contribution towards physical and social infrastructure in respect of new developments during the development application approval process to ensure an equitable contribution is made by developments which increase the demand on Council infrastructure. Infrastructure charges are determined with reference to Council's charges resolution made under the *Sustainable Planning Act 2009* (Qld). Infrastructure agreements are sometimes used to negotiate outcomes between council and the developer.

3. 2017-2018 RATES AND CHARGES

Pursuant to Section 94 of the *Local Government Act 2009*, Council will make and levy the rates and charges for the twelve months ended 30 June 2018 as set out in this section.

3.1 Differential General Rates

Pursuant to section 94(1)(a) of the *Local Government Act 2009* and section 80 of the *Local Government Regulation 2012*, for the twelve months ending 30 June 2018, Council resolves to levy differential general rates on all rateable land in the region.

REVENUE STATEMENT

3.2 Categorisation of Land and Minimum General Rates

Pursuant to Section 81 of the *Local Government Regulation 2009*, the different categories of rateable land in the Region, and a description of each of those rating categories, are set out in **Table 1**.

Pursuant to Section 80 of the *Local Government Regulation 2009*, the differential general rate which will be levied for each category of land is set out in **Table 1**.

Pursuant to Section 77 of the *Local Government Regulation 2009*, the minimum general rate for each category of rateable land is set out in **Table 1**.

Council has delegated its power under Section 81(4) of the *Local Government Regulation 2009* to identify the rating category to which each parcel of rateable land in the region belongs, to the Chief Executive Officer (Resolution Number 4565 on 9 March 2016).

Further, Council has delegated its power under Section 82(2) of the *Local Government Regulation 2009* to decide what rating category the land referred to in Section 82(1) should be in, to the Chief Executive Officer (Resolution Number 4565 on 9 March 2016).

The Council has made the Rating Category Identification Policy as a guide to correct identification.

3.3 Limiting increase in rates and charges

Council has not resolved to limit any increase in rates and charges relative to the previous financial year.

Table 1 - Differential General Rates Table

No	Name	Description	Rate in \$ 2017/18	Minimum General Rate 2017/18
1	Commercial <= \$200,000	Land used or intended to be used, in whole or in part for commercial purposes, other than primary production, with a rateable value less than or equal to \$200,000, other than land included in category 5 to 11, or 17 to 23, or 37 to 47.	\$0.009919	\$1,978.00
2	Commercial \$200,001 & <=\$700,000	Land used or intended to be used, in whole or in part for commercial purposes, other than primary production, with a rateable value greater than \$200,000 and up to or equal to \$700,000, other than land included in category 5 to 11, or 17 to 23, or 37 to 47.	\$0.010635	\$2,471.00
3	Commercial > \$700,000 & <=\$2Million	Land used or intended to be used, in whole or in part for commercial purposes, other than primary production, with a rateable value greater than \$700,000 and less than or equal to \$2M, other than land included in category 5 to 11, or 17 to 23, or 37 to 47.	\$0.010695	\$9,120.00
4	Commercial > \$2Million	Land used or intended to be used, in whole or in part for commercial purposes, other than primary production, with a rateable value greater than \$2M, other than land included in category 5 to 11, or 17 to 23, or 37 to 47.	\$0.010694	\$25,081.00
5	Supermarkets </= \$1Million	Land used or intended to be used, in whole or in part for a Supermarket, with a rateable value of less than or equal to \$1 million.	\$0.011125	\$8,457.00
6	Supermarkets > \$1Million	Land used or intended to be used, in whole or in part for a Supermarket, with a rateable value greater than \$1million.	\$0.012989	\$27,981.00
7	Shopping Centres <= 7000 sq m	Land used or intended to be used, in whole or in part for a Shopping Centre that has a property land area of up to or equal to 7000 sq metres, or less than or equal to 120 onsite carparking spaces.	\$0.038427	\$53,520.00
8	Shopping Centres > 7000 sq m	Land used or intended to be used, in whole or in part for a Shopping Centre that has a property land area greater than 7000 sq metres, or more than 120 onsite carparking spaces.	\$0.040610	\$160,558.00
9	Motels <= 25 Rooms	Land used or intended to be used, in whole or in part for a motel with no more than 25 rooms.	\$0.023634	\$1,874.00
10	Motels 26 - 50 Rooms	Land used or intended to be used, in whole or in part for a motel with 26 to 50 rooms.	\$0.027531	\$7,833.00

REVENUE STATEMENT

No	Name	Description	Rate in \$ 2017/18	Minimum General Rate 2017/18
11	Motels >= 51 Rooms	Land used or intended to be used, in whole or in part as a motel with 51 or more rooms.	\$0.030284	\$26,107.00
12	Farming/Agriculture <=\$200,000	Land used or intended to be used, in whole or in part for farming or agricultural purposes with a rateable value of less than or equal to \$200,000, except land included in categories 25-29. Properties in this category receive a concessional value for primary production.	\$0.008674	\$1,333.00
13	Farming/Agriculture \$200,001-\$380,000	Land used or intended to be used, in whole or in part for farming or agricultural purposes with a rateable value between \$200,001 and \$380,000, except land included in categories 25-29. Properties in this category receive a concessional value for primary production.	\$0.009322	\$1,873.00
14	Farming/Agriculture \$380,001-\$610,000	Land used or intended to be used, in whole or in part for farming or agricultural purposes with a rateable value between \$380,001 and \$610,000, except land included in categories 25-29. Properties in this category receive a concessional value for primary production.	\$0.009385	\$3,565.00
15	Farming/Agriculture >=\$610,001	Land used or intended to be used, in whole or in part for farming or agricultural purposes with a rateable value of \$610,001 or greater, except land included in categories 25-29. Properties in this category receive a concessional value for primary production.	\$0.010536	\$6,429.00
16	Rural Residential – Owner Occupied	Residential land with a dwelling used or intended to be used, in whole or in part for residential purposes that is a Principal Place of Residence owned by a natural person or residential Vacant land that is within the Rural Fire Service boundaries.	\$0.012137	\$1,042.00
17	Service Stations/Garages <=100,000 litres	Land used or intended to be used, in whole or in part for fuel retailing where there is or is not an associated shop and/or fuel outlet and approved onsite bulk fuel storage of up to and including 100,000 litres. In addition, the category includes any land used for a fuelling area, fuel storage area, retail shop or parking area associated with land used for fuel retailing.	\$0.035783	\$5,352.00

REVENUE STATEMENT

No	Name	Description	Rate in \$ 2017/18	Minimum General Rate 2017/18
18	Service Stations/Garages 100,001 to 200,000 litres	Land used or intended to be used, in whole or in part for fuel retailing where there is or is not an associated shop and/or fuel outlet and approved onsite bulk fuel storage of between 100,001 and up to and including 200,000 litres.	\$0.035858	\$26,760.00
19	Service Stations/Garages Over 200,000 litres	Land used or intended to be used, in whole or in part for fuel retailing where there is an associated shop and/or fuel outlet and approved onsite bulk fuel storage of more than 200,000 litres.	\$0.024246	\$80,279.00
20	Services Stations & Garages without Shops or Food Outlets >200,000 litres	Land used or intended to be used, in whole or in part for fuel retailing where there is not any associated shop and/or fuel outlet and approved onsite bulk fuel storage of more than 200,000 litres.	\$0.026117	\$5,352.00
21	Transmission Sites	Land used or intended to be used, in whole or in part for the transmission or distribution of electricity from a coal or gas-fired power plant including, but not limited to, a substation.	\$0.024519	\$10,688.00
22	Gas Compressor Sites	Land used or intended to be used, in whole or in part for the transportation of gas under compression and/or any purpose associated or connected with the transportation of gas under compression.	\$0.043305	\$10,688.00
23	Workers Accommodation	Land used or intended to be used, in whole or in part for the provision of intensive accommodation for more than 50 persons (other than the ordinary travelling public) in rooms, suites, dongas, caravan sites, or a combination of these specifically built or provided for this purpose. Land within this category is commonly known as "workers accommodation", "single person's quarters", "work camps", "accommodation village", or "barracks".	\$0.030284	\$26,107.00
24	Urban Residential – Owner Occupied	Residential land with a dwelling used or intended to be used, in whole or in part for residential purposes that is a Principal Place of Residence owned by a natural person or residential Vacant land that is not within the Rural Fire Service boundaries.	\$0.012322	\$1,049.00

REVENUE STATEMENT

No	Name	Description	Rate in \$ 2017/18	Minimum General Rate 2017/18
25	Farming/Agriculture On Farm Packing Operation	Land used or intended to be used, in whole or in part for farming or agricultural purposes containing an on farm packing operation. An on farm packing operation: shall mean land containing a facility where fruit and/or vegetables are received and/or processed prior to distribution to market. Operations may include but are not limited to sorting, trimming, washing, drying, waxing, curing, chemical treatment, packaging, pre-cooling, storage, and transportation.	\$0.011610	\$8,460.00
26	Intensive Agriculture Poultry ≤200,000 birds	Land used or intended to be used, in whole or in part for intensive poultry farming with an approved capacity of up to or equal to 200,000 birds.	\$0.017476	\$5,501.00
27	Intensive Agriculture Poultry 200,001 birds and over	Land used or intended to be used, in whole or in part for intensive poultry farming with an approved capacity of over 200,000 birds.	\$0.034315	\$6,602.00
28	Intensive Agriculture Piggeries ≤3,000 SPU	Land used or intended to be used, in whole or in part for intensive pig farming with an approved capacity of up to or equal to 3,000 SPU.	\$0.041042	\$5,501.00
29	Intensive Agriculture Piggeries 3,001 SPU and over	Land used or intended to be used, in whole or in part for intensive pig farming with an approved capacity of over 3,000 SPU.	\$0.062782	\$6,602.00
30	Multiple Dwelling	Residential land used for a multi-unit residential building, which does not form part of a community title scheme or residential group title consisting of 2 or more flats or units or a duplex. This also includes properties with 2 or more residential dwellings.	\$0.014787	\$1,259.00

REVENUE STATEMENT

No	Name	Description	Rate in \$ 2017/18	Minimum General Rate 2017/18
31	Land which is Subject to Chapter 2, Part 2, Subdivision 3 of the Land Valuation Act 2010	Land which is subject to chapter 2, part 2 subdivision 3 of the Land Valuation Act 2010.	\$0.013419	N/A
32	Nursing Homes/Retirement Villages	Land used or intended to be used, in whole or in part for the provision private medical care, the provision of aged care nursing or as a Retirement Village.	\$0.014346	\$6,026.00
33	Sporting Clubs & Facilities	Land used or intended to be used, in whole or in part for sporting clubs and facilities associated with a sporting club where the operator does not hold a liquor and/or gaming licence, except land included in category 34.	\$0.009802	\$1,152.00
34	Licensed Clubs & Sporting Clubs	Land used or intended to be used, in whole or in part for the operation of a sporting club and facilities associated with a sporting club where the land is subject to a liquor and/or gaming licence.	\$0.010396	\$3,397.00
35	Non-Principal Place of Residence	Land with a dwelling used or intended to be used, in whole or in part for a residential purpose, including rural residential land, that is not a Principal Place of Residence and not included in Category 16, 24, 30, or 31.	\$0.014787	\$1,259.00
36	Sundry Purposes	Land used or intended to be used, in whole or in part for a permit to occupy, water storage, or a pump site and land which is not otherwise categorized.	\$0.015575	\$220.00
37	Extractive & Mining Lease > 100,000 tonnes.	Land used or intended to be used, in whole or in part for extractive industry and land which is a mining lease, where more than 100,000 tonnes of material is removed per annum.	\$0.078260	\$41,242.00
38	Extractive & Mining Lease 5,001 tonnes – 100,000 tonnes.	Land used or intended to be used, in whole or in part for extractive industry and land which is a mining lease, where between 5,001 and 100,000 tonnes of material is removed per annum.	\$0.028024	\$21,210.00

REVENUE STATEMENT

No	Name	Description	Rate in \$ 2017/18	Minimum General Rate 2017/18
39	Extractive & Mining Lease up to 5,000 tonnes.	Land used or intended to be used, in whole or in part for extractive industry and land which is a mining lease, where up to 5,000 tonnes of material is removed per annum.	\$0.023737	\$9,192.00
40	Noxious/Offensive Industry – Explosive Factories	Land used or intended to be used, in whole or in part for the manufacture and/or storage of explosives.	\$0.021875	\$29,926.00
41	Noxious/offensive Industry – Abattoirs	Land used or intended to be used, in whole or in part as an abattoir having more than 20 employees and a valuation greater than \$500,000.	\$0.029540	\$29,926.00
42	Noxious/offensive Industry – Other	Land used or intended to be used, in whole or in part for the purpose of a sawmill, tannery or any other industrial purpose or any use associated or connected with an industrial purpose, other than land included in categories 40 or 41.	\$0.025705	\$5,131.00
43	Caravan Parks & Camping Grounds <= \$300,000	Land used or intended to be used, in whole or in part as a Caravan Park with a rateable value of less than or equal to \$300,000.	\$0.024317	\$2,677.00
44	Caravan Parks and Camping Grounds \$300,001 to \$600,000	Land used or intended to be used, in whole or in part as a Caravan Park with a rateable value of between \$300,001 up to and including \$600,000.	\$0.027531	\$7,833.00
45	Caravan Parks and Camping Grounds > \$600,000	Land used or intended to be used, in whole or in part as a Caravan Park with a rateable value of greater than \$600,000.	\$0.030284	\$26,107.00
46	Power Stations <= 50MW	Land used or intended to be used, in whole or in part for ancillary to the generation of electricity from a coal and/or gas fired power station with an output capacity of no more than 50MW.	\$0.024519	\$50,990.00
47	Power Stations >=51MW	Land used or intended to be used, in whole or in part for ancillary to the generation of electricity from a coal and/or gas fired power station with an output capacity of 51MW or more.	\$0.026971	\$101,980.00

4. WASTE MANAGEMENT

4.1 WASTE RECYCLING AND COLLECTION CHARGES

Pursuant to section 94(1)(b)(ii) of the *Local Government Act 2009*, for the twelve months ending 30 June 2018, a utility charge for waste and recycling collection charges will be made and levied in accordance with the following provisions.

Charges shall apply to all lands and/or premises within Council's Serviced Area (where waste services are made available).

A pro-rata charge effective from the date of:

- valuation will apply to new assessments created during the financial year; or
- commencement will apply for additional services or new First Services.

4.1.1 Residential:

First service: \$266.00 per annum. The First Service consists of one x 240 litre waste bin collected on a weekly basis and one x 240 litre recycle bin collected fortnightly and applies to all Residential properties serviced by Council's waste collection contractor in accordance with their contract with the Lockyer Valley Regional Council.

Additional services: Additional Services may be made available upon application to Council. Additional services consist only of additional bins which will be collected on the normal service day of the property concerned. Council will not provide additional services to the property on any other day.

Charges for additional services:

Dual bins: \$266.00 per annum
Additional Waste Bin collected weekly: \$166.00 per annum
Additional Recycling Bin collected fortnightly: \$100.00 per annum

4.1.2 Commercial:

First service: Waste Commercial Service (240L) Dual - \$454.00 per annum. The First Service consists of one x 240 litre waste bin collected on a weekly basis and one x 240 litre recycle bin collected fortnightly and applies to all commercial properties serviced by Council's waste collection contractor in accordance with their contract with the Lockyer Valley Regional Council.

Additional services: Additional services may be made available on application to Council. Additional services consist only of additional bins which will be collected on the normal service day of the property concerned. Council will not provide additional services to the property on any other day.

Charges for additional services:

Waste Commercial Service (240L) Waste only - \$310.00 per annum
Waste Commercial Service (240L) Recycle only - \$144.00 per annum

REVENUE STATEMENT

4.1.3 Service Cancellations and Suspensions

Council has resolved that the whole of the Lockyer Valley Region is in the 'Serviced Area'.

As such, the waste recycling and collection charge shall be levied for the First Service on every parcel of rateable land in the Region except where:-

- there is a demolition of premises, as certified by an approved person; or
- land is vacant for a full year, as established by a Statutory Declaration.

Permitted cancellations as above or cancellation of additional services must be made in the form required by Council and a pro rata adjustment from the date of service cancellation or suspension will be allowed.

Bins remain the property of Lockyer Valley Regional Council's waste collection contractor and are provided to be used specifically for the storage of waste and recycling materials only.

4.2 WASTE MANAGEMENT CHARGE

Pursuant to section 94(1)(b)(ii) of the *Local Government Act 2009*, for the twelve months ending 30 June 2018, a utility charge of \$153.00 per annum per assessment will be levied on all land in the Region for the services and activities detailed herein. This utility charge will also be levied to all non-rateable land to which a waste collection service is provided.

The proceeds from the charge shall be applied to fund recurrent and capital expenditure and the administration costs associated with the provision, improvement and management of Council's waste management facilities throughout the region. Waste management facilities include landfill sites, transfer stations, weighbridges and waste bins located throughout the region. A pro-rata charge effective from the date of valuation will apply to new assessments created during the financial year.

5. SPECIAL CHARGES**5.1 Special Charge – Rural Fire Levy**

Pursuant to section 94(1)(b)(i) of the *Local Government Act 2009*, for the twelve months ending 30 June 2018 a special charge of \$30.00 per annum per assessment will be made and levied on all rateable properties which are in an area serviced by a Rural Fire Brigade.

All such lands are deemed to benefit from this charge as a result of the Rural Fire Brigade Group operating in the area. This special charge shall continue to apply for the 2017/2018 year regardless of any levies that may be introduced by State or Federal Governments.

The proceeds from the Special Charge collected shall be distributed as follows:

- \$50,000 will be retained by Lockyer Valley Regional Council for the maintenance of fire trails within the Lockyer Valley Council Region; and
- The balance will be remitted to the Lockyer Local Area Finance Committee which acts for the rural fire brigade groups within the Lockyer Valley Regional Council area.

This Special Charge is levied for the maintenance of fire trails within the Lockyer Valley Council Region and to provide for the operations, maintenance and provision of buildings, land and/or equipment for Rural Fire Brigade groups in accordance with agreements between Council and the Lockyer Local Area Finance Committee.

For each property attracting this Special Charge, Council retains an administration charge of \$1.50 per assessment to cover administration of the plan.

REVENUE STATEMENT

Overall Plan

The overall plan for the Rural Fire special charge is as follows:-

1. The service, facility or activity is described above.
2. The rateable land to which the charge shall be applied is all land in areas serviced by a Rural Fire Brigade.
3. The estimated cost of the overall plan is \$294,000.
4. The time for implementing the overall plan is one year ending on 30 June 2018.

A pro-rata charge effective from the date of valuation will apply to new assessments created during the financial year.

5.2 Special Charge – Thomas Road Maintenance

Pursuant to section 94(1)(b)(i) of the *Local Government Act 2009*, for the twelve months ending 30 June 2018 a special charge of \$5,000.00 per annum will be made and levied on Lot 34 on CA31381.

The special charge will be levied on the rateable land described as Lot 34 on CA31381 to fund the cost of additional road maintenance on the section of Thomas Road leading to the property.

The Council is of the opinion that the use made or to be made of the rateable land specially contributes to the need for the works described above because the property involved attracts additional road traffic and requires additional maintenance that would not be the case if the property were not used as a commercial camping ground.

Overall Plan

The overall plan for carrying out the works is as follows:-

1. The service, facility or activity for which the plan is made is for additional road maintenance works on the section of public gravel road leading to the property.
2. The rateable land to which the plan applies is Lot 34 on CA31381.
3. The land is used as a commercial camping ground.
4. The time for implementing the overall plan is 1 July 2015 to 30 June 2030. The works will be required on an ongoing basis while the property is used for commercial camping ground purposes, and the overall plan will be reviewed accordingly.
5. The estimated cost of implementing the overall plan is \$5,000 per annum for the life of the plan. That cost is allocated as follows:-
 - a. 100% - road maintenance works.
6. The special charge in each year is intended to raise 100% of the funds necessary to carry out the annual plan.

Annual Implementation Plan

The annual implementation plan for implementation of the overall plan in 2017/2018 comprises:-

1. carrying out the particular work covered by the overall plan, including inspection and maintenance of the section of public gravel road and the costs of additional or replacement gravel required as well as the maintenance of additional road signage within that section of road; and
2. to the extent that funds raised by the special charge are not expended or fully expended under paragraph (a), carrying forward the unexpended amount to be used to fund works under the overall plan in future years.

REVENUE STATEMENT

6. SEPARATE CHARGES**6.1 Emergency Preparedness Levy**

Pursuant to section 94(1)(b)(iii) of the *Local Government Act 2009*, for the twelve months ending 30 June 2018 a separate charge of \$104.00 per assessment will be made and levied on all rateable land within the Region.

This separate charge is levied to fund infrastructure restoration projects (such as bridges, roads) funding shortfalls, interest and redemption payments on loans associated with recovery work and community resilience recovery through agreed community recovery programs.

The proceeds from the separate charge shall also be applied to fund expenditure on the disaster management initiatives associated with improving the region's preparedness for and response to future natural disasters including the implementation of the recommendations of the Queensland Floods Commission of Inquiry.

Furthermore, the proceeds from the separate charge shall be applied to fund recurrent and capital expenditure for the Volunteer State Emergency Services Units operating within the Lockyer Valley Regional Council area together with the provision of disaster planning and management support for the units.

A pro-rata charge effective from the date of valuation will apply to new assessments created during the financial year.

6.2 Environmental Levy

Pursuant to section 94(1)(b)(iii) of the *Local Government Act 2009*, for the twelve months ending 30 June 2018 a separate charge of \$14.00 per assessment will be made and levied on all rateable land within the Region.

This separate charge is levied to fund expenditure on the implementation of physical/biological, cultural, social and economic environmental initiatives throughout the Region.

A pro-rata charge effective from the date of valuation will apply to new assessments created during the financial year.

6.3 Resilient Rivers Initiative Levy

Pursuant to section 94(1)(b)(iii) of the *Local Government Act 2009*, for the twelve months ending 30 June 2018 a separate charge of \$2.00 per assessment will be made and levied on all rateable land within the Region.

This separate charge is levied to fund Council's contribution for the Council of Mayors South East Queensland's (COMSEQ's) Resilient Rivers Initiative, which will deliver projects to keep soil on the land, protect water security, promote partnerships and improve climate resilience.

A pro-rata charge effective from the date of valuation will apply to new assessments created during the financial year.

REVENUE STATEMENT

7. DEFINITIONS

Differential General Rates Table: means Table 1 in this Revenue Statement.

Due date: is the due date for payment as shown on the rate notice.

Full payment: shall be the amount of the most recently issued rates notice less any applicable discount. These payments are also cleared on the transaction date. 'Cleared' payment means money which can be transferred to Council's bank accounts at the time of the transaction or at the end of the day.

Land parcel: any parcel which is registered with the Titles Office as a separate subdivision, re-subdivision, allotment, lot, section or portion and which is capable of being occupied separately regardless of whether a separate title is held for such parcel.

On Farm Packing Operation: land containing a facility where fruit and/or vegetables are received and/or processed prior to distribution to market. Operations may include but are not limited to sorting, trimming, washing, drying, waxing, curing, chemical treatment, packaging, pre-cooling, storage, and transportation.

Premises: includes –

- (a) the whole or any part of any building, structure, or land, and;
- (b) any construction works whether on private land, Crown land, Council land or any public place.

Primary production purposes: land available for the business or industry of grazing, dairying, pig farming, poultry farming, viticulture, orcharding, apiculture, horticulture, aquaculture, vegetable growing, the growing of crops of any kind, forestry; or any other business or industry involving the cultivation of soils, the gathering in of crops or the rearing of livestock; and where a farming concession is granted by the Department of Natural Resources and Mines in accordance with Chapter 2, Part 2, Subdivision 2 of the *Land Valuation Act 2010*.

Principal Place of Residence: a "principal place of residence" is defined as a single approved dwelling house or approved dwelling unit, owned by one or more natural person(s) at least one of whom predominately reside there. In establishing principal place of residence, Council may consider, but not be limited to, the owner's declared address for electoral, taxation, government social security or national health registration purposes, driver's licencing or any other form of evidence deemed acceptable by Council.

Residential premises which are owned by a pensioner who is residing in alternative accommodation for health and care reasons may still be considered a principal place of residence if Council is satisfied that the pensioner is still solely responsible for the payment of rates and the property is not occupied on a paid tenancy basis.

Residential premises that have not met these criteria will be deemed a non-principal place of residence.

Other than the exception for pensioners outlined above, premises which are vacant for more than 6 months of the year will not be considered a principal place of residence.

Property: a parcel or parcels of land recorded together within Council's systems for rating and charging purposes.

Retirement Village: is a registered premise where older members of the community or retired persons reside, or are to reside, in independent living units or serviced units in accordance with the *Retirement Villages Act 1999*.

Rural Fire Service boundaries: means the boundaries of those parts of the local government area within which the Rural Fire Service operates and subject to the State

REVENUE STATEMENT

Government Emergency Management Levy Class E, as shown on the map available from Queensland Fire and Emergency Services:
(www.fire.qld.gov.au/about/EmergencyManagementFireandRescue-Levy.asp)

Shopping Centre: land which is used or intended to be used, in whole or in part for retail activities comprising multiple shops or retail warehouses (including a combination of both).

Supermarket: land which is used or intended to be used, in whole or in part for a detached supermarket purpose typically involving a self-service retail store or market selling food and other domestic goods but not forming part of a Shopping Centre.

Vacant land: land devoid of buildings or structures with the exception of outbuildings or other minor structures not designed or used for human habitation or occupation. It does not apply to land that is used for car parking or in conjunction with any commercial activity, e.g. heavy vehicle or machinery parking, outdoor storage areas, assembly areas or rural activities such as cultivation, grazing or agistment.

Any terms not defined in this Revenue Statement shall be as defined under the *Local Government Act 2009* and *Local Government Regulation 2012* and if not there defined the term will be given the meaning determined by Council.

**SPECIAL MEETING
(BUDGET ADOPTION)
AGENDA
27 JUNE 2017**

5.6 2017/2018 Rating Categorisation Policy

Date: 14 June 2017

Author: Tony Brett, Manager Finance and Customer Service

Responsible Officer: David Lewis, Executive Manager Corporate & Community Services

Summary:

This policy provides guidance to Council delegates in the identification process by referral to the description of the category in Council's Revenue Statement, the actual use of the parcel of land and the land use code attached to the parcel by the Department of Natural Resources and Mines. The policy makes clear Council's intentions when categorising land for rating purposes.

The policy has been reviewed and updated to match the rating categories included in Council's 2017/2018 Revenue Statement.

Officer's Recommendation:

THAT Council adopt the 2017/2018 Rating Categorisation Policy.

Report

1. Introduction

This report recommends the adoption of a policy to assist in the identification of properties for the purposes of rating categorisation.

2. Background

Prior to 2016/2017, the identification of land for rating categorisation purposes had been included in Council's Revenue Statement. A legal review of the Revenue Statement at that time recommended removing the identification component from the Statement and containing it in a new policy.

3. Report

Section 81 of the *Local Government Regulation 2012* deals with the categorisation of land for differential general rates. Council is required to decide the different categories of rateable land and describe each of the categories. Once the categories have been determined and described, the category to which each parcel of land belongs must be identified. The Local Government Regulation 2012 allows Council to do this in any way it considers appropriate.

This policy provides guidance to Council delegates in the identification process by referral to the description of the category in Council's Revenue Statement, the actual use of the parcel of land and the land use code attached the parcel by the Department of Natural Resources and Mines.

**SPECIAL MEETING
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The policy clarifies the role that land use codes play in the categorisation process and where the land use code is in conflict with the actual use of the land, the categorisation will be based on the actual use.

The policy is to be adopted on an annual basis as part of the budget process to reflect changes in the rating categories for the new financial year.

4. Policy and Legal Implications

The adoption of this policy will assist in the categorisation process undertaken in accordance with section 81(4) and 81(5) of the *Local Government Regulation 2012*. It will provide guidance to the delegate of Council in identifying the relevant rating category to which each parcel of rateable land belongs.

5. Financial and Resource Implications

This policy assists with the generation of revenue in accordance with Council's 2017/2018 Budget and Revenue Statement.

6. Delegations/Authorisations

Matters arising from this report will be dealt with in accordance with existing delegations.

7. Communication and Engagement

The implications of this policy will be communicated to the staff involved in the categorisation process.

8. Conclusion

The adoption of this policy will assist officers in the categorisation process and reduce opportunities for legal challenges to Council's Revenue Statement.

9. Action/s

Update Council's Policy Register and upload to the internet.

Attachments

1 [View](#) 2017-2018 Rating Categorisation Policy Report 9 Pages



Policy document

Strategic Governance SG 25

Rating Category Identification Policy for Financial Year 2017/2018

Head of Power

Local Government Act 2009

Local Government Regulation 2012

Key Supporting Council Document

Corporate Plan (2017 – 2022) Lockyer Leadership and Council “To be financial sustainable”

Definitions

Reference in this policy to the term ‘Land Use Codes’ means those land use codes as given to Council by the Department of Natural Resources and Mines and recorded in Council’s land record kept under the *Local Government Act 2009* (Qld).

Policy Objective

The purpose of this policy is to provide guidance to Lockyer Valley Regional Council (Council) and its delegate in the exercise of identifying the rating category to which each parcel of rateable land in Council’s local government area belongs for [the](#) financial year 2017/2018.

This policy should be read in conjunction with section 81(4) and (5) of the *Local Government Regulation 2012* (Qld) and with Council’s revenue statement for the financial year 2017/2018 (Revenue Statement).

This policy does not limit the way in which Council identifies the rating category to which each parcel of rateable land in Council’s local government area belongs.

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Unit: Finance & Customer Services
Approved:
Date Approved:

Effective Date: 1 July 2017
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Section 81(5) of the *Local Government Regulation 2012* (Qld) allows Council to undertake the identification exercise specified in section 81(4) of that Regulation in a way Council considers appropriate.

Policy Statement

In undertaking the exercise required under section 81(4) and (5) of the *Local Government Regulation 2012* (Qld), Council will have regard to the Revenue Statement.

In the Revenue Statement, the rating categories and descriptions for rateable land associated with the levying of differential general rates for the Financial Year 2017/2018 have been set out in Table 1 of that document. The Council has adopted the categories and descriptions by resolution passed at its budget meeting for 2017/2018.

The matters set out in the table below are intended to provide guidance to Council and its delegate in identifying the rating category to which each parcel of rateable land in Council's local government area belongs for Financial Year 2017/2018.

The Land Use Codes referred to for each category are those which describe uses which will generally correspond with the description for the category. However, it is the actual use which determines the correct category. If in any case the use described by the assigned Land Use Code is found to not reflect the actual land use, categorisation must be based on the category and description which correspond to the actual use.

Table

No of Rating Category for FY2017/2018 in the Revenue Statement	Name of Rating Category for FY2017/2018 in the Revenue Statement	Guidance for identifying the rating category to which each parcel of rateable land in Council's local government area belongs for FY2017/2018
1	Commercial <= \$200,000	(a) The Description for this category in the Revenue Statement. (b) Land with Land Use Codes 10 to 46.

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No of Rating Category for FY2017/2018 in the Revenue Statement	Name of Rating Category for FY2017/2018 in the Revenue Statement	Guidance for identifying the rating category to which each parcel of rateable land in Council's local government area belongs for FY2017/2018
2	Commercial \$200,001 & <=\$700,000	(a) The Description for this category in the Revenue Statement. (b) Land with Land Use Codes 10 to 46.
3	Commercial > \$700,000 & <=\$2Million	(a) The Description for this category in the Revenue Statement. (b) Land with Land Use Codes 10 to 46.
4	Commercial > \$2Million	(a) The Description for this category in the Revenue Statement. (b) Land with Land Use Codes 10 to 46.
5	Supermarkets <= \$1Million	(a) The Description for this category in the Revenue Statement. (b) Land with Land Use Codes 10-15, 17-27 but not Land with Land Use Code 16.
6	Supermarkets > \$1Million	(a) The Description for this category in the Revenue Statement. (b) Land with Land Use Codes 10-15, 17-27 but not Land with Land Use Code 16.
7	Shopping Centres <= 7000 sq m	(a) The Description for this category in the Revenue Statement. (b) Land with Land Use Code 16.
8	Shopping Centres >7000 sq m	(a) The Description for this category in the Revenue Statement. (b) Land with Land Use Code 16.

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No of Rating Category for FY2017/2018 in the Revenue Statement	Name of Rating Category for FY2017/2018 in the Revenue Statement	Guidance for identifying the rating category to which each parcel of rateable land in Council's local government area belongs for FY2017/2018
9	Motels <= 25 Rooms	(a) The Description for this category in the Revenue Statement. (b) Land with Land Use Code 43.
10	Motels 26 -50 Rooms	(c) The Description for this category in the Revenue Statement. (d) Land with Land Use Code 43.
11	Motels >= 51 Rooms	(a) The Description for this category in the Revenue Statement. (b) Land with Land Use Code 43.
12	Farming/Agriculture <=\$200,000	(a) The Description for this category in the Revenue Statement. (b) Land with Land Use Codes 60-71 and 73-89.
13	Farming/Agriculture \$200,001-\$380,000	(a) The Description for this category in the Revenue Statement. (b) Land with Land Use Codes 60-71 and 73-89.
14	Farming/Agriculture \$380,001-\$610,000	(a) The Description for this category in the Revenue Statement. (b) Land with Land Use Codes 60-71 and 73-89.

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No of Rating Category for FY2017/2018 in the Revenue Statement	Name of Rating Category for FY2017/2018 in the Revenue Statement	Guidance for identifying the rating category to which each parcel of rateable land in Council's local government area belongs for FY2017/2018
15	Farming/Agriculture >= \$610,001	(a) The Description for this category in the Revenue Statement. (b) Land with Land Use Codes 60-71 and 73-89.
16	Rural Residential – Owner Occupied	(a) The Description for this category in the Revenue Statement. (b) Land with Land Use Codes 1 to 6, 8 or 9.
17	Service Stations/Garages <=100,000 litres	(a) The Description for this category in the Revenue Statement. (b) Land with Land Use Codes 30 and 31.
18	Service Stations/Garages 100,001 to 200,000 litres	(a) The Description for this category in the Revenue Statement. (b) Land with Land Use Codes 30 and 31.
19	Service Stations/Garages Over 200,000 litres	(a) The Description for this category in the Revenue Statement. (b) Land with Land Use Codes 30 and 31.
20	Services Stations & Garages without Shops or Food Outlets >200,000 litres	(a) The Description for this category in the Revenue Statement. (b) Land with Land Use Codes 30 and 31.

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21	Transmission Sites	(a) The Description for this category in the Revenue Statement. (b) Land with Land Use Code 91.
22	Gas Compressor Sites	(a) The Description for this category in the Revenue Statement. (b) Land with Land Use Codes 10-27.
23	Workers Accommodation	The Description for this category in the Revenue Statement.
24	Urban Residential – Owner Occupied	(a) The Description for this category in the Revenue Statement. (b) Land with Land Use Codes 1 to 6, 8 or 9.
25	Farming/Agriculture On Farm Packing Operation	(a) The Description for this category in the Revenue Statement. (b) Land with Land Use Codes 60-71 and 73-89.
26	Intensive Agriculture Poultry <=200,000 birds	(a) The Description for this category in the Revenue Statement. (b) Land with Land Use Codes 60-71 and 73-89.
27	Intensive Agriculture Poultry 200,001 birds and over	(a) The Description for this category in the Revenue Statement. (b) Land with Land Use Codes 60-71 and 73-89.

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No of Rating Category for FY2017/2018 in the Revenue Statement	Name of Rating Category for FY2017/2018 in the Revenue Statement	Guidance for identifying the rating category to which each parcel of rateable land in Council's local government area belongs for FY2017/2018
28	Intensive Agriculture Piggeries ≤3,000 SPU	(a) The Description for this category in the Revenue Statement. (b) Land with Land Use Codes 60-71 and 73-89.
29	Intensive Agriculture Piggeries 3,001 SPU and over	(a) The Description for this category in the Revenue Statement. (b) Land with Land Use Codes 60-71 and 73-89.
30	Multiple Dwelling	(a) The Description for this category in the Revenue Statement (b) Land with Land Use Codes 2-3, 5, and 8-9
31	Land which is Subject to Chapter 2, Part 2, Subdivision 3 of the Land Valuation Act 2010	(a) The Description for this category in the Revenue Statement. (b) Land with Land Use Code 72.
32	Nursing Homes/Retirement Villages	(a) The Description for this category in the Revenue Statement. (b) Land with Land Use Code 27.
33	Sporting Clubs & Facilities	(a) The Description for this category in the Revenue Statement. (b) Land with Land Use Codes 48 and 50.

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34	Licensed Clubs & Sporting Clubs	(a) The Description for this category in the Revenue Statement. (b) Land with Land Use Code 47 or 48.
35	Non-Principal Place of Residence	The Description for this category in the Revenue Statement.
36	Sundry Purposes	The Description for this category in the Revenue Statement.
37	Extractive & Mining Lease > 100,000 tonnes.	The Description for this category in the Revenue Statement.
38	Extractive & Mining Lease 5,001 tonnes – 100,000 tonnes.	The Description for this category in the Revenue Statement.
39	Extractive & Mining Lease up to 5,000 tonnes.	The Description for this category in the Revenue Statement.
40	Noxious/Offensive Industry – Explosive Factories	(a) The Description for this category in the Revenue Statement. (b) Land with Land Use Codes 35-40.
41	Noxious/offensive Industry – Abattoirs	(a) The Description for this category in the Revenue Statement. (b) Land with Land Use Codes 35-40.

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42	Noxious/offensive Industry – Other	(a) The Description for this category in the Revenue Statement. (b) Land with Land Use Codes 35-40.
43	Caravan Parks & Camping Grounds <= \$300,000	(a) The Description for this category in the Revenue Statement. (b) Land with a Land Use Code 49.
44	Caravan Parks and Camping Grounds \$300,001 to \$600,000	(a) The Description for this category in the Revenue Statement. (b) Land with a Land Use Code 49.
45	Caravan Parks and Camping Grounds > \$600,000	(a) The Description for this category in the Revenue Statement. (b) Land with a Land Use Code 49.
46	Power Stations <= 50MW	(a) The Description for this category in the Revenue Statement. (b) Land with Land Use Code 91.
47	Power Stations >= 51MW	(a) The Description for this category in the Revenue Statement. (b) Land with Land Use Code 91.

Related Documents

Local Government Act 2009
Local Government Regulation 2012
2017-2018 Revenue Statement

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**SPECIAL MEETING
(BUDGET ADOPTION)
AGENDA
27 JUNE 2017**

5.7 Adoption of the 2017/2018 Budget and Long Term Financial Forecast from 2017/2018 to 2026/2027

Date: 15 June 2017
Author: Tony Brett, Manager Finance and Customer Service
Responsible Officer: David Lewis, Executive Manager Corporate & Community Services

Summary:

Under the *Local Government Regulation 2012*, Council must prepare an accrual based budget for each financial year, which is consistent with its 5-year Corporate Plan and Annual Operational Plan. To comply with the *Local Government Regulation 2012*, Council must also publish results against a series of measures of financial sustainability for the budget year and the next nine (9) years.

The 2017/2018 Budget presents the overall position of a surplus of \$5.71 million, with expenditure on Council operations of \$55.21 million and a capital works program of \$17.56 million. Total budgeted revenues for the year are \$60.92 million, which includes capital revenue of \$4.31 million. Excluding capital revenues, the budget forecasts a \$1.40 million operating surplus.

Officer's Recommendation:

THAT Council resolve to:

- a. **Adopt the Budget for the financial year 2017/2018 and the long term financial forecast for the financial years 2017/2018 to 2026/2027 as contained in the document entitled 2017/2018 Budget and Long Term Financial Forecast (attachment 1) and set out in the pages contained therein:**
 - i. **Statement of Income and Expenditure.**
 - ii. **Statement of Financial Position.**
 - iii. **Statement of Cash Flows.**
 - iv. **Statement of Changes in Equity.**
 - v. **Relevant Measures of Financial Sustainability.**
 - vi. **Detailed Statements of Income and Expenditure:**
 1. **Business Unit – Child Care Centres 2017/2018 to 2019/2020**
 2. **Business Unit – Waste Management 2017/2018 to 2019/2020**
 3. **Business Unit – Roads Contracts and Recoverable Works 2017/2018 to 2019/2020**
 - vii. **Percentage Change in Rates Levied from 2016/2017.**
- b. **Note the Statement of Estimated Financial Position at 30 June 2017 (Attachment 2), as presented by the Chief Executive Officer in accordance with Section 205 of the *Local Government Regulation 2012*.**

**SPECIAL MEETING
(BUDGET ADOPTION)
AGENDA
27 JUNE 2017**

Report

1. Introduction

This report presents the 2017/2018 Budget and forward estimates for the Lockyer Valley Regional Council for adoption as part of its 2017/2018 Budget process.

2. Background

Sections 169 and 170 of the *Local Government Regulation 2012* prescribe the requirements for the adoption of council's budget. This report complies with the disclosure requirements of the *Local Government Regulation 2012*.

3. Report

Under the *Local Government Regulation 2012*, Council must prepare an accrual based budget for each financial year, which is consistent with the 5-year Corporate Plan and Annual Operational Plan. To comply with the *Local Government Regulation 2012*, Council must also publish results against a series of measures of financial sustainability for the budget year and the next nine (9) years.

To meet the legislative requirements, included in the 2017/2018 Budget (Attachment 1) are the following financial statements:

- Statement of Income and Expenditure.
- Statement of Financial Position.
- Statement of Cash Flows.
- Statement of Changes in Equity.
- Relevant Measures of Financial Sustainability.
- Detailed Statements of Income and Expenditure
 - Business Unit – Child Care Centres 2017/2018 to 2019/2020
 - Business Unit – Waste Management 2017/2018 to 2019/2020
 - Business Unit – Roads Contracts and Recoverable Works 2017/2018 to 2019/2020
- Percentage Change in Rates Levied from 2016/2017.

The Statement of Income and Expenditure, Statement of Financial Position, Statement of Cash Flows and Statement of Changes in Equity have all been prepared on an accrual basis and contain Council's long term financial forecast as well as the budgets for 2017/2018 and the following two years.

The budget must also contain Council's Revenue Policy and Revenue Statement, which due to the complex nature of the Revenue Statement, will be adopted via separate reports.

The 2017/2018 Budget presents the overall position of a surplus of \$5.71 million, with expenditure on Council operations of \$55.21 million and a capital works program of \$17.56 million. Total budgeted revenues for the year are \$60.92 million, which includes capital revenue of \$4.31 million. Excluding capital revenues, the budget forecasts a \$1.40 million operating surplus.

Brief discussions on each of the major line items of the budget are outlined below.

**SPECIAL MEETING
(BUDGET ADOPTION)
AGENDA
27 JUNE 2017**

Revenue

Net Rates and Utility Charges

Full details of council's rates and utility charges are outlined in Council's revenue statement, which is the subject of a separate report. Total budgeted rates and utility charges for the year is \$39.99 million with estimated discounts of \$1.61 million.

Fees & Charges

Fees and Charges are anticipated to remain similar to the previous financial year. While actual fees may have been increased, the amount of revenue to be generated is not expected to increase substantially based on historical trends. A conservative approach has been taken to estimating the potential increase in Planning and Building fees due to development activity within the region.

Interest Received from Investments

Interest from investments will be approximately \$0.25 million lower than the 2016/2017 financial year due to interest rates remaining low and the change in the timing of capital works cash flows. The estimated interest rate on Council's investments is 2.80% per annum in anticipation of a small increase during the coming year.

Operating Grants and Subsidies

Grants and subsidies have reduced due to the reduction in the allocation of the Roads to Recovery Grant for the year from \$1.78 million to \$1.0 million, which is in line with the advised program. The majority of the remaining grant funding relates to the Commonwealth Government's financial assistance grant estimated at \$4.12 million with other minor grants received for libraries, child care, and diesel fuel rebates. An amount of \$0.20 million has been included as an estimated payment for the initial response to the Cyclone Debbie recovery works.

Contract/Recoverable Works

General recoverable works has remained on par with the previous year based on known contracting opportunities and the level of Council's infrastructure workloads.

Expenditure

Employee Costs

Employee costs represent the operational employee costs of the organisation and include all employee related expenditure including items such as superannuation, fringe benefits tax and workers compensation insurance.

Employee costs have been increased by \$0.78 million or 3.45% in the 2017/2018 budget. The increase is mainly related to the estimated enterprise bargaining wage increase, recruitment for vacant positions, and accounting adjustments to leave provisions. The budget provides for an estimated 320 full time equivalent employees.

**SPECIAL MEETING
(BUDGET ADOPTION)
AGENDA
27 JUNE 2017**

As with previous years, the capital works program has a significant day labour component. The operating budget assumes that the capital program will be completed as planned.

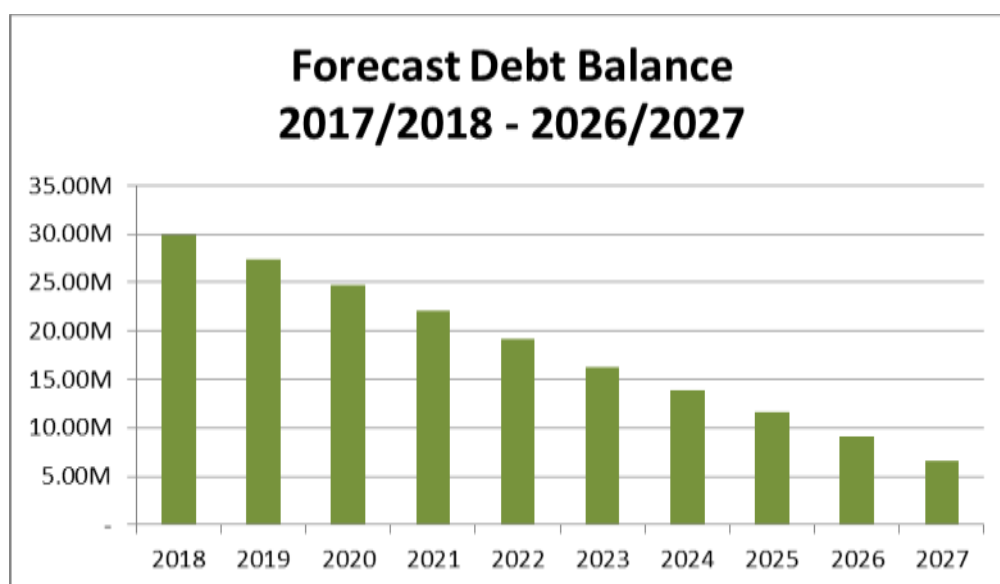
Goods and Services

The increase in the budget for goods and services has been limited to \$0.30 million by further reducing contingency funding, deferring potential operational projects and an increased understanding of the actual amounts required to provide current services. The budgeted increase reflects the anticipated changes in applicable allowances for growth and price.

Finance Costs

This line item is mainly made up of interest on council's loans from Queensland Treasury Corporation. Finance costs have reduced slightly by approximately \$0.13 million mainly due to the changing mix of interest and principal repayments.

Council's debt is forecast to reduce from \$29.87M in 2018 to \$6.58M by 2027. This assumes no further borrowings and additional debt repayments of \$0.70M per year. During the 2017/2018 financial year, Council will review options to refinance the debt in order to further accelerate debt repayments.



Depreciation

Depreciation expenses of \$12.55 million are envisaged in the 2017/2018 Budget. There may be some change in this line item during the year as the ongoing reviews of council service management plans, asset replacement values and useful lives are completed.

**SPECIAL MEETING
(BUDGET ADOPTION)
AGENDA
27 JUNE 2017**

Capital

The main sources of capital funding are internal sources of \$13.09 million, grants and subsidies of \$3.89 million, sale proceeds of \$0.28 million and estimated developer contributions of \$0.30 million.

These funding sources will be used for the construction or acquisition of assets worth \$17.56 million and loan principal repayments of \$2.37 million.

Financial Sustainability

Under the *Local Government Regulation 2012*, Council must prepare an accrual based budget for each financial year, which is consistent with five (5) year corporate plan and annual operational plan. To comply with the *Local Government Regulation 2012*, Council must also publish results against a series of measures of financial sustainability for the budget year and the next nine (9) years.

The 2017/2018 Budget results against each relevant measure of financial sustainability are given in the following table.

Relevant Measure of Financial Sustainability	Result	Recommended Target
Asset Sustainability Ratio	92.2%	greater than 90%
Net Financial Liabilities Ratio	63.9%	not greater than 60%
Operating Surplus Ratio (excluding capital revenue)	2.5%	between 0% and 10%

The results for the full ten years are included in Attachment 1 and show that two of the three measures are within the indicators over the long term. The Asset Sustainability Ratio is slightly below the recommended target of 90.0%; however, this is subject to change as the Service Management Plans for each asset class are further refined.

Business Units

The estimated costs of Council's business units are shown in separate schedules in Attachment 1. The budgeted results of Council's Business Units for the 2017/2018 year are as follows:

Unit	Income	Expenditure	Operating Surplus / (Deficit)
Child Care Centres	\$1.00 million	\$1.17 million	(\$0.17 million)
Waste Management	\$7.29 million	\$5.07 million	\$2.22 million
Roads Contracts and Recoverable Works	\$0.87 million	\$0.80 million	\$0.07 million
Total	\$9.16 million	\$7.04 million	\$2.12 million

Statement of Estimated Financial Position 2016/2017

Section 205 of the *Local Government Regulation 2012* requires the Chief Executive officer to present Council with a Statement of Estimated Financial Position at the annual budget meeting. This Statement, comprising of a Statement of Estimated Income and Expenditure, Estimated Statement of Financial Position and Estimated Statement of Cash Flows, is at Attachment 2 and shows the estimated financial results for the Council at 30 June 2017. The

**SPECIAL MEETING
(BUDGET ADOPTION)
AGENDA
27 JUNE 2017**

result is an overall estimated operating surplus of \$15.21 million. The estimated result excluding capital revenue and expenses is a surplus of \$3.38 million.

It should be noted that the amounts shown in this report are still subject to audit adjustments and will change as the end of year process is completed until the audit is finalised in early September. Financial analysis of the result will be provided at that time.

4. Policy and Legal Implications

Under the *Local Government Regulation 2012*, Council must prepare an accrual based budget for each financial year, which is consistent with council's 5-year Corporate Plan and Annual Operational Plan. To comply with the *Local Government Regulation 2012*, council must also publish results against a series of measures of financial sustainability for the budget year and the next nine (9) years.

5. Financial and Resource Implications

The budgeted operating surplus is largely contingent upon containing costs within budgeted amounts. There is limited scope for new projects and additional funding for services in the short term while maintaining a balanced budget. Should the need arise for additional funds during the year, offset savings and a reprioritisation of resources will be required.

The use of Council's day labour on capital projects will also need to be maintained and any diversion from capital projects to operational works will impact on the operating result.

If Council can contain its costs and maintain revenue at the level outlined in the 2017/2018 Budget and forward estimates, Council is forecasted to maintain operating surpluses for the life of the long term financial plan. The plan also provides for accelerated reduction in debt levels and, based on the requirements in the current Service Management Plans, provides sufficient funding to adequately maintain Council's asset base.

6. Delegations/Authorisations

Matters arising from this report will be dealt with in accordance with existing delegations.

7. Communication and Engagement

The implications of the financial statements will be incorporated into extensive communications associated with the 2017/2018 Budget. Following its adoption, the various components of the budget will be consolidated into one document.

8. Conclusion

Sections 169 and 170 of the *Local Government Regulation 2012* prescribe the requirements for the adoption of council's budget. This report complies with the requirements of the regulation.



**SPECIAL MEETING
(BUDGET ADOPTION)
AGENDA
27 JUNE 2017**

9. Action/s

1. Publish the adopted budget on Council's website.
2. Distribute to internal staff.

Attachments

- 1 [View](#) Attachment 1 - Budget Adoption Report 20 Pages
2 [View](#) Attachment 2 - Budget Adoption Report 3 Pages



LOCKYER VALLEY REGIONAL COUNCIL

2017/2018 BUDGET AND LONG TERM FINANCIAL FORECAST



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BUDGET DOCUMENTS

Lockyer Valley Regional Council
2017/2018 Budget and Long Term Financial Forecast 2018 to 2027
Statement of Income and Expenditure

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revenue										
Recurrent revenue:										
Rates & Utility Charges	39.99M	41.54M	43.29M	45.11M	46.97M	48.91M	49.99M	52.06M	54.21M	56.44M
Less Discounts	(1.61M)	(1.67M)	(1.74M)	(1.81M)	(1.89M)	(1.96M)	(2.04M)	(2.13M)	(2.21M)	(2.31M)
Net rates and utility charges	38.38M	39.87M	41.55M	43.30M	45.09M	46.95M	47.95M	49.93M	51.99M	54.14M
Fees and charges	4.58M	4.71M	4.86M	5.00M	5.15M	5.31M	5.46M	5.63M	5.80M	5.97M
Sales - contract and recoverable works	1.79M	1.84M	1.89M	1.94M	2.00M	2.05M	2.11M	2.17M	2.23M	2.29M
General purpose grants	6.78M	6.92M	7.09M	7.27M	7.45M	7.63M	7.82M	8.02M	8.22M	8.43M
Interest received	1.50M	1.51M	1.52M	1.56M	1.60M	1.67M	1.72M	1.81M	1.97M	2.19M
Other recurrent income	3.59M	3.68M	3.75M	3.81M	3.87M	3.92M	3.98M	4.04M	4.10M	4.16M
Total recurrent revenue	56.60M	58.53M	60.65M	62.87M	65.14M	67.53M	69.05M	71.59M	74.31M	77.18M
Capital revenue:										
Capital Grants, Contributions & Donations	4.19M	1.62M	1.13M	0.94M	0.94M	0.94M	0.44M	0.60M	0.60M	0.60M
Gain on sale of property, plant and equipment	0.12M	(0.29M)	0.06M	0.07M	0.27M	0.46M	0.28M	0.26M	0.20M	0.17M
Total capital revenue	4.31M	1.33M	1.19M	1.01M	1.21M	1.39M	0.71M	0.86M	0.80M	0.77M
Total income	60.92M	59.86M	61.84M	63.88M	66.35M	68.93M	69.76M	72.45M	75.11M	77.95M
Expenses										
Recurrent expenses:										
Employee benefits	23.38M	23.74M	24.43M	25.20M	25.76M	26.71M	27.77M	29.09M	29.96M	31.44M
Materials and services	17.72M	17.66M	18.13M	18.67M	19.10M	19.60M	20.12M	20.66M	21.20M	21.77M
Depreciation and amortisation	12.55M	13.69M	13.99M	14.46M	15.43M	15.17M	14.48M	14.84M	15.08M	15.41M
Finance costs	1.56M	1.45M	1.34M	1.21M	1.08M	0.95M	0.82M	0.72M	0.61M	0.50M
Total expenses	55.21M	56.54M	57.87M	59.48M	61.37M	62.44M	63.21M	65.31M	66.86M	69.12M
Result from ordinary activities	5.71M	3.32M	3.97M	4.40M	4.98M	6.49M	6.56M	7.14M	8.25M	8.83M
Operating Result										
Adj for Capital Income	1.40M	1.99M	2.78M	3.40M	3.77M	5.10M	5.84M	6.28M	7.45M	8.06M

Lockyer Valley Regional Council
2017/2018 Budget and Long Term Financial Forecast 2018 to 2027
Statement of Financial Position

	2018 \$	2019 \$	2020 \$	2021 \$	2022 \$	2023 \$	2024 \$	2025 \$	2026 \$	2027 \$
Current assets										
Cash assets and cash equivalents	16.48M	15.70M	15.17M	15.54M	15.73M	17.97M	18.55M	21.86M	27.49M	33.88M
Other inventory	3.49M	3.49M	3.49M	3.49M	3.49M	3.49M	3.49M	3.49M	3.49M	3.49M
Receivables	2.92M	3.02M	3.13M	3.26M	3.38M	3.51M	3.58M	3.72M	3.86M	4.01M
Prepayments	0.47M	0.47M	0.47M	0.47M	0.47M	0.47M	0.47M	0.47M	0.47M	0.47M
Total current assets	23.35M	22.67M	22.25M	22.76M	23.07M	25.44M	26.08M	29.54M	35.31M	41.84M
Non-current assets										
Land held for development or sale	1.00M	1.00M	1.00M	1.00M	1.00M	1.00M	1.00M	1.00M	1.00M	1.00M
Joint Ventures & Associates	30.39M	31.45M	32.54M	33.66M	34.78M	35.90M	37.02M	38.14M	39.26M	40.37M
Property, plant and equipment	583.82M	585.46M	586.48M	628.01M	628.12M	628.85M	670.21M	670.73M	670.19M	719.70M
Intangible assets	5.58M	4.59M	4.57M	3.59M	2.47M	2.07M	3.73M	3.79M	3.57M	3.12M
Capital works in progress	7.72M	7.72M	7.72M	7.72M	7.72M	7.72M	7.72M	7.72M	7.72M	-
Other non-current assets	14.74M	14.74M	14.74M	14.74M	14.74M	14.74M	14.74M	14.74M	14.74M	14.74M
Total non-current assets	643.25M	644.96M	647.05M	686.72M	688.83M	690.28M	734.42M	736.12M	736.47M	778.93M
Total assets	666.60M	667.64M	669.31M	709.47M	711.90M	715.72M	760.50M	765.66M	771.78M	820.76M
Current liabilities										
Trade and other payables	3.81M	3.81M	3.90M	4.02M	4.12M	4.24M	4.35M	4.50M	4.63M	4.77M
Borrowings	1.78M	1.90M	2.02M	2.15M	2.29M	1.61M	1.63M	1.74M	1.86M	1.97M
Employee payables/provisions	3.87M	4.05M	4.23M	4.40M	4.58M	4.76M	4.94M	5.11M	5.29M	5.47M
Other provisions	0.13M	0.13M	0.13M	0.13M	0.13M	0.13M	0.13M	0.13M	0.13M	0.13M
Total current liabilities	9.60M	9.89M	10.28M	10.71M	11.13M	10.74M	11.06M	11.49M	11.91M	12.34M
Non-current liabilities										
Borrowings	28.09M	25.49M	22.77M	19.91M	16.92M	14.61M	12.28M	9.84M	7.28M	4.61M
Employee payables/provisions	0.51M	0.53M	0.55M	0.58M	0.60M	0.62M	0.64M	0.67M	0.69M	0.71M
Other provisions	21.31M	21.31M	21.31M	21.31M	21.31M	21.31M	21.31M	21.31M	21.31M	21.31M
Total non-current liabilities	49.90M	47.33M	44.63M	41.80M	38.83M	36.54M	34.23M	31.81M	29.27M	26.63M
Total liabilities	59.50M	57.21M	54.91M	52.51M	49.95M	47.28M	45.28M	43.30M	41.18M	38.97M
Net community assets	607.11M	610.42M	614.40M	656.97M	661.94M	668.44M	715.21M	722.36M	730.60M	781.79M
Community equity										
Asset revaluation reserve	237.84M	237.84M	237.84M	276.02M	276.02M	276.02M	316.24M	316.24M	316.24M	358.60M
Retained surplus (deficiency)	369.26M	372.58M	376.55M	380.95M	385.93M	392.42M	398.98M	406.12M	414.36M	423.19M
Total community equity	607.11M	610.42M	614.40M	656.97M	661.94M	668.44M	715.21M	722.36M	730.60M	781.79M

Lockyer Valley Regional Council
2017/2018 Budget and Long Term Financial Forecast 2018 to 2027
Statement of Cash Flows

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Cash flows from operating activities:										
Receipts from customers	53.27M	55.06M	57.15M	59.31M	61.54M	63.85M	65.38M	67.76M	70.32M	72.96M
Payment to suppliers and employees	(41.16M)	(41.31M)	(42.36M)	(43.59M)	(44.67M)	(46.11M)	(47.70M)	(49.52M)	(50.96M)	(52.98M)
Interest received	1.50M	1.51M	1.52M	1.56M	1.60M	1.67M	1.72M	1.81M	1.97M	2.19M
Finance costs	(1.46M)	(1.35M)	(1.23M)	(1.10M)	(0.97M)	(0.84M)	(0.71M)	(0.60M)	(0.49M)	(0.38M)
Net cash inflow (outflow) from operating activities	12.15M	13.92M	15.08M	16.17M	17.50M	18.58M	18.69M	19.44M	20.83M	21.79M
Cash flows from investing activities:										
Payments for property, plant and equipment	(17.26M)	(14.25M)	(14.86M)	(14.55M)	(16.27M)	(15.14M)	(17.42M)	(15.56M)	(14.46M)	(14.52M)
Subsidies, donations and contributions for new capital expenditure	3.89M	1.12M	0.63M	0.44M	0.44M	0.44M	0.44M	0.60M	0.60M	0.60M
Proceeds from sale of property, plant and equipment	0.24M	0.12M	0.44M	0.28M	0.62M	0.60M	0.42M	0.40M	0.34M	0.31M
Net transfer (to) from cash investments	0.77M	0.79M	0.78M	0.76M	0.76M	0.76M	0.76M	0.76M	0.76M	0.76M
Net cash inflow (outflow) from investing activities	(12.36M)	(12.22M)	(13.01M)	(13.07M)	(14.46M)	(13.35M)	(15.81M)	(13.80M)	(12.76M)	(12.85M)
Cash flows from financing activities										
Proceeds from borrowings	-	-	-	-	-	-	-	-	-	-
Repayment of borrowings	(2.37M)	(2.48M)	(2.60M)	(2.72M)	(2.85M)	(2.99M)	(2.31M)	(2.33M)	(2.44M)	(2.56M)
Net cash inflow (outflow) from financing activities	(2.37M)	(2.48M)	(2.60M)	(2.72M)	(2.85M)	(2.99M)	(2.31M)	(2.33M)	(2.44M)	(2.56M)
Net increase (decrease) in cash held	(2.58M)	(0.76M)	(0.53M)	0.37M	0.19M	2.24M	0.57M	3.31M	5.63M	6.38M
Cash at beginning of reporting period	19.06M	16.48M	15.70M	15.17M	15.54M	15.73M	17.97M	18.55M	21.86M	27.49M
Cash Balance	16.48M	15.70M	15.17M	15.54M	15.73M	17.97M	18.55M	21.86M	27.49M	33.88M

Lockyer Valley Regional Council
2017/2018 Budget and Long Term Financial Forecast 2018 to 2027
Statement of Changes in Equity

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Asset revaluation surplus										
Opening balance	201.71M	237.84M	237.84M	237.84M	276.02M	276.02M	276.02M	316.24M	316.24M	316.24M
Increase in asset revaluation surplus	36.13M	-	-	38.17M	-	-	40.22M	-	-	42.36M
Closing balance	237.84M	237.84M	237.84M	276.02M	276.02M	276.02M	316.24M	316.24M	316.24M	358.60M
Retained surplus										
Opening balance	363.55M	369.26M	372.58M	376.55M	380.95M	385.93M	392.42M	398.98M	406.12M	414.36M
Net result	5.71M	3.32M	3.97M	4.40M	4.98M	6.49M	6.56M	7.14M	8.25M	8.83M
Closing balance	369.26M	372.58M	376.55M	380.95M	385.93M	392.42M	398.98M	406.12M	414.36M	423.19M
Total										
Opening balance	565.26M	607.11M	610.42M	614.40M	656.97M	661.94M	668.44M	715.21M	722.36M	730.60M
Net result	5.71M	3.32M	3.97M	4.40M	4.98M	6.49M	6.56M	7.14M	8.25M	8.83M
Increase in asset revaluation surplus	36.13M	-	-	38.17M	-	-	40.22M	-	-	42.36M
Closing balance	607.11M	610.42M	614.40M	656.97M	661.94M	668.44M	715.21M	722.36M	730.60M	781.79M

Lockyer Valley Regional Council
2017/2018 Budget and Long Term Financial Forecast 2018 to 2027

Relevant Measures of Financial Sustainability

	Target	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	Average
1 Operating Surplus Ratio (Net Operating Surplus / Total Operating Revenue) (%)	Between 0% and 10%	2.5%	3.4%	4.6%	5.4%	5.8%	7.5%	8.5%	8.8%	10.0%	10.4%	6.7%
2 Net Financial Asset / Liability Ratio (Total Liabilities - Current Assets) / Total Operating Revenue	<= 60%	63.9%	59.0%	53.8%	47.3%	41.3%	32.3%	27.8%	19.2%	7.9%	(3.7)%	34.9%
3 Asset Sustainability Ratio (Capital Expenditure on the Replacement of Assets (renewals) / Depreciation Expense)	>90%	92.2%	91.2%	91.6%	87.0%	94.6%	89.0%	90.9%	84.7%	80.1%	80.9%	88.2%

Lockyer Valley Regional Council
2017/2018 Budget
Percentage Change in Rates Levied from 2016/2017

General Rates Summary Category	2017 Levy	2018 Levy	Increase	% Change
Urban Residential	5,379,028	5,485,851	106,823	1.99%
Rural Residential	11,153,617	11,374,802	221,184	1.98%
Non-Principal Place of Residence	5,474,697	5,723,241	248,544	4.54%
Commercial	1,189,009	1,212,673	23,664	1.99%
Supermarkets	115,479	117,771	2,292	1.98%
Shopping Centres ¹	356,687	520,107	163,420	45.82%
Small Petrol Stations	90,301	92,089	1,788	1.98%
Medium Petrol Stations	120,914	123,310	2,395	1.98%
Large Petrol Stations	157,440	160,558	3,118	1.98%
Extractive Industries	476,197	485,635	9,438	1.98%
Noxious & Offensive	118,594	120,945	2,351	1.98%
Motels, Caravan Parks & Camping Grounds	108,672	110,824	2,152	1.98%
Agriculture General	3,752,090	3,939,003	186,914	4.98%
Intensive Farming	99,715	104,681	4,966	4.98%
On Farm Packing Operations	56,406	59,220	2,814	4.99%
Compressors & Transformers	115,280	117,568	2,288	1.98%
Other	658,821	685,202	26,381	4.00%
TOTAL	29,422,948	30,433,481	1,010,533	3.43%

Special & Separate Charges	2017 Levy	2018 Levy	Increase	% Change
Rural Fire Levy	296,841	298,080	1,239	0.42%
Emergency Preparedness Levy	1,665,265	1,736,800	71,535	4.30%
Environmental Levy ²	-	233,800	233,800	100.00%
Resilient Rivers Initiative ³	-	33,400	33,400	100.00%
Thomas Road Special Maintenance	5,000	5,000	-	0.00%
TOTAL	1,967,106	2,307,080	339,974	17.28%

Waste Collection and Recycling Charges	2017 Levy	2018 Levy	Increase	% Change
Waste Collection Commercial Dual Bins	265,889	277,394	11,505	4.33%
Waste Commercial Bins Waste Only	13,455	13,950	495	3.68%
Waste Collection Domestic Dual Bins	3,694,359	3,869,236	174,877	4.73%
Waste Domestic Dual Service UNI ONLY	9,216	9,576	360	3.91%
Extra Waste Bin Commercial	28,082	29,760	1,678	5.98%
Extra Waste Bin Domestic	7,817	9,130	1,313	16.80%
Extra Waste Recycling Bin Commercial	2,176	2,448	272	12.50%
Extra Waste Recycling Bin Domestic	1,573	1,800	227	14.43%
Waste Management Charge ²	2,701,433	2,590,443	- 110,990	-4.11%
TOTAL	6,724,000	6,803,737	79,737	1.19%

TOTAL RATES & CHARGES LEVIED

*(inc. Growth in assessments
1 Jul 16 to 30 Jun 17)*

38,114,054	39,544,298	1,430,244	3.75%
-------------------	-------------------	------------------	--------------

¹ The large increase is due to the recategorisation of one property from Commercial.

² New levy for 2017/18 partially offset with a reduction in the Waste Management Charge.

³ New levy for 2017/18.

DETAILED SCHEDULES

Business Unit - Child Care Centres

	Budget 2017/2018	Budget 2018/2019	Budget 2019/2020
Operating Revenue			
Charges and Fees	371,000	382,000	393,000
Operating Grants and Subsidies	625,455	638,000	654,000
Total Operating Revenue	996,455	1,020,000	1,047,000
Operating Expenses			
Employee Costs	1,040,656	1,061,000	1,082,000
Goods and Services	106,466	109,000	112,000
Depreciation	24,120	24,000	24,000
Total Operating Expenses	1,171,242	1,194,000	1,218,000
Operating Surplus/(Deficit) Before Capital Items	(174,787)	(174,000)	(171,000)
Capital Revenues and Expenses			
Capital Grants, Subsidies and Contributions	0	0	0
Operating Surplus/(Deficit) After Capital Items	(174,787)	(174,000)	(171,000)
Sources and Applications of Capital Funding			
Capital Funding Sources			
Other Council revenue used for capital purposes	(10,000)	(30,000)	(15,000)
Total Capital Funding Sources Used	(10,000)	(30,000)	(15,000)
Capital Funding Applications			
Capital Expenditure Renewal / Upgrade	5,000	25,000	15,000
Capital Expenditure New	5,000	5,000	0
Total Capital Funding Applications	10,000	30,000	15,000

Business Unit - Waste Management

	Budget 2017/2018	Budget 2018/2019	Budget 2019/2020
Operating Revenue			
Rates and Utility Charges (Gross)	6,801,000	7,179,000	7,542,000
Discount	(175,000)	(185,000)	(194,000)
Charges and Fees	530,000	546,000	562,000
Interest	36,000	36,000	36,000
Operating Contributions and Donations	46,000	48,000	50,000
Other Revenue	55,600	57,000	59,000
Total Operating Revenue	7,293,600	7,681,000	8,055,000
Operating Expenses			
Employee Costs	488,119	498,000	509,000
Goods and Services	4,054,879	4,136,000	4,238,000
Finance costs	183,000	177,000	171,000
Depreciation	347,280	340,000	333,000
Total Operating Expenses	5,073,278	5,151,000	5,251,000
Operating Surplus/(Deficit) Before Capital Items	2,220,322	2,530,000	2,804,000
Capital Revenues and Expenses			
Capital Grants, Subsidies and Contributions	0	0	0
Operating Surplus/(Deficit) After Capital Items	2,220,322	2,530,000	2,804,000
Sources and Applications of Capital Funding			
Capital Funding Sources			
General revenue used for capital purposes	(823,720)	(1,106,000)	(209,000)
Depreciation Utilised	(347,280)	(340,000)	(333,000)
Total Capital Funding Sources Used	(1,171,000)	(1,446,000)	(542,000)
Capital Funding Applications			
Capital Expenditure Renewal / Upgrade	896,000	740,000	95,000
Capital Expenditure New	85,000	510,000	245,000
Loan Redemption	190,000	196,000	202,000
Total Capital Funding Applications	1,171,000	1,446,000	542,000

Business Unit - Roads Contracts & Recoverable Works

	Budget 2017/2018	Budget 2018/2019	Budget 2019/2020
Operating Revenue			
Revenue - Contract/Recoverable Works	870,000	892,000	914,000
Total Operating Revenue	870,000	892,000	914,000
Operating Expenses			
Employee Costs	262,000	267,000	272,000
Goods and Services	538,000	549,000	563,000
Total Operating Expenses	800,000	816,000	835,000
Operating Surplus/(Deficit) Before Capital Items	70,000	76,000	79,000

FOR INFORMATION

LISTING OF PROPOSED CAPITAL WORKS

2017/18 Capital Works

[illegible]

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[illegible]



Lockyer Valley Regional Council
Estimated Statement of Income and Expenditure
For the Year Ended 30 June 2017

	Full Year Budget	Est. Actuals	Variance Amount	Variance %
Operating Revenue:				
Rates and Utility Charges (Gross)	38,368,816	38,458,278	89,462	0.23%
Discount	(1,575,000)	(1,577,285)	(2,285)	0.15%
Charges and Fees	4,542,500	4,776,630	234,130	5.15%
Interest	1,754,331	1,703,688	(50,644)	(2.89%)
Operating Grants and Subsidies	7,264,249	7,172,498	(91,751)	(1.26%)
Operating Contributions and Donations	45,000	114,016	69,016	153.37%
Revenue - Contract/Recoverable Works	1,795,000	1,729,459	(65,541)	(3.65%)
Other Revenue	2,333,100	2,446,542	113,442	4.86%
Profit from Investments	1,699,000	1,699,000	-	0.00%
Total Operating Revenue	56,226,996	56,522,826	295,829	0.53%
Operating Expenses:				
Employee Costs	22,603,154	22,930,469	327,315	1.45%
Goods and Services	17,421,522	15,766,952	(1,654,570)	(9.50%)
Finance costs	1,691,400	1,745,751	54,351	3.21%
Depreciation	12,648,000	12,703,370	55,370	0.44%
Total Operating Expenses	54,364,076	53,146,543	(1,217,534)	(2.24%)
Operating Surplus/(Deficit)	1,862,920	3,376,283	1,513,363	81.24%
Capital Revenue:				
Capital Grants, Subsidies and Contributions	6,657,246	10,826,000	4,168,754	62.62%
Profit (Loss) on Disposal of Non Current Assets	1,004,000	1,004,000	-	0.00%
Total Capital Revenue	7,661,246	11,830,000	4,168,754	54.41%
Operating Surplus/(Deficit) After Capital Items	9,524,166	15,206,283	5,682,117	59.66%

LOCKYER VALLEY REGIONAL COUNCIL
ESTIMATED STATEMENT OF FINANCIAL POSITION
As at 30 June 2017

	2016-2017 Full Year Budget	2016-2017 Est. Actuals
<u>Current Assets</u>		
Cash assets and cash equivalents	1,830,000	12,434,000
Cash investments	17,230,000	16,500,000
Trade and other receivables	3,360,000	2,911,000
Inventories	372,000	367,000
Non-current assets classified as held for sale	3,118,000	3,118,000
Total Current Assets	25,910,000	35,330,000
<u>Non Current Assets</u>		
Trade and other receivables	14,740,000	14,735,000
Equity investments	29,350,000	29,350,000
Investment properties	1,000,000	1,000,000
Property, plant and equipment	551,030,000	546,783,000
Intangible assets	5,070,000	4,839,000
Total Non Current Assets	601,190,000	596,707,000
TOTAL ASSETS	627,100,000	632,037,000
<u>Current Liabilities</u>		
Trade and other payables	3,770,000	3,516,000
Provisions	4,000,000	4,008,000
Borrowings	1,670,000	1,667,000
Total Current Liabilities	9,440,000	9,191,000
<u>Non Current Liabilities</u>		
Provisions	21,820,000	21,811,000
Borrowings	30,580,000	30,577,000
Total Non Current Liabilities	52,400,000	52,388,000
TOTAL LIABILITIES	61,840,000	61,579,000
NET COMMUNITY ASSETS	565,260,000	570,458,000
<u>Community Equity</u>		
Retained surplus (deficiency)	354,025,834	353,539,717
Asset revaluation surplus	201,710,000	201,712,000
Current Surplus/(Deficit)	9,524,166	15,206,283
TOTAL COMMUNITY EQUITY	565,260,000	570,458,000

LOCKYER VALLEY REGIONAL COUNCIL
Estimated Statement of Cash Flows
For the Year Ended 30 June 2017

	2016-2017 Full Year Budget	2016-2017 Est. Actuals
<u>Cash flows from operating activities:</u>		
<u>Receipts</u>		
Receipts from customers	54,440,000	54,763,000
Interest received	1,750,000	1,702,000
<u>Payments</u>		
Payments to suppliers and employees	(42,560,000)	(41,557,000)
Interest expense	(1,570,000)	(1,569,000)
Net cash inflow (outflow) from operating activities	12,060,000	13,339,000
<u>Cash flows from investing activities:</u>		
Capital grants, subsidies and contributions	6,380,000	7,250,000
Payments for property, plant and equipment	(22,480,000)	(14,750,000)
Net transfer (to) from cash investments	730,000	730,000
Proceeds from sale of property plant and equipment	1,930,000	1,927,000
Net cash inflow (outflow) from investing activities	(13,440,000)	(4,843,000)
<u>Cash flows from financing activities:</u>		
Repayment of borrowings	(2,260,000)	(2,264,000)
Proceeds from borrowings	-	-
Net cash inflow (outflow) from financing activities	(2,260,000)	(2,264,000)
Net increase (decrease) in cash and cash equivalents held	(3,640,000)	6,232,000
Cash and cash equivalents at beginning of the financial year	22,700,000	22,702,000
Cash and cash equivalents at end of the financial year	19,060,000	28,934,000

**SPECIAL MEETING
(BUDGET ADOPTION)
AGENDA
27 JUNE 2017**

5.8 2017/18 - 2026/27 Long Term Financial Plan

Date: 21 June 2017

Author: Tony Brett, Manager Finance and Customer Service

Responsible Officer: David Lewis, Executive Manager Corporate & Community Services

Summary:

As part of the development of the 2017/18 budget, a long term financial plan has been prepared for adoption by Council. The plan represents “better practice” in that there is no legislative requirement to adopt a long term financial plan; however, the Queensland Audit Office has recommended that Councils should consider developing one.

In adopting the plan, Council is clearly stating the assumptions and parameters that have been used in the development of its 2017/18 budget and associated financial forecast.

Officer’s Recommendation:

THAT Council resolves to adopt the attached 2017/18 to 2026/27 Long Term Financial Plan.

Report

1. Introduction

This report recommends the adoption of a Long Term Financial Plan as part of the 2017/2018 Budget process. A copy of the Plan is included at Attachment 1.

2. Background

In 2012 amendments were made to the legislation that governed what Councils must include in their annual budget. One of the changes was to remove the requirement to prepare and adopt a long term financial plan and this was replaced with the requirement to adopt a long term financial forecast. While the two items sound similar, there is a significant difference between a plan, which provides details on assumptions, risks, and conducts sensitivity analysis, and a forecast, which only sets out the financial results with little additional detail.

In 2017 the Queensland Audit Office (QAO) conducted a performance review into forecasting long term sustainability within the local government sector. In that report a number of recommendations were made including recommending that Councils reinstate the practice of developing a financial plan in addition to the legislative requirements. Whilst not mandatory, Council has accepted that recommendation.

3. Report

With a renewed focus on financial sustainability, Council has recognised the importance of good financial planning and this plan has been developed in response to the QAO Performance Audit “Forecasting long-term sustainability of local government (Report 2: 2016–17)” and specifically recommendation 4:

**SPECIAL MEETING
(BUDGET ADOPTION)
AGENDA
27 JUNE 2017**

'We recommend councils improve the quality of their long-term forecasts and financial planning by developing financial plans to explain their financial forecasts and how they intend to financially manage the council and its long-life assets.'

In its first long term financial plan Council seeks to provide detailed information on the parameters that have been used in developing its 2017/18 Budget and Long Term Financial Forecast. Subsequent versions of the plan will look to include more detailed information on Council's policy intentions for key items within the plan. The content of this plan is in line with the items identified by QAO as forming part of a "better practice" long term financial plan.

The plan will be updated at least annually as part of Council's annual budget development process or in response to major changes in Council's financial situation as they occur.

4. Policy and Legal Implications

The adoption of a Long Term Financial Plan is not required by legislation and is seen as a "better practice" method to improve financial forecasting and budgeting.

The Plan references relevant Council policies and plans, including the Corporate Plan, Service Management Plans and budget related policies.

5. Financial and Resource Implications

The Long Term Financial Plan documents the assumptions and parameters Council has used to develop its budget. The ability to reference the data that underpins Council's budget will make it easier to understand the implications of changes in circumstances for future forecasts.

Sensitivity analysis has been performed and it has shown that the financial items, which have the largest impact on Council's sustainability, are rate revenues and employee costs. Understanding the impacts of these potential changes assists Council in its decision making process in the setting of budget parameters.

6. Delegations/Authorisations

No further delegations are required to manage the issues raised in this report. The Chief Executive Officer will manage the requirements within existing delegations.

7. Communication and Engagement

The implications of the Plan will be incorporated into extensive communications associated with Council's 2017/2018 Budget.

8. Conclusion

The adoption of Council's Long Term Financial Plan demonstrates Council's commitment to improved financial sustainability. The Plan documents the assumptions and parameters used in developing the budget and forward forecasts and will be used as a reference when explaining Council's expected financial results.



**SPECIAL MEETING
(BUDGET ADOPTION)
AGENDA
27 JUNE 2017**

9. Action/s

1. Council to adopt the attached Long Term Financial Plan.
2. Publish the plan on Council's website.

Attachments

1 [View](#) Long Term Financial Plan Report 36 Pages



LOCKYER VALLEY REGIONAL COUNCIL
LONG TERM FINANCIAL PLAN
2017/18 – 2026/27

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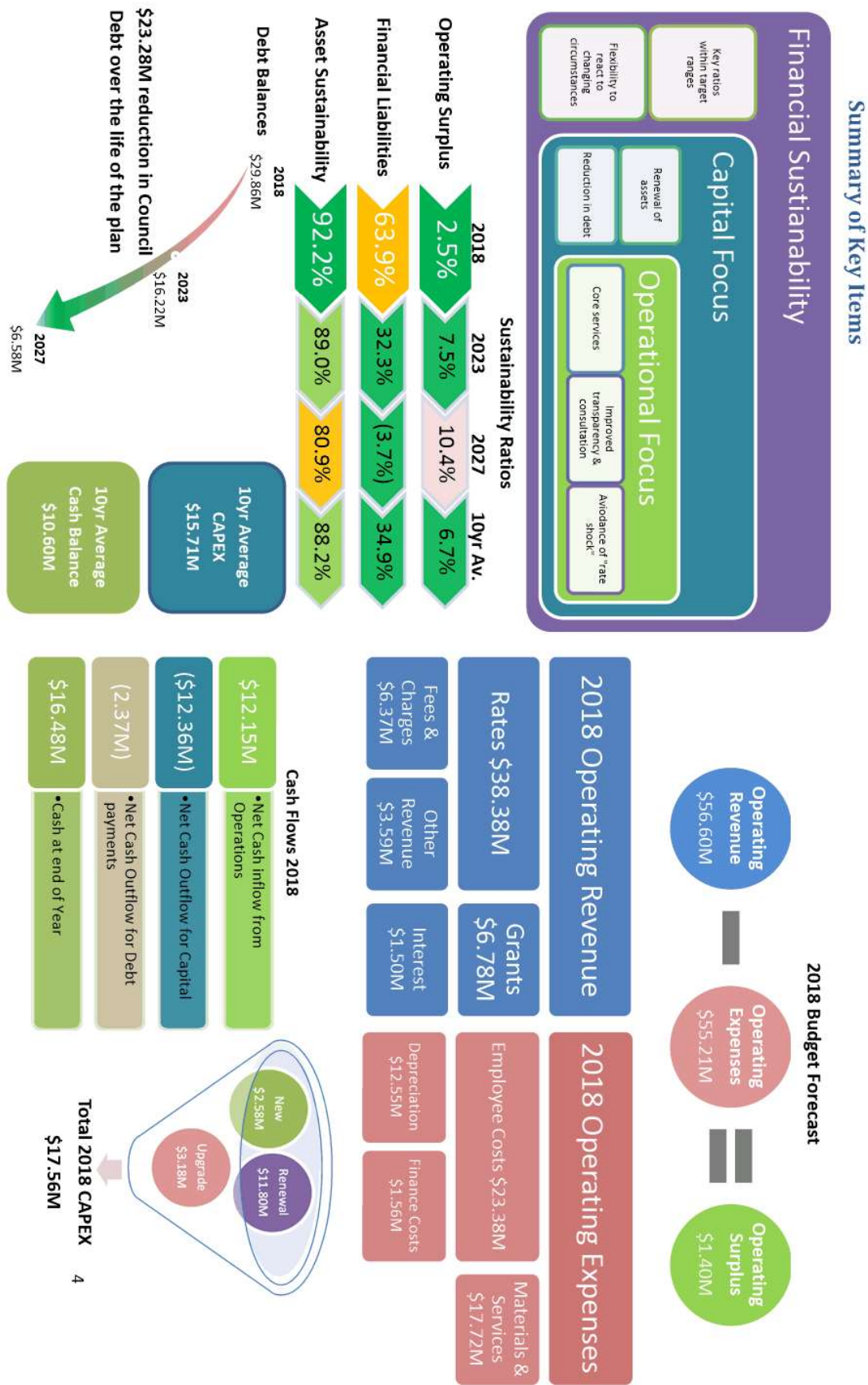
Introduction

With a renewed focus on financial sustainability, Council has recognised the importance of good financial planning and this plan has been developed in response to the Queensland Audit Office (QAO) performance audit “Forecasting long-term sustainability of local government (Report 2: 2016–17)” and specifically recommendation 4:

‘We recommend councils improve the quality of their long-term forecasts and financial planning by developing financial plans to explain their financial forecasts and how they intend to financially manage the council and its long-life assets.’

In its first long term financial plan Council seeks to provide detailed information on the parameters that have been used in developing the 2017/18 Budget and Long Term Financial Forecast. Subsequent versions of the plan will look to include more detailed information on Council’s policy intentions for key items within the plan. The content of this plan is in line with the items identified by QAO as forming part of a ‘better practice’ long term financial plan.

The plan will be updated at least annually as part of the budget development process or in response to major changes in Council’s financial situation as they occur.



Background

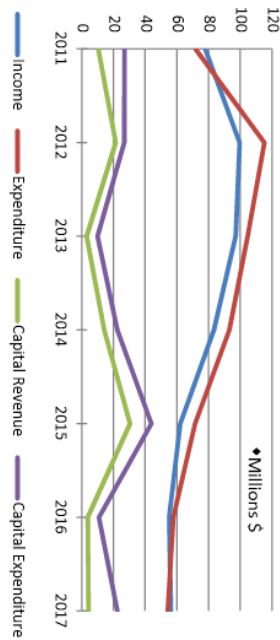
Council's Financial History

Operational & Capital Income and Expenditure

In 2008 the Lockyer Valley Regional Council was created through the amalgamation of the Laidley Shire Council and the Gatton Shire Council. For its first full financial year of operations in 2010 the total revenue was \$45.44M and total expenditure was \$43.27M, while capital revenues were \$23.32M and capital expenditures were \$27.60M. In 2011, Council's water and waste water services were incorporated into Queensland Urban Utilities with a consequent reduction in revenues and expenditures.

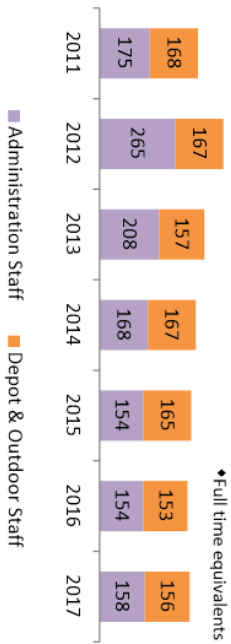
In January 2011 the region was subjected to serious flooding which stretched Council's resources beyond capacity. In terms of Council's physical assets, damage was sustained to 77% of our road infrastructure, 83% of our bridges, 58% of our floodways and 20% of our culverts. The cost of the damage was in the order of \$200M. While the recovery from this disaster was still underway, a further flood event occurred in January 2013 which was on the same magnitude as the previous event, but affecting different locations within the region.

In order to recover from these disaster events, Council employed a significant level of additional resources across multiple areas of Council. Funding was provided under the National Disaster Relief and Recovery Arrangements to provide immediate disaster relief and also for the longer term restoration of public assets. The income and expenditure related to the disaster events spanned the years 2011 to 2015, when the recovery programme came to a close. The following graphs show a snapshot of the income, expenditure and full time equivalent employee numbers for those years.



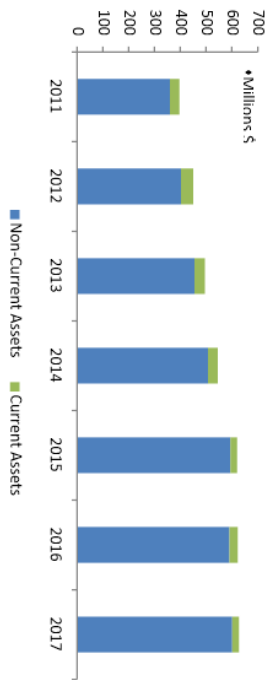
As can be seen from the graphs Council income and expenditures have reduced since its peak in 2012 when the flood recovery effort was in full swing. The second disaster event in 2013 did not have as large an impact on Council's finances as they were already at a heightened level. In the 2014 financial year, the flood recovery effort moved from operational type works to capital works with the restoration of damaged assets. This work was completed prior to June 2015.

The 2015 and 2016 years saw a reduction in the recovery related revenues and expenditures and associated staff levels, with Council looking to make the reductions over a period of two years. The reductions were necessary as additional costs could not be funded through rates or any other own source revenues.



Assets

Infrastructure, property, plant and equipment make up the majority of Council's assets. Other assets include cash, trade receivables, the investment in Queensland Urban Utilities (QUU) and the loan to QUU.



Council invests its surplus cash in either a QTC 'at call' account or in term deposits. The amount of cash depends on the completion of the capital works programme, and the timing of income and expenditure. During the year the cash balance will peak in August/September and January/February as this is when the majority of the rates will be paid. The average end of year balance over the past seven years has been \$27.16M.

Council's trade receivable debtor balances have reduced from \$9.60M in 2011 to an estimated \$3.36M in 2017. This has been the result of an improved debt collection process which has been consistently applied. This debt collection process remains in place and collections continue to improve on previous years.

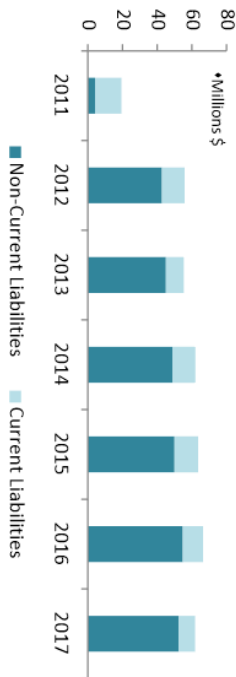
As compensation for the transfer of Council's water and waste water business to QUU Council received a 0.96% stake in the new business. In 2017 this was worth an estimated \$29.35M which has generated an average return of \$1.5M per year. Council also has a \$14.75M interest

only shareholder loan arrangement with QUU which contributes \$0.71M to Council's annual interest earnings.

Infrastructure, property plant and equipment have increased by \$238.45M since 2011 both as a result of additions to the asset base through the upgrade of existing assets, construction of new assets, developer contributions and the revaluation process. In order to comply with accounting standards, Council engages the services of an external professional valuer to provide regular updates on the value of its assets. Over the years 2011 to 2017, the value of the assets has increased \$155.15M through this process.

Liabilities

Council's liabilities are comprised of trade payables, balances owing to employees for accumulated leave, loan borrowings and provisions. While current liabilities have remained relatively stable over the past seven years, non-current liabilities have grown significantly in that time.



Like most other Local Government Authorities throughout Australia, Lockyer Valley Regional Council utilises loan borrowing to fund the construction of new infrastructure to service the needs of our growing community.

During the financial years 2011/12 to 2014/15, Council borrowed a total of \$38.15M, with the majority of borrowings occurring in the 2011/12 year. These loans were used to fund the construction of the Lockyer Valley Aquatic Centre (\$10.25M), Laidley Multisports Centre (\$2.20M), information technology systems (\$4.03M), upgrades to waste facilities (\$3.06M) and the Grantham Land Swap (\$7.50M). The loans have been consolidated and the repayments are funded through general revenues.

Included in the borrowing total was \$11.00M to fund some of the disaster recovery costs that were not eligible under grant arrangements. The repayments on this loan are funded through a levy on all rateable properties in the region.

In 2017, Council's total debt represents just 5.14% of its total assets. The other significant change in Council's liabilities over this period was the recognition of a provision for the estimated future costs of monitoring and rehabilitating Council's landfill and quarry sites. The provision is reviewed annually and is subject to change through the discount rate used to calculate the net present value and the unit rates of costs incurred. The provision may also change due to legislative requirements or technology innovations. In 2017 the provision represents 41.76% of Council's total liabilities.

Relevant Measures of Sustainability

The Local Government Act 2009 defines financial sustainability as being able to maintain financial capital and infrastructure capital over the long-term. Councils need to generate sufficient finances to continue to operate without eroding their physical asset base.

Due to the fluctuations in operational and capital expenditures caused by the disasters and the uncertain timing of grant funding, Council's sustainability results have been difficult to forecast. Despite forecasting a return to an operating surplus, each year since 2011 has resulted in an

operational deficit which has placed Council outside of the recommended parameters for the sustainability measures used in the *Local Government Regulation 2012*. Although still subject to finalisation and audit confirmation, it is expected that there will be an operating surplus in 2017.

The increase in the Net Financial Asset/Liability ratio is as a result of reduced cash assets and increased total liabilities. While this is not of concern while it remains just outside of the recommended parameters in the short term, it will need to be addressed over the medium to long term.

The Asset Sustainability ratio will fluctuate each year depending on the level and type of capital works completed. These annual fluctuations are not of a concern as long as the long term average is within the parameter or Council's service management plans can demonstrate that a lower level of expenditure is appropriate. It is also highly dependent on the accuracy of the depreciation estimates and as the asset base is revalued upwards, the amount of depreciation increases. The results for 2011 and 2012 are unable to be calculated as the data was not required to be kept at that time.

	Target	2011	2012	2013	2014	2015	2016	2017	Average
Operating Surplus Ratio	Between 0% and 10%	7.87%	15.20%	17.77%	11.69%	14.80%	14.97%	3.41%	18.33%
Net Financial Surplus / Total Operating Revenue (%)									
Net Financial Asset / Liability Ratio	<= 60%	123.38%	9.47%	15.23%	29.00%	60.15%	64.07%	63.89%	31.2%
(Total Liabilities - Current Assets) / Total Operating Revenue									
Asset Sustainability Ratio	>60%	N/A	N/A	76.2%	88.5%	255.2%	47.6%	124.5%	118.6%
Capital Expenditure on the Replacement of Assets (renewals) / Depreciation Expense									

Queensland Treasury Corporation Reviews

The Queensland Treasury Corporation (QTC) undertakes a financial review as part of the Local Government Borrowings Program or as requested by the Department of Infrastructure, Local Government and Planning (the Department) or Council. These reviews are predominately

aimed at whether or not Council can repay existing debt and any additional borrowings that have been applied for. The review looks at data drawn from Council's financial forecast model, prior year audited financial results and information gained by interviewing key staff.

While the review is predominately credit related, it provides a rating which assesses Council's financial sustainability in accordance with a scale developed by QTC. The assessed outlook focusses on foreseeable future events which could cause the potential movement in the rating over the short term. Ratings range over seven levels from "Very Strong" to "Distressed" while the outlook can be "Positive", "Negative", "Neutral" or "Developing".

The QTC Review is a useful tool in reviewing Council's financial sustainability as it provides an independent assessment of Council's position at the time of the review.

The following table shows the outcomes of Council's QTC reviews since 2012:

Review Date	Rating	Outlook
2012	Moderate	Neutral
2013	Moderate	Negative
2014 (March)	Moderate	Negative
2014 (December)	Weak	Neutral
2016	Weak	Neutral

The most recent review rated Council as "Weak with a Neutral outlook" which was unchanged from the December 2014 review. As per QTC's definitions, a rating of weak means:

"A local government with an acceptable capacity to meet its financial commitments in the short to medium-term and a limited capacity in the long-term. It has a record of reporting moderate to significant operating deficits with a recent

operating deficit being significant. It is unlikely to be able to address its operating deficits, manage unforeseen financial shocks, and any adverse changes in its business, without the need for significant revenue and/or expense adjustments. The expense adjustments would result in significant changes to the range of and/or quality of services offered. It may experience difficulty in managing core business risks."

A neutral outlook means:

"There are no known foreseeable events that would have a direct impact on the local government's capacity to meet its financial commitments. It may be possible for a rating upgrade or downgrade to occur from a neutral outlook, if such an event or circumstance warranted as such."

QTC identified the following factors which influenced the rating:

- Large operating deficit in 2015 which was larger than originally budgeted,
- Operating deficits continuing over the forecast period, and
- Asset management plans not being sufficiently developed.

According to the report, "the key financial challenge will be to achieve the forecast rate revenue increases while restricting materials and services expenses and reducing employee expenses so that Council's annual operating deficit is reduced to an acceptable level."

Council would like to see its QTC rating return to "Moderate" over the short-term with a longer term goal of "Sound". The key differences between the ratings are around the level of operating deficits and surpluses and the Council's ability to handle potential financial shocks without significant changes in service levels, revenues or expenditures.

Council's adopted 2017/18 budget, and this long term financial plan are supporting that vision by addressing the challenges identified by QTC.

Current Financial Situation

The 2017/18 budget further consolidates the savings measures adopted in the previous years. It is also the second budget without any significant disaster grant funding and it is once again targeting an operating surplus.

As with the 2016/17 budget, Council wanted to provide a framework for securing its financial sustainability over the life of the forecast period. To achieve this they aim for:

- Operating surpluses for the forecast period.
- Smoother increases in rates from year to year to avoid any "rate shock".
- Reductions in debt balances on top of the scheduled repayments.
- Review of operations and service levels to focus on core services.
- Improved transparency and consultation in developing future budgets.

The current forecast sees a reduction to levels of income and expenditure that are significantly less than those of the preceding years and are what should be considered as 'normal'. It also sees operating surpluses for the life of the long term plan and a more sustainable level of capital works which is focussed on renewals.

Improved asset data and a planned inspection regime will ensure that Council's understanding of the condition of its assets is better than it has ever been. This will in turn improve the outputs from the service management plans for each class of assets and ensure a more realistic forecast of the required levels of expenditure.

Strategic Alignment

Legislative Requirements

The following table outlines the sections of the legislation relating to financial sustainability:

Section	Description
LGA s104(2)	Definition of sustainable local government.
LGA s104(5)	Components of a financial management system.
LGR s167	Requirement for a long-term asset management plan.
LGR s168	Contents of a long-term asset management plan.
LGR s169(2)(a)	Long-term financial forecast must be included in budget process.
LGR s169(5)	Measures of financial sustainability.
LGR s171(1)	Definition of a long-term financial forecast.
LGR s171(2)	Annual review of long-term financial forecast.
LGR s176	Current year financial sustainability statement and long-term financial sustainability statement must be prepared.
LGR s178(1)	Current year financial sustainability statement requirements.
LGR s178(2)	Long-term financial sustainability statement requirements.
LGR 179(2)(c)	Measures of financial sustainability to be included in community financial report.
LGR s183(b) & (c)	Must include current year and long-term financial sustainability statements in the annual report.
LGR s212(1)	Current year financial sustainability statement to be audited.
LGR s212(2)	Long-term financial sustainability to be provided to Auditor General for information.

LGA = Local Government Act 2009, LGR = Local Government Regulation 2012

Council is fully compliant with the requirements of the legislation and the adoption of this Long Term Financial Plan is in addition to these requirements. A Long Term Financial Plan is considered to be an example of a better practice approach to financial sustainability.

Policy Linkages

The long term financial plan is influenced by the following policy documents. The policies are reviewed on an annual basis and adopted as part of the budget process.

Revenue Policy

Section 169 (2) (c) of the *Local Government Regulation 2012* requires Council to include a Revenue Policy in its annual budget.

The purpose of the Revenue Policy is to set out the principles used by Lockyer Valley Regional Council for the making and levying rates and charges, determining the purpose of and the granting of concessions for rates and charges, recovering overdue rates and charges, methods for setting cost recovery fees, and the extent to which physical and social infrastructure costs for a new developments are to be funded by charges for the development.

Revenue Statement

Section 169(2)(b) of the *Local Government Regulation 2012* requires Council to include a Revenue Statement in its annual budget. The Revenue Statement is an explanatory statement, detailing the revenue measures adopted in the current budget. The Statement is reviewed annually and adjustments are made in line with Council's requirements for revenue generation and changes in the types of rateable properties within the region.

Debt Policy

Under Section 192 of the *Local Government Regulation 2012*, Council must prepare and adopt a debt policy each financial year. The debt policy must state new borrowings for the current financial year and the next nine years and the time over which Council plans to repay existing and new borrowings. The current Debt Policy forecasts no borrowings for the life of the long term financial plan.

Under Council's debt policy, Council will not utilise loan funds to finance operating activities and where capital assets are funded through borrowings, Council will repay the loans within a term not exceeding the life of the asset. Current loans are planned to be repaid within 20 years. Additional repayments will be made where sufficient funds are available.

Investment Policy

Under Section 191 of the *Local Government Regulation 2012*, Council must prepare and adopt an investment policy that outlines Council's investment objectives and overall risk philosophy together with the procedures for achieving the goals outlined in the policy.

The Policy provides Council's finance officers with an investment framework within which to place Council investments to achieve competitive returns whilst adequately managing risk exposure and ensuring cash funds are available to meet Council's short term cash requirements. In order of priority, the order of investment activities is preservation of capital, liquidity and return.

Strategic Planning Linkages

Council's Corporate Plan 2017-2022 contains five themes that support the stated vision of "We will deliver sustainable services to enhance the livability of our community while embracing our economic, cultural and natural diversity". The theme that most directly influences this long term

financial plan is “lockyer Leadership and Council”. The relevant strategic commitments under that theme are as follows:

- Undertake robust and accountable financial, resource and infrastructure planning and management to ensure affordable and sustainable outcomes for our community.
- Actively engage with the community to inform council decision making processes.
- Commit to open and accountable governance to ensure community confidence and trust in council and our democratic values.
- Compliant with relevant legislation.

The status of these commitments is reported on each year in the Annual Report.

Service Management Planning

As part of its asset management planning process, Council has developed Service Management Plans for each of its key asset groups as well as an overarching Service Management Strategy. The service management strategy is to enable Council to show:

- How its asset portfolio will meet the service delivery needs of its community into the future
- Enable Council’s asset management policies to be achieved, and
- Ensure the integration of Council’s asset management with its long term strategic plan.

Infrastructure assets such as public buildings, roads, drains, and bridges present particular asset management challenges because their condition and longevity can be difficult to accurately determine. Financing needs for these assets can be large, requiring planning for large peaks and troughs in expenditure for asset renewal and replacement. The demand

for new and improved services adds to the planning and financing complexity of asset management.

Throughout the plans the following descriptions of expenditure are used:

- Operations and maintenance - day to day costs to keep the assets in a serviceable condition and to slow the rate of deterioration.
- Renewals - replacing assets with like for like to deliver the same level of service, at or near the end of the assets economic life.
- New/upgrade works - replacing assets with a new or improved asset to provide a higher level of service than was previously provided or a new service, i.e. safer road, reduced travel times, improved drainage, providing a service that did not previously exist in that location etc.

A summary of each plan’s key points and focus is shown below. The capital expenditure projections from these plans have been included in the financial forecast for the next ten years. Plans are under development for Waste Management assets, Stormwater and Cemeteries.

Transport

This services management plan (SMP) describes the road related assets provided to the community and the considerations that need to be made to ensure that the provision of these assets is done in a sustainable and equitable manner, now and into the future. The transport related assets were valued at \$460.00M (fair value) as at 30 June 2016.

Expenditure is incurred on transport related assets in three main areas, these being:

- Operations and maintenance - Estimated at an annual average of \$7.40M per year over the life of the plan.
- Renewals - Estimated at an annual average of \$6.80M per year over the life of the plan.
- New/upgrade works - Estimated at an annual average of \$1.95M per year over the life of the plan.

Buildings & Facilities

This Service Management Plan describes the building related assets provided to the community and the considerations that need to be made to ensure that provision of these assets is carried out in a sustainable and equitable manner, now and in the future. The building and facility related assets were valued at \$91.20M (fair value) as at 30 June 2016.

The majority of Buildings and Facilities have been inherited from two previous Shires in the amalgamation process. This has created some duplication of facilities and a surplus asset inventory. Lockyer Valley Regional Council is in the process of consolidating the Buildings and Facilities asset inventory. The project growth in population is not expected to create a demand for new facilities in the near future due to the current excess capacity. Demand is anticipated to upgrade existing facilities before major new facilities are provided.

- Operations and maintenance - Estimated at an annual average of \$3.85M per year over the life of the plan.
- Renewals - Estimated at an annual average of \$2.40M per year over the life of the plan.
- New/upgrade works - Estimated at an annual average of \$0.22M per year over the life of the plan.

Information Services

Lockyer Valley Regional Council exists to provide services to its community. Many of these services are underpinned by ICT assets, which

include ICT applications/software, endpoints and the underpinning ICT network and infrastructure. Our goal in managing ICT assets is to meet the defined level of service in the most cost-effective manner for consumers, both present and future. The key elements of ICT asset management are:

- Providing a defined level of service and monitoring performance.
- Managing the impact of growth through demand management and ICT investment.
- Taking a life cycle approach to developing cost-effective management strategies for the long term that meet the defined level of service.
- Identifying, assessing and appropriately controlling risks.
- Having a long term financial plan which identifies required, affordable expenditure and how it will be financed.

In previous years the majority of ICT equipment was purchased outright. However, from the 2013-2014 financial year, this approach moved to the lease of ICT equipment where appropriate e.g. where the value is over \$1,000 with a lifetime of 5 years or less that is used in a controlled environment.

For the purposes of this SMP it is assumed that the current approach will continue; however, there is potential for our use of cloud computing to increase in the coming years. This may result in a reduction of some equipment.

- Operations and maintenance - Estimated at an annual average of \$0.79M per year over the life of the plan.
- Renewals & New/upgrade works - Estimated at an annual average of \$0.80M per year over the life of the plan.

Fleet & Plant

This services management plan (SMP) describes the fleet assets provided to the organisation as a means to deliver services to the community and the considerations that need to be made to ensure that the provision of these assets is done in a sustainable and equitable manner, now and into the future. The fleet assets were valued at \$9.9m (WDV) as at 30 June 2016.

Due to the limited replacement activities that have been undertaken in the preceding years there is a significant funding requirement to bring the fleet replacement back into line with acceptable industry standards. Failure to address this issue will lead to increasing maintenance expenditure and less reliability of the fleet items in service.

In order to maintain the required Fleet service levels over the next 10 years, Council will need to allow, on average \$1.75m (nett) per year to replace existing assets as they come to the end of their life. A significant portion of this expenditure is required in the first few years of the plan in order to address the backlog issue and obtain the right plant and fleet items to support current operations.

Disaster Management

Council maintains a network of flood warning infrastructure within the LVRC Local Government Area (LGA). This infrastructure includes a range of CCTV cameras and river height and rainfall gauges and is integral to the LVRC Disaster Management intelligence gathering process and forms part of the larger regional oversight of emerging flood situations and catchment conditions. In addition to the CCTV cameras and gauges is a flood warning siren located in Grantham.

Disaster Management also manages the maintenance of fire trails throughout the Lockyer Valley. The fire trails within the maintenance

plan are restricted to land parcels owned by Council and do not include private or State controlled land.

Disaster Management also manages certain assets allocated to the Lockyer Valley State Emergency Service. SES Fleet and plant assets are not included in the Disaster Management Service Plan.

Operational costs for these assets are approximately \$0.10M per year and approximately \$0.50M has been identified to expand and upgrade the infrastructure in key areas.

Parks, Gardens & Cemeteries

This services management plan (SMP) describes the parks and open space assets provided to the community and the considerations that need to be made to ensure that the provision of these assets is done in a sustainable and equitable manner, now and into the future. The parks and open space services and assets were valued at \$8.44M as at 30 June 2016.

- Operations and maintenance -. Estimated at an annual average of \$2.18M per year over the life of the plan.
- Renewals - Estimated at an annual average of \$0.24M per year over the life of the plan.
- New/upgrade works - Estimated at an annual average of \$0.15M per year over the life of the plan.

It is worth noting that park assets, more so than other asset types, are not only renewed on the basis of poor condition but also due to service obsolescence. Park assets may be renewed with modern day equivalents purely on the basis of aesthetics or utilisation and this needs to be factored into the assets remaining useful life.

Assumptions & Risks

The key assumptions used in developing this plan include:

- Council will continue to provide the current range and scope of services.
- No change in council structure or boundaries.
- No significant change in legislative requirements.
- No natural disasters impacting the region.
- The completion of the service management plans will not result in a significant increase in capital expenditure.

Sources of Information

Information from external parties used within this plan has been sourced as follows:

Data Used	Source	Impact
LGAQ CCI	LGAQ Circular	Cost driver for goods and services.
		The forecast future rate is 0.15% above CPI.
CPI	Australian Bureau of Statistics (actual) Reserve Bank of Australia (RBA) (forecast) 2017 Federal Budget Papers	Reference for future CCI. Cost driver for Bank fees. The forecast future rate is set between the desired RBA inflation target of 2.00% to 3.00%.

Identified Risks

The following risks have been identified as having a potential impact on the results outlined in this plan:

Item	Potential Impact	Likelihood	Comment
Rates Growth not achieved	Loss of revenue of up to \$0.29k.	Possible	Without reducing services, offset savings would need to be identified or the surplus decreased. The achievement of the growth target is not known until late in each financial year.
Interest revenues less than expected	Increased reliance on other revenue sources.	Possible	A more conservative interest rate has been used for investment interest and indications are that rates are likely to remain steady in the short to medium term. QUU interest is as advised by QUU and as such Council has no control over the amount.

Item	Potential Impact	Likelihood	Comment
Reduced government grants	Additional revenue from rates would be required to make up the shortfall.	Low	Projects with the reduced grant funding could be cancelled or scaled back. A conservative increase of 1.0% has been estimated.
Uncontrollable materials and services increases	Increased deficit.	Low	Close monitoring of the monthly results will be used to identify any cost increase issues early. Known cost increases for contracted services will be factored into the budget.
Capital works projects not utilising day labour	Excess capacity in the day labour workforce (inc. plant). Increased operational costs.	Possible	The selection of capital works projects needs to consider the use of Council's day labour workforce.

Item	Potential Impact	Likelihood	Comment
Changes in provisions due to bond rate variations	Increased "finance costs" and reduced operating surplus	Low	Long term bond rates remain fairly stable although a better understanding of the sensitivity to change is required.

Key Plan Outcomes

Rating Revenues

Council's main source of revenue is from rates and they are levied to fund the provision of valuable services to the community. When adopting its annual budget Council will set rates and charges at a level that will provide for both current and future community requirements.

Council also provides concessions to pensioners to assist property owners to remain in their own homes, and concessions to non-profit community, sporting and cultural groups as they contribute to the health and well-being of the community and to the social cohesion of the region.

A 5% on time payment discount is offered on the general rate and waste collection rates to encourage property owners to pay by the due date and is currently around \$1.43M. There are no plans at present to remove or further reduce the discount.

The different types of rates levied by Council are:

- General rates – calculated based on property values.
- Waste collection charges – charged per service.
- Separate charges – charged per rateable assessment to fund a particular service, facility or activity.
- Special charges – charged on particular assessments which benefit from, contribute to a need for, a particular service, facility, or activity.

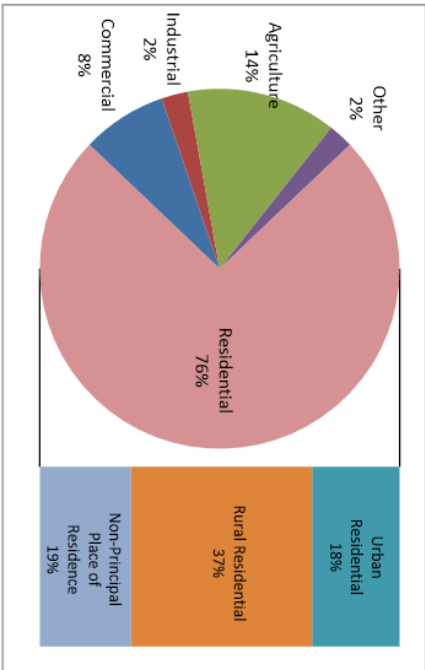
Each year the rating categories are reviewed to ensure that the level and type of rates are in line with Council's revenue requirements. Council undertakes detailed rates modelling to determine the impact of proposed increases on the various rating categories. Future rating reviews will look

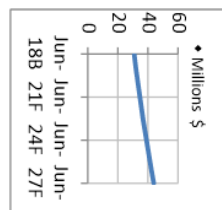
at options to improve the relativity between residential, commercial, agricultural and industrial rates. Any changes will be brought in following an appropriate period of community engagement.

The equitable distribution of the rating charges is challenging as there are two main population centres with several dispersed smaller centres connected by large lengths of rural roads. Between these centres there is a mixture of agricultural land and rural lifestyle properties. The dispersed nature of the region results in a higher cost base for the provision of services.

At present there are 47 separate rating categories although the majority of Council's rates revenue comes from the three residential categories.

The breakdown by major category shown in the following chart:



General Rates

General rates are forecast to increase from \$30.88M in 2018 to \$43.84M in 2027 with the average rates per property moving from \$1,822 to \$2,265 over that time. The key drivers for general rates are increases in yield (as decided by Council from time to time) coupled with the growth in rateable properties (as driven by development activity within the region). The growth factor is conservative as the actual growth is subject to fluctuations due to market forces and the timing of the completion of developments. Historically, growth has been between 0.9% and 1.8% over the past four years.

The parameters used in developing this plan are:

%	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Yield	3.43	2.00	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50
Growth	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
Total	4.93	3.50	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00

Waste Charges

Council provides a dual bin service to the majority of residential properties in the region. This service is contracted out until 2021 (plus a two year option) with the contract rate subject to an industry standard rise and fall clause. The waste collection charge is only levied on those properties with a collection service and is set to cover the cost of the collection contract with a small margin for administration. The amount of revenue generated is forecast to move from \$4.21M to \$6.40M over the life of the plan.

A waste management charge is levied on all rateable assessments in the region to cover the costs of the operation of Council's landfill and transfer stations. The waste management charge generates \$2.59M in revenue (forecast 2027 \$3.95M).

At present, the percentage increase in yield is based on historical increases in the contract and future years are amended as required. The natural growth increase is in line with the general rates increase.

%	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Yield	4.00	4.00	3.50	3.50	3.00	3.00	3.00	3.00	3.00	3.00
Growth	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
Total	5.50	5.50	5.00	5.00	4.50	4.50	4.50	4.50	4.50	4.50

Council is looking at moving towards a full cost pricing model to fund its waste operations and provide adequately for future capital and rehabilitation expenditures. It is expected that this model will be finalised in 2018 and implemented over a number of years.

Separate & Special Charges

Council currently levies the following separate and special charges:

- Special Charge – Rural Fire Levy: charged on properties within the rural fire area to assist with funding the Queensland Rural Fire Service Brigades operating in the region with a small amount set aside for maintaining Council's fire trails.
- Special Charge – Thomas Road Maintenance: levied on a single property to provide additional road maintenance due to the use of the property as a commercial camping ground.
- Separate Charge – Environmental Levy: charged on all properties within the region to partially fund the operations of the environmental and pest management sections.
- Separate Charge – Resilient Rivers Initiative: charged on all properties to fund Council's contribution to the SEQ Mayor's Healthy Waterways project.
- Separate Charge – Emergency Preparedness Levy: charged on all properties within the region to fund Council's disaster management section and the repayments on the loan associated

with the flood recovery works. Part of the levy also funds the State Emergency Services Groups operating in the region.

Increases in these charges are modelled in line with the general rates parameters.

%	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Yield	3.43	2.00	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50
Growth	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
Total	4.93	3.50	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00

This plan includes Council's intention to use surplus cash to repay an additional \$0.70M annually on the general loan, in which case the Emergency Preparedness Levy is forecast to drop by nearly half in 2024. The costs associated with the early repayment of the loan have been modelled by QTC in order for Council to make an informed decision on whether or not to proceed. At this time, there is a net benefit to Council and the first payment will be made in June 2016.

A further review will be taken early in the 2017/18 financial year to determine if Council should formally refinance the loan and lock in the accelerated payments. Depending on the cash balance and forecast, it may be possible to make a larger bulk payment which will further reduce the loan balances. The refinancing will be subject to QTC and Departmental approval.

Other Revenues

Fees & Charges

Revenue generated from fees and charges increases from \$4.58M in 2018 to \$5.97M in 2027. Council's two types of fees and charges are defined as:

- Cost Recovery – fees are set to recover no more than the essential costs incurred by providing the service. Examples of these are: Animal Management, Health and Regulatory, and Planning and Development Fees. Council intends to review these fees to ensure that costs are being recovered, or if a subsidy is required, then that amount is acknowledged and understood.
- Commercial – fees are set to generate a return to Council over and above the cost of providing the service. Examples of these are: Saleyards, Waste Disposal, Hall and Facility Hire, and Library Services. Council intends to progressively review these fees to ensure that an appropriate margin is being made and that the fees are appropriate for the service provided.

The majority of fees and charges come from planning and development fees including building and plumbing permits. While some of the fees and charges can be estimated with some certainty, fee revenue generated within the Planning and Building areas will fluctuate wildly depending on the economic conditions and level of development within the region. The amounts for these fee types are conservatively estimated and reviewed on a regular basis during the budget year.

The base increase in fees and charges are modelled in line with CPI.

%	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Increase	1.80	2.00	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50

Sales Revenue

Total sales revenue is estimated to average \$2.03M per year over the life of the plan and is derived from its Private works operations and the Staging Post Café.

- Private works relate to infrastructure works undertaken on behalf of private individuals and business, as well as works under the

Road Maintenance Performance Contract (RMPC) with the Department of Transport and Main Roads (TMR). Revenue generated in this way will fluctuate depending on demand and the availability of Council resources to complete the works. At the moment Council does not outwardly seek private works but will provide quotations if requested. Council seeks a margin of 20% on the cost of the work completed.

- The Staging Post Café operates out of the Lockyer Valley Cultural Centre and provides a café style lunch menu seven days a week with a buffet breakfast on Sunday and dinner on Friday. There is also function management for events, meetings and weddings held at the Cultural Centre. Operations of the Café are being reviewed as it is currently making a loss.

The parameters applied to Sales Revenue in developing this plan are:

%	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Increase	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50

Interest & Investment Income

Council receives interest income from three main sources: interest on short to medium term cash investments, interest from QUU on our shareholder loan, and interest from overdue rates. Of these three sources, the interest from the QUU loan is the most stable and can be predicted with accuracy.

Interest from cash investments is dependent on a number of factors including the interest rates on offer, the amount of cash available to invest, and the term of investment. Currently the returns from Council's investments are very low due to the continuing period of low interest rates. In successive years, the forecast interest revenue has been reduced to maintain a conservative position. The future forecast continues this trend with minimal increases in interest rates over the next few years.

Interest on overdue rates has also been reducing as property owners take advantage of the prompt payment discount as well as the ability to make regular payments in advance. It is expected that this will remain steady and with minor increases solely due to the increased quantum of rates being levied each year. The interest rate charged is currently 11.00% which is the maximum allowed under legislation.

The shareholding in QUU provides a return that averages \$1.88M per year. Some of this is in cash and the balance is an increase in the value of the shareholding. QUU's current forecast is that these returns will remain steady for the foreseeable future.

Grants & Subsidies

Council receives grants and subsidies from both the State and Federal Governments. As a guideline, grant funding should not exceed 40% of operating revenue as the more funding that is not controlled by Council, the greater the risk to sustaining operations should the funding amounts change. Over the period of this plan, Council's reliance on grant funding reduces from 12.00% in 2018 to 10.90% in 2027.

Apart from the Federal Assistance Grant, the funding is provided for specific projects such as libraries, Queensland Government Agency Program (QGAP), multi-cultural services, childcare, and without the grant funding it is unlikely that Council would provide the service to its current standard.

Federal Assistance Grants make up the largest component of grant funding and are distributed based on formulas developed by the Queensland Grants Commission with the funding pool determined by the Federal Government. The formula used is complex and the amount may change from year to year, however significant reductions are minimised through capping arrangements. In the past few years the annual indexation of the grant has been frozen as a federal budget savings

measure, however this has been reinstated from 1 July 2017. The annual indexation is linked to CPI.

The parameters used in developing this plan are:

%	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Increase	-7.20	2.00	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50

The reduction in 2018 is as a result of one-off grant funding being received and the planned reduction in funding for the Roads to Recovery Program as per Council's approved schedule.

Other Revenue

Council also derives revenues from the rental of Council properties as well as other miscellaneous items such as commissions on Queensland Government Agency (QGAP) transactions, sponsorships and insurance recoveries. The main component of Other Revenue is the Income Tax Equivalent (ITE) received from QUU. The ITE is paid to shareholder Councils as part of the requirements for QUU to operate on a commercial basis and the amount paid is dependent on the profit results over the year. The amounts included in the financial plan are based on the forecasted profit figures provided by QUU.

Apart from the QUU ITE, the parameters used in developing this plan are:

%	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Increase	1.90	1.95	2.15	2.25	2.40	2.65	2.75	2.75	2.75	2.75

Employee Costs

Employee costs are the largest component of Council's costs and include:

- Wages and salaries,
- Leave entitlements,

- Councillor remuneration,
- Superannuation,
- Workers compensation insurance,
- Training and development costs such as travel, accommodation, course or conference fees, and
- Recruitment costs.

Council intends to keep employee costs down by using technology to drive efficiency and to carefully review all vacancies before they are filled. While this has been effective in recent years, as the population of the region increases, there will come a time when additional staff will be needed. Understanding the level of resources required to maintain service standards is key and this will be determined through a workforce planning review and service level review which is now underway. Council is currently budgeting for around 321 Full Time Equivalent employees (FTE), increasing to 364 FTE over the life of the plan.

Employee costs are split between operating and capital depending on the type of work being undertaken in the capital program. Reductions in the capital program, or an increase in work outside of the expertise of the current workforce will impact on this split and pose challenges to maintain the operating surplus position without reductions in the workforce.

The other driver in employee costs is the enterprise bargaining (EB) process. This process provides for an increase to wages generally on an annual basis. At present the estimated amounts are based on historical increases and in no way reflect Council's official position in negotiating any increases. As the negotiations are finalised, the amounts will be amended.

Within the model, employee costs are forecast to increase from \$23.38M to \$31.44M over the ten years.

%	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
EB inc.	2.00	2.00	2.00	2.00	2.25	2.25	2.25	2.50	3.00	3.00
Growth	1.87	0.92	0.91	1.20	-	1.48	1.75	2.29	-	1.96
Total	3.87	2.92	2.91	3.20	2.25	3.73	4.00	4.29	3.00	4.96

Materials and Services

Council's second largest cost is materials and services. Costs included in this section are:

- Materials,
- Contractor and consultants,
- Insurance,
- Electricity and water,
- Communications,
- Legal costs, and
- Fleet costs.

The materials and services budget is carefully reviewed each year with the responsible officers being required to justify any increases in the budget bids from the previous year. Operational projects are individually approved to ensure that they align with Council's objectives and consultants, advertising, promotions, legal costs, and contractors are all subject to detailed scrutiny by the Executive Leadership Team and the Council.

Improved financial reporting has meant that a better understanding of Council's expenditure is now possible. This has led to more of a risk management approach to funding certain areas where the actual costs are uncertain.

The driver for materials and services is the Council Cost Index (CCI). This index is developed by the Local Government Association of Queensland (LGAQ) as a better estimate than the Consumer Price Index (CPI) as it

reflects the difference between the types of goods and services that households typically procure and those that Council procures.

The future CCI estimates are set 0.15% higher than estimated CPI to account for the fact that Council's costs historically increase at a higher rate than households.

The forecasted costs are derived by indexing the base year's budgeted amounts by the CCI. Specific adjustments may be made to future years where they can be identified as having an impact (for example a contract is being discontinued or short term projects being completed). Materials and services are forecast to increase from \$17.72M to \$21.77M over the ten years.

%	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
CCI	1.95	2.15	2.65	2.65	2.65	2.65	2.65	2.65	2.65	2.65

Finance Costs

Council's finance costs are predominantly the interest charged on its loans. Other items are bank fees and the adjustments in the quarry and landfill rehabilitation due to the change in the present value calculations.

The interest costs are calculated by the QTC Long Term Financial Forecasting model based on the debt balances and the rate applicable to each loan. As the loans are fixed rate loans they are not subject to any market volatility. Over the life of the plan interest expense reduces from 2.83% of operating costs to 0.72% of operating costs. This also assumes accelerating repayments on the loans to reduce the term and does not take into account any market realisation cost associated with the early repayment of the loans.

Due to the complexity of the calculations, no allowance is made for the changes in the discount rate for the provisions. The value of the

provisions is calculated with reference to long term bond rates and there is an inverse relationship between the bond rates and the calculated value.

Bank fees are indexed by CPI from the base year budget.

%	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
CPI	1.80	2.00	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50

Depreciation

While depreciation is an estimate of the cost of an asset being used, it is treated as an expense in financial reports. Council is continually reviewing its asset data to ensure that the depreciation figure reflects the consumption of its assets based on their value, condition, and remaining life. Work is needed to identify the appropriate useful lives for local conditions which may assist in reducing the depreciation costs. Over the life of the plan depreciation is estimated to increase from \$12.55M to \$15.41M. It should be noted that with Council holding its fleet assets for longer, there is a large reduction in depreciation between 2023 and 2024 due to the majority of Council's current plant and equipment being fully depreciated at that time. With the implementation of the Plant and Fleet Service Management Plan, this may change if the backlog of renewals is eliminated.

To comply with the accounting standards, Council conducts regular independent valuations of its assets. Where the value increases, there will be an increase in depreciation costs which has an immediate impact on two of the three sustainability ratios, even though it may not have any operational impact on Council's management of the assets. Due to the nature of the valuation process, the changes cannot be predicted with any accuracy. In the financial model, the valuation increases for the non-current assets have been based on the average increases in past years and total \$144.52M over the ten years. The

increases have been applied every three years as this was the cycle that the assets were generally revalued under, although Council is now implementing an annual revaluation process. Additions to the asset base will also increase the amount of depreciation, although as Council's focus is moving towards the renewal of existing assets the effect will be minimal.

Capital Revenues

The main source of capital revenues are grants from the State or Federal Government. Council seeks grant funding to assist with the delivery of its planned capital works program and the majority of funding is accessed through a competitive application process. Where a funding application is unsuccessful, Council will decide whether to proceed with the project using other funds or not.

Grant funding for capital works is often tied to a particular funding program objective of the government. Once approved, the grant will be for a specific project and therefore changes to the scope or type of the project is not permitted. There is a risk that where a project exceeds the funded component, Council will be required to pick up the shortfall.

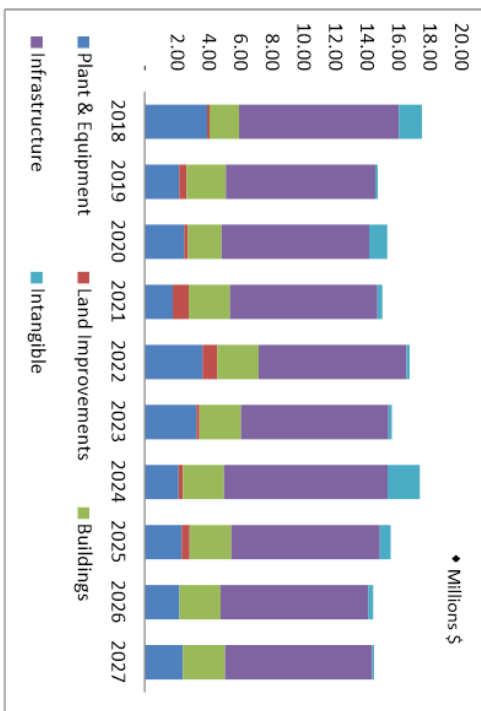
The capital grant funding in the forecast model is based on historical amounts for those funding programs which it is expected will continue in the future. These programs are the Roads Blackspot funding, TIDS and Local Government Grants and Subsidy Program (LGGSP), and other specific grant programs as offered by the State and Federal Governments from time to time. Additional grants will be applied for in future years as the details of the funding programs become known.

Capital Expenditure

The amount of capital expenditure is based on the amounts identified in the Service Management Plans for each asset class and includes a proportion for renewal, upgrade and new expenditure. As can be seen

from the following graph, the majority of capital spending is on infrastructure assets. Over the ten years the average spending across all asset classes is \$15.71M.

As the Service Management Plans are reviewed and refined, the forecast will change. The expenditure in each year is reviewed as part of the budget adoption process for that year and therefore some identified projects may be brought forward, delayed or removed as priorities and resources dictate. Additional projects may be added where required.



Cash and Investments

QTC recommends a minimum coverage for cash expenses of three months. This means that Council should retain enough cash on hand at any one time to pay its expenses for three months. The long term forecasting model indicates that a balance of \$10.30M in year one, rising

to \$13.33M in year ten is required with the average over the life of the plan being \$10.60M.

Council maintains this coverage in each of the years of the plan with the ten year average balance being \$19.84M. The years 2021 to 2022 have the lowest cash balances although the ratio remains just over four months. The ten year average coverage is just over five months.

The biggest impact to Council's cash balances is the timing of the capital works program and particularly the amount of projects funded solely by Council. As the capital works program is fairly flexible, the works schedule can be varied to maintain appropriate cash levels.

In accordance with the Investment Policy, the cash is invested in term deposits of less than twelve months or at call with QTC. The maturity of the term deposits are spread across the year so as to maintain regular access to funds should they be needed.

Other Assets

The major component of Council's other assets are the equity share in QUU (2017 est. \$29.35M), and the shareholder loan to QUU (2017 \$14.74M). As the loan is an interest only loan, the balance will not change over the life of the plan, with the interest payments being taken up in the interest revenue component of the Income Statement. There is a process for Council to follow if it wishes to call in the loan; however there is no financial benefit to doing this at this time. The value of the equity investment changes depending on the dividends and operating result of QUU. Over the first few years of the plan, this increase is based on the estimates provided by QUU. After that the annual increase is the same as estimated in 2020.

Debtors and receivables are forecast to remain in proportion to the revenue. The main debtor balance is rates arrears and as these are

secured on the land they relate to, are not considered bad or doubtful. Council has a statutory right to recover the arrears through the sale of land and it conducts a sale for this reason at least annually.

The final component to other assets is the land held for sale, which comprises of parcels of land that have been identified as surplus to Council's needs and are being marketed for sale. As the sale timeframes are uncertain, and some of the land has been available for sale for some time, the value remains unchanged over the life of the plan. This will be reviewed during the 2018 financial year to better understand the likelihood of sale and whether or not the land should remain as it is classified.

Liabilities

The main liabilities that Council has are the loans from QTC. At present there are three loans, most of which were taken up during the 2011 and 2012 financial years. The loans are paid on an interest and principal basis and the balances in the plan are forecast on the current loan schedules.

The details of the loans are:

Loan	Interest Rate	Nominal Maturity Date	Balance 30 June 2017	Qtrly Payment P&I
Other Council Capital Works	4.71%	15/06/2032	\$23.14M	\$0.53M
General	4.96%	15/03/2031	\$8.31M	\$0.23M
Gatton Landfill 2016	3.11%	15/03/2036	\$0.85M	\$0.01M

There are no further borrowings forecast for the life of this plan, however Council may change this in future budgets. The current annual total debt redemption payment (principle and interest) is \$3.13M.

Council has also expressed a desire to use surplus cash to make additional repayments and therefore reduce the loan terms. This plan includes additional repayments of \$0.70M per year subject to the availability of the cash and an assessment of the cost of early repayment. Should Council make the additional repayments then the "General" loan will be repaid during the 2024 year. This will impact on the interest expense and sustainability ratios. From 2024 the additional repayments are directed towards the "Other Council Capital Works" loan.

The other liabilities of Council are employee provisions, rehabilitation provisions and trade creditors. Due to the complexity of the calculations, the provisions have not been changed in the model and remain at historical values. The trade creditor balances are generated through the model based on historical relationships between expenditures, payment terms and the proportion of creditors at the end of each financial year.

Ratio Analysis

Key Sustainability Ratios

The results for Council's measures of financial sustainability are shown below. The future ratios are based on the 2017/18 budget and long term financial forecast with the parameters as outlined above:

Lockyer Valley Regional Council													
2017/2018 Budget and Long Term Financial Forecast 2018 to 2027													
Relevant Measures of Financial Sustainability													
	Target	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	Average	
Operating Surplus Ratio	Between 0% and 10%	2.5%	3.4%	4.6%	5.4%	5.8%	7.5%	8.5%	8.8%	10.0%	10.4%	6.7%	
(Net Operating Surplus / Total Operating Revenue) (%)													
Net Financial Asset / Liability Ratio	<= 60%	63.9%	59.0%	53.8%	47.3%	41.3%	32.3%	27.8%	19.2%	7.9%	(3.7)%	34.9%	
(((Total Liabilities - Current Assets) / Total Operating Revenue)													
Asset Sustainability Ratio	>90%	92.2%	91.2%	91.6%	87.0%	94.6%	89.0%	90.9%	84.7%	80.1%	80.9%	88.2%	
(Capital Expenditure on the Replacement of Assets (renewals) / Depreciation Expense)													

Operating Surplus Ratio

Measures the extent to which revenues raised cover operational expenses only or are available for capital funding purposes or other purposes. The operating surplus ratio is calculated as: Operating Surplus (Net result excluding all capital items) divided by total operating revenue (excluding capital items).

This ratio shows significant improvement over the ten years as the cumulative effects of the rate increases and expenditure controls of the two years prior to 2018 are realised. The surpluses for the first three years are healthy although the actual results will need to be carefully monitored in order to maintain the planned result. In the second half of the plan there is scope to reduce the increase in rates or increase operational expenditures as the ratio exceeds the recommended upper limit in 2026 and 2027. With planned service reviews to be undertaken, the level of expenditure may need to increase in some areas to meet the needs and expectations of the community.

Net Financial Asset/Liability Ratio

Measures the extent to which net financial liabilities of Council can be repaid from operating revenue. The ratio is calculated as: Total liabilities less current assets divided by total operating revenue.

Although this ratio starts off outside of the 60% target threshold it averages 34.9% over the ten years. This ratio has been at the higher level due to a reduction in the cash balances following the completion of the flood works, and the significant increase in rehabilitation provisions. The improvement in the ratio in the second half of the plan is linked to the planned accelerated repayment of the "General" loan by 2024.

Asset Sustainability Ratio

This ratio reflects the extent to which infrastructure assets managed by Council are being replaced as they reach the end of their useful lives. The ratio is calculated as: Capital expenditure on the replacement of assets (renewals) divided by depreciation expense.

Over the life of the plan, the ratio is just below the 90% target threshold. The level of forecast spending has been based on the current Service Management Plans and as such there will be changes in the outer years as the plans are further refined. If the assets are in good condition, it is possible that Council does not need to spend at the recommended level and therefore the ratio will remain below the target of 90%. The healthy operating surpluses being generated will provide sufficient funding should a higher level of renewal spending be required.

Other Sustainability Ratios

There are a number of other sustainability ratios that QTC use when conducting a credit review assessment however Council only uses one of these other ratios when setting its long term financial plan.

Cash Coverage Ratio

	Target	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	Average
Cash Expense Cover Ratio	>3	4.8	4.5	4.3	4.2	4.2	4.6	4.6	5.3	6.4	7.6	5.1
Number of months of operations supported by cash balance												

This ratio shows the number of months of operations supported by the cash balance. The recommended threshold is at least three months.

Over the life of the plan, the number of months of operations supported by the cash balance averages 5.1 months. The higher balances in 2026 and 2027 may be moderated by additional capital works in the prior years or further reductions in debt. Council has not made any decisions at this stage on how to use the surplus cash and therefore the higher balances remain reflected in this plan.

Sensitivity Analysis

In order to understand the potential impacts of changes to key drivers over the life of the plan, the following sensitivities have been performed:

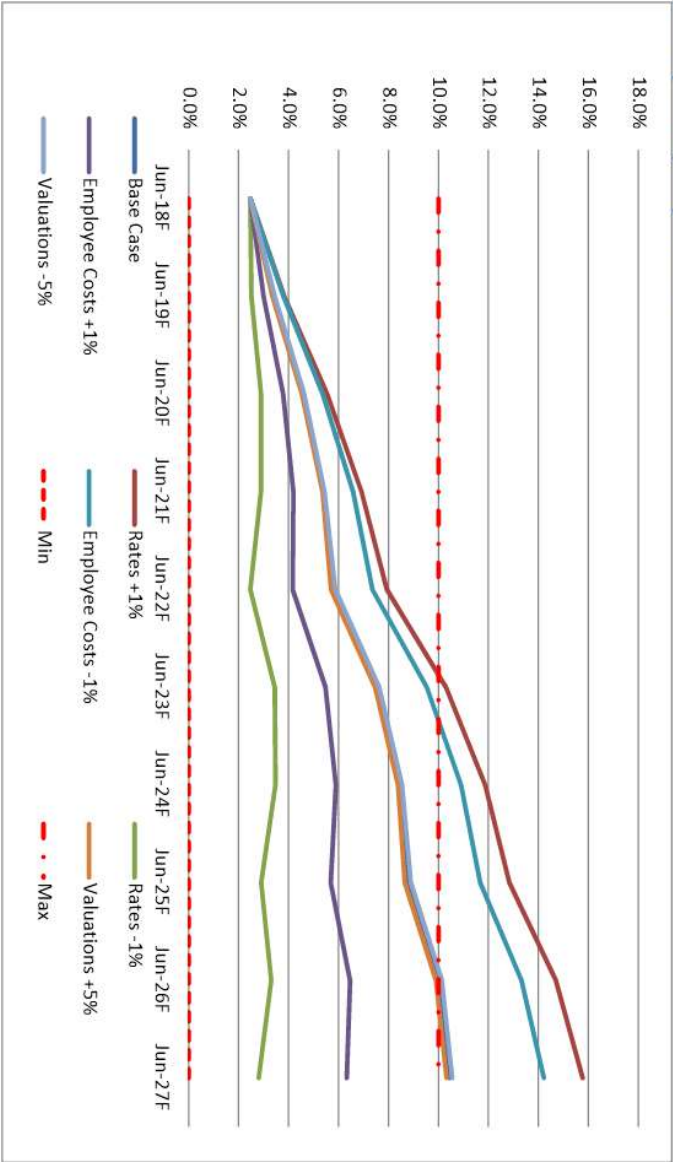
1. General Rates Revenues +/- 1%.
2. Employee costs +/- 1% on EB increase.
3. Depreciation – tri annual valuation +/- 5% of asset base 2016.
4. CAPEX – renewals -\$1.00M.

For simplicity, the above changes have been modelled separate to the others. The change has also been applied to each year of the forecast which apart from the reduction in the CAPEX renewals, will result in a cumulative effect. The difference in the 10 year average by applying each sensitivity can be seen in the following table; information on each of the ratios can be found below:

		Rates		Employee Costs		Valuations		Renewals
	Base Case	+1.00%	-1.00%	+1.00%	-1.00%	+ 5.00% of Base	- 5.00% of Base	-\$1.00M
Operating Surplus	6.7%	9.2%	2.9%	4.7%	8.5%	6.6%	6.8%	N/A
Net Financial Asset/Liability	34.9%	25.4%	49.9%	41.5%	28.6%	N/A	N/A	N/A
Asset Sustainability	88.2%	N/A	N/A	N/A	N/A	87.9%	88.5%	80.9%
Cash Coverage	5.06	6.67	2.79	3.85	6.32	N/A	N/A	6.60

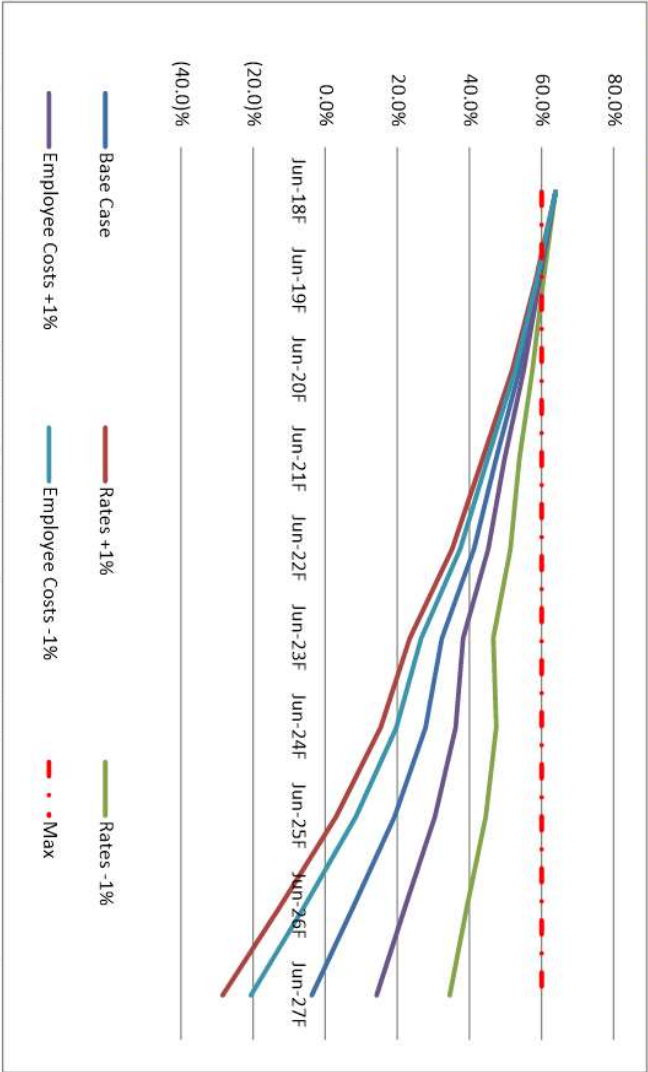
Over the ten years it is apparent that apart from the Asset Sustainability ratio, all of the ratios are within the recommended targets however on a year by year basis there may be some concerns with the Cash Coverage Ratio. The ten year average for the Asset Sustainability ratio remains relatively unchanged for changes in valuations although as expected, a reduction of \$1.00M in renewals has the greatest effect.

Sensitivity Analysis - Operating Surplus Ratio



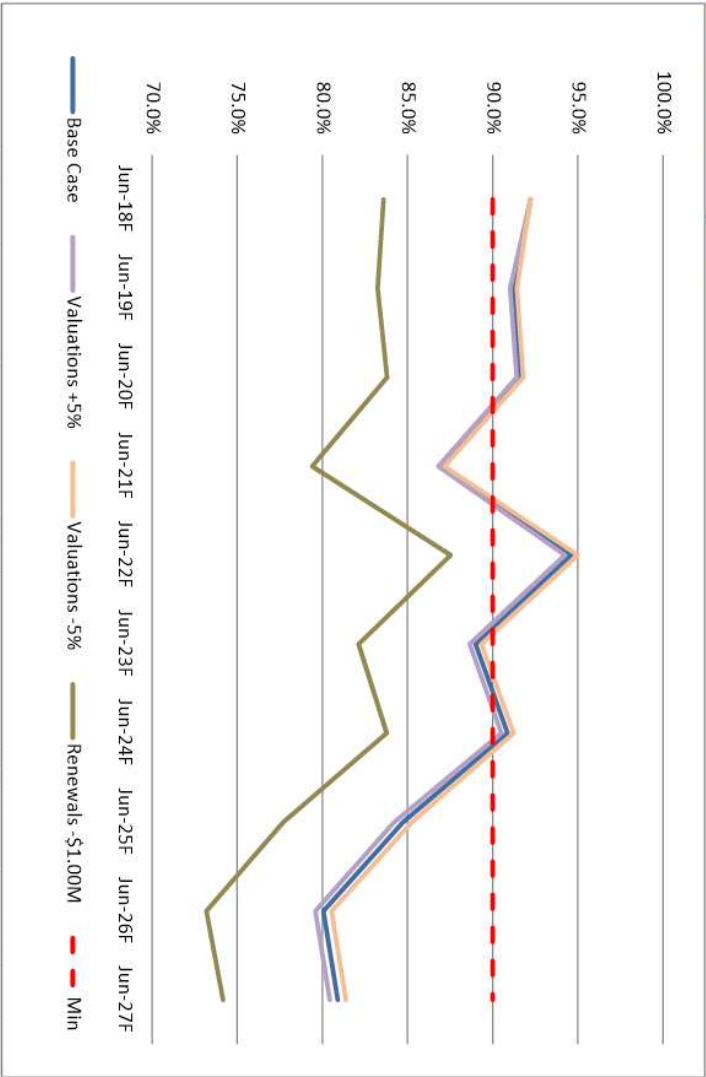
- Of the sensitivities modelled, rates have the biggest impact on the operating surplus ratio although even a reduction in rate revenue by 1.00% will not cause an operating deficit at any time during the ten years. A 1.00% increase results in a larger surplus and will put it outside of the upper limit from 2023 onwards.
- All of the other sensitivities modelled keep the ratio within the upper and lower thresholds although a 1.00% reduction in employee costs puts the surplus above 10.00% from 2024.

Sensitivity Analysis – Net Financial Liabilities Ratio



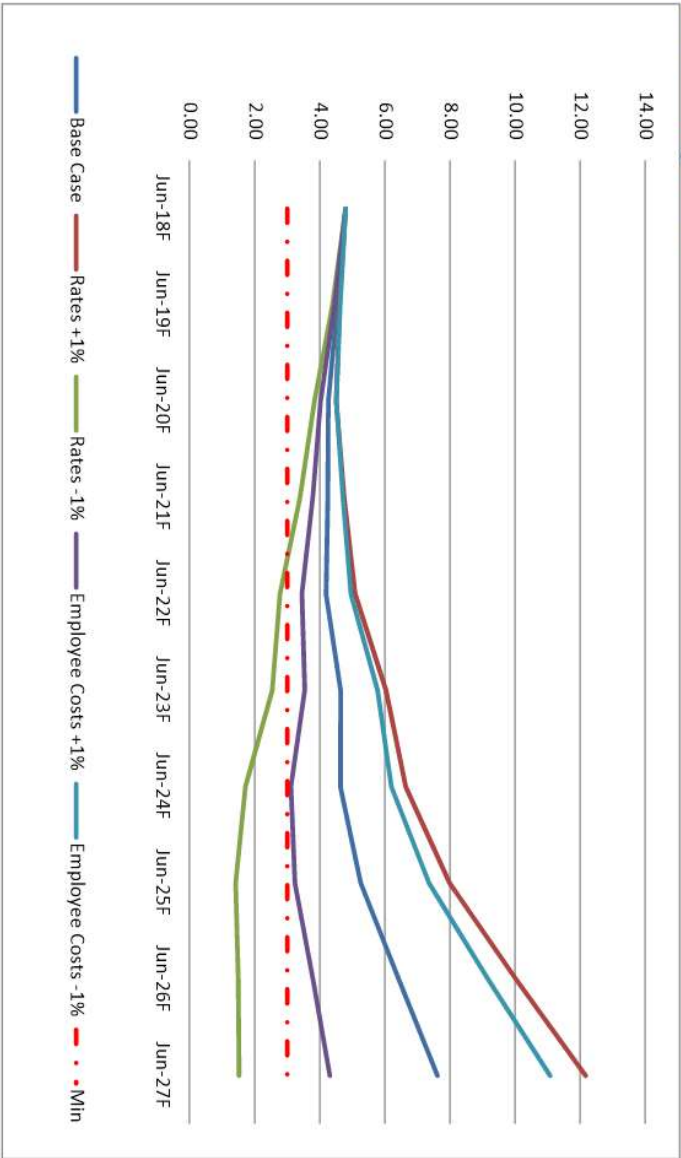
- As with the Operating Surplus Ratio, the two sensitivities with the biggest impact are the change in rates revenue. A one percent decrease in rates would keep the ratio above the threshold for another year.
- The remaining sensitivities only have a minor effect on the ratio as the ratio is below the threshold from 2019.

Sensitivity Analysis – Asset Sustainability Ratio



- The biggest change to the ratio is to reduce expenditure on renewals by \$1.00M per year which brings the ratio below the threshold of 90.00% in all of the forecast years.
- As has been noted previously, the actual spend will be determined through the finalisation of the Service Management Plans and amounts below the threshold may be appropriate.

Sensitivity Analysis – Cash Coverage Ratio



- The biggest impact on the Cash Coverage Ratio is a reduction in rates revenue. With all other things remaining equal, there are doubts as to if there would be sufficient cash to operate from 2022.
- A 1.00% increase in employee costs causes the ratio to come close to the minimum threshold in 2024, however it is maintained just above that level.

Financial Statements 2018 - 2027

The **Statement of Comprehensive Income** measures how Council performed in relation to income and expenses during the financial year. This statement illustrates how money received from Council operations is spent.

The **Statement of Financial Position** measures what we own (our assets) and what we owe (our liabilities) and our net worth (equity) at the end of the Financial Year.

The **Statement of Changes in Equity** measures the changes in our net wealth and shows the movements in our retained earnings, reserves and asset revaluation surplus. This statement outlines how we received and spent cash throughout the year. The closing balance reflects how much cash Council had at year end.

The **Statement of Cash Flows** outlines how much cash was received and spent throughout the year and whether or not Council is spending more than it is receiving. The closing balance reflects how much cash Council had at year end.

Statement of Comprehensive Income

Lockyer Valley Regional Council 2017/2018 Budget and Long Term Financial Forecast 2018 to 2027 Statement of Income and Expenditure											
	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
Revenue	Budget	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	
Recurrent revenue:											
Rates & Utility Charges	39.99M	41.54M	43.29M	45.11M	46.97M	48.91M	49.99M	52.06M	54.21M	56.44M	
Less Discounts	(1.61M)	(1.67M)	(1.74M)	(1.81M)	(1.89M)	(1.96M)	(2.04M)	(2.13M)	(2.21M)	(2.31M)	
Net rates and utility charges	38.38M	39.87M	41.55M	43.30M	45.09M	46.95M	47.95M	49.93M	51.99M	54.14M	
Fees and charges	4.58M	4.71M	4.86M	5.00M	5.15M	5.31M	5.46M	5.63M	5.80M	5.97M	
Sales - contract and recoverable works	1.79M	1.84M	1.89M	1.94M	2.00M	2.05M	2.11M	2.17M	2.23M	2.29M	
General purpose grants	6.78M	6.92M	7.09M	7.27M	7.45M	7.63M	7.82M	8.02M	8.22M	8.43M	
Interest received	1.50M	1.51M	1.52M	1.56M	1.60M	1.67M	1.72M	1.81M	1.97M	2.19M	
Other recurrent income	3.59M	3.68M	3.75M	3.81M	3.87M	3.92M	3.98M	4.04M	4.10M	4.16M	
Total recurrent revenue	56.60M	58.53M	60.65M	62.87M	65.14M	67.53M	69.05M	71.59M	74.31M	77.18M	
Capital revenue:											
Capital Grants, Contributions & Donations	4.19M	1.62M	1.13M	0.94M	0.94M	0.94M	0.44M	0.60M	0.60M	0.60M	
Gain on sale of property, plant and equipment	0.12M	(0.29M)	0.06M	0.07M	0.27M	0.46M	0.28M	0.26M	0.20M	0.17M	
Total capital revenue	4.31M	1.33M	1.19M	1.01M	1.21M	1.39M	0.71M	0.86M	0.80M	0.77M	
Total income	60.92M	59.86M	61.84M	63.88M	66.35M	68.93M	69.76M	72.45M	75.11M	77.95M	
Expenses											
Recurrent expenses:											
Employee benefits	23.38M	23.74M	24.43M	25.20M	25.76M	26.71M	27.77M	29.09M	29.96M	31.44M	
Materials and services	17.72M	17.66M	18.13M	18.61M	19.10M	19.60M	20.12M	20.66M	21.20M	21.77M	
Depreciation and amortisation	12.55M	13.69M	13.99M	14.46M	15.43M	15.17M	14.48M	14.84M	15.08M	15.41M	
Finance costs	1.56M	1.45M	1.34M	1.21M	1.08M	0.95M	0.82M	0.72M	0.61M	0.50M	
Total expenses	55.21M	56.54M	57.87M	59.48M	61.37M	62.44M	63.21M	65.31M	66.86M	69.12M	
Result from ordinary activities	5.71M	3.32M	3.97M	4.40M	4.98M	6.49M	6.56M	7.14M	8.25M	8.83M	
Operating Result											
Adj for Capital Income	1.40M	1.99M	2.78M	3.40M	3.77M	5.10M	5.84M	6.28M	7.45M	8.06M	

Statement of Financial Position

Lockyer Valley Regional Council 2017/2018 Budget and Long Term Financial Forecast 2018 to 2027 Statement of Financial Position											
	2018 \$	2019 \$	2020 \$	2021 \$	2022 \$	2023 \$	2024 \$	2025 \$	2026 \$	2027 \$	
	Budget	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	
Current assets											
Cash assets and cash equivalents	16,48M	16,70M	16,17M	15,54M	15,73M	17,07M	18,55M	21,86M	27,46M	33,88M	
Other inventory	3,49M	3,49M	3,49M	3,49M	3,49M	3,49M	3,49M	3,49M	3,49M	3,49M	
Receivables	2,92M	3,02M	3,13M	3,26M	3,38M	3,51M	3,68M	3,72M	3,86M	4,01M	
Prepayments	0,47M	0,47M	0,47M	0,47M	0,47M	0,47M	0,47M	0,47M	0,47M	0,47M	
Total current assets	23,35M	22,67M	22,25M	22,76M	23,07M	25,44M	26,08M	29,54M	35,31M	41,84M	
Non-current assets											
Land held for development or sale	1,00M	1,00M	1,00M	1,00M	1,00M	1,00M	1,00M	1,00M	1,00M	1,00M	
Joint Ventures & Associates	30,36M	31,45M	32,54M	33,66M	34,78M	35,90M	37,02M	38,14M	39,26M	40,37M	
Property, plant and equipment	583,82M	586,46M	589,48M	620,01M	628,12M	628,89M	670,21M	670,73M	670,19M	719,70M	
Intangible assets	5,58M	4,59M	4,57M	3,56M	2,47M	2,07M	3,79M	3,79M	3,57M	3,12M	
Capital works in progress	7,72M	7,72M	7,72M	7,72M	7,72M	7,72M	7,72M	7,72M	7,72M	-	
Other non-current assets	14,74M	14,74M	14,74M	14,74M	14,74M	14,74M	14,74M	14,74M	14,74M	14,74M	
Total non-current assets	643,25M	644,56M	647,05M	686,72M	688,83M	690,28M	734,42M	736,12M	736,47M	778,93M	
Total assets	666,60M	667,64M	669,31M	709,47M	711,90M	715,72M	760,50M	765,66M	771,78M	820,76M	
Current liabilities											
Trade and other payables	3,81M	3,81M	3,50M	4,02M	4,12M	4,24M	4,35M	4,50M	4,63M	4,77M	
Borrowings	1,78M	1,90M	2,02M	2,15M	2,26M	1,91M	1,63M	1,74M	1,86M	1,97M	
Employee payables/provisions	3,87M	4,05M	4,23M	4,40M	4,58M	4,76M	4,94M	5,11M	5,29M	5,47M	
Other provisions	0,13M	0,13M	0,13M	0,13M	0,13M	0,13M	0,13M	0,13M	0,13M	0,13M	
Total current liabilities	9,60M	9,89M	10,28M	10,71M	11,13M	10,74M	11,06M	11,49M	11,91M	12,34M	
Non-current liabilities											
Borrowings	28,09M	25,49M	22,77M	19,91M	16,92M	14,91M	12,28M	9,84M	7,28M	4,61M	
Employee payables/provisions	0,51M	0,53M	0,55M	0,58M	0,60M	0,62M	0,64M	0,67M	0,69M	0,71M	
Other provisions	21,31M	21,31M	21,31M	21,31M	21,31M	21,31M	21,31M	21,31M	21,31M	21,31M	
Total non-current liabilities	49,90M	47,33M	44,63M	41,80M	38,83M	36,54M	34,23M	31,81M	29,27M	26,63M	
Total liabilities	59,50M	57,21M	54,91M	52,51M	49,95M	47,28M	45,28M	43,30M	41,18M	38,97M	
Net community assets	607,11M	610,42M	614,40M	656,97M	661,94M	668,44M	715,21M	722,36M	730,60M	781,79M	
Community equity											
Asset revaluation reserve	237,84M	237,84M	237,84M	278,02M	278,02M	278,02M	316,24M	316,24M	316,24M	358,80M	
Retained surplus (deficiency)	369,26M	372,58M	376,55M	380,95M	385,93M	392,42M	398,98M	406,12M	414,36M	423,19M	
Total community equity	607,11M	610,42M	614,40M	656,97M	661,94M	668,44M	715,21M	722,36M	730,60M	781,79M	

Statement of Changes in Equity

Lockyer Valley Regional Council 2017/2018 Budget and Long Term Financial Forecast 2018 to 2027 Statement of Changes in Equity											
	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
Asset revaluation surplus	Budget	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
Opening balance	201.71M	237.84M	237.84M	237.84M	276.02M	276.02M	276.02M	316.24M	316.24M	316.24M	316.24M
Increase in asset revaluation surplus	36.13M	-	-	38.17M	-	-	40.22M	-	-	42.36M	
Closing balance	237.84M	237.84M	237.84M	276.02M	276.02M	276.02M	316.24M	316.24M	316.24M	358.60M	
Retained surplus											
Opening balance	363.55M	369.26M	372.58M	376.55M	380.95M	385.93M	392.42M	398.98M	406.12M	414.36M	414.36M
Net result	5.71M	3.32M	3.97M	4.40M	4.98M	6.49M	6.56M	7.14M	8.25M	8.83M	8.83M
Closing balance	369.26M	372.58M	376.55M	380.95M	385.93M	392.42M	398.98M	406.12M	414.36M	423.19M	
Total											
Opening balance	565.26M	607.11M	610.42M	614.40M	656.97M	661.94M	668.44M	715.21M	722.36M	730.60M	730.60M
Net result	5.71M	3.32M	3.97M	4.40M	4.98M	6.49M	6.56M	7.14M	8.25M	8.83M	8.83M
Increase in asset revaluation surplus	36.13M	-	-	38.17M	-	-	40.22M	-	-	42.36M	
Closing balance	607.11M	610.42M	614.40M	656.97M	661.94M	668.44M	715.21M	722.36M	730.60M	781.79M	

Statement of Cash Flows

Lockyer Valley Regional Council 2017/2018 Budget and Long Term Financial Forecast 2018 to 2027 Statement of Cash Flows												
	2018 \$	2019 \$	2020 \$	2021 \$	2022 \$	2023 \$	2024 \$	2025 \$	2026 \$	2027 \$		
Cash flows from operating activities:												
Receipts from customers	53.27M	55.06M	57.15M	59.31M	61.54M	63.85M	65.38M	67.76M	70.32M	72.96M		
Payment to suppliers and employees	(41.16M)	(41.31M)	(42.36M)	(43.59M)	(44.67M)	(46.11M)	(47.70M)	(49.52M)	(50.96M)	(52.98M)		
Interest received	1.50M	1.51M	1.52M	1.56M	1.60M	1.67M	1.72M	1.81M	1.97M	2.19M		
Finance costs	(1.46M)	(1.35M)	(1.23M)	(1.10M)	(0.97M)	(0.84M)	(0.71M)	(0.60M)	(0.49M)	(0.38M)		
Net cash inflow (outflow) from operating activities	12.15M	13.92M	15.08M	16.17M	17.50M	18.58M	18.69M	19.44M	20.83M	21.79M		
Cash flows from investing activities:												
Payments for property, plant and equipment	(17.26M)	(14.25M)	(14.86M)	(14.55M)	(16.27M)	(15.14M)	(17.42M)	(15.56M)	(14.46M)	(14.52M)		
Subsidies, donations and contributions for new capital expenditure	3.89M	1.12M	0.63M	0.44M	0.44M	0.44M	0.44M	0.60M	0.60M	0.60M		
Proceeds from sale of property, plant and equipment	0.24M	0.12M	0.44M	0.28M	0.62M	0.60M	0.42M	0.40M	0.34M	0.31M		
Net transfer (to) from cash investments	0.77M	0.79M	0.78M	0.76M	0.76M	0.76M	0.76M	0.76M	0.76M	0.76M		
Net cash inflow (outflow) from investing activities	(12.36M)	(12.22M)	(13.01M)	(13.07M)	(14.46M)	(13.35M)	(15.81M)	(13.80M)	(12.76M)	(12.85M)		
Cash flows from financing activities												
Proceeds from borrowings	-	-	-	-	-	-	-	-	-	-		
Repayment of borrowings	(2.37M)	(2.48M)	(2.60M)	(2.72M)	(2.85M)	(2.99M)	(2.31M)	(2.33M)	(2.44M)	(2.56M)		
Net cash inflow (outflow) from financing activities	(2.37M)	(2.48M)	(2.60M)	(2.72M)	(2.85M)	(2.99M)	(2.31M)	(2.33M)	(2.44M)	(2.56M)		
Net increase (decrease) in cash held	(2.58M)	(0.78M)	(0.53M)	0.37M	0.19M	2.24M	0.57M	3.31M	5.63M	6.38M		
Cash at beginning of reporting period	19.06M	16.48M	15.70M	15.17M	15.54M	15.73M	17.97M	18.55M	21.86M	27.49M		
Cash Balance	16.48M	15.70M	15.17M	15.54M	15.73M	17.97M	18.55M	21.86M	27.49M	33.88M		



**SPECIAL MEETING OF
COUNCIL AGENDA
27 JUNE 2017**

6. MEETING CLOSED