

2025/26



Townsville City Council

Strategic Asset Management Plan



Our Vision

A globally connected community
driven by lifestyle and nature.

Our Purpose

Grow Townsville



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Acknowledgement of Country

Townsville City Council acknowledges the Wulgurukaba of Gurambilbarra and Yunbenun, Bindal, Gugu Badhun and Nywaigi as the Traditional Owners of this land.

We pay our respects to their cultures, their ancestors and their Elders, past, present and all future generations.

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1. Executive Summary

Townsville City Council provides vital infrastructure services that facilitate and grow the local economy. These services necessitate Council to manage large numbers of complex, long-life assets. Council is responsible for the acquisition, operation, maintenance, renewal, and disposal of an extensive range of assets valued at nearly \$9B. These assets are categorised into 11 asset portfolios, which are Water, Wastewater, Resource Recovery, Stormwater, Information Communication Technology (ICT), Fleet, Buildings and Facilities, Open Space, Coastal, Transport and Community and Cultural. These asset portfolios provide essential services for the community.

Council's Strategic Asset Management Plan (SAMP) provides a clear framework for strategic asset decision-making that aligns with organisational requirements and the goals set out in the Corporate Plan. This supports Council's vision of "A globally connected community driven by lifestyle and nature". It has been developed to be consistent with:

- legislative and regulatory obligations as Council is governed by the principles of the *Local Government Act 2009*;
- sustainable development and management of assets, infrastructure planning and effective service delivery;
- current standards for Asset Management Systems; and
- the existing management systems and frameworks of Council.

Council aims to understand the requirements of the ratepayers, community, businesses, and visitors to the region and to operate to deliver the required functionality, Levels of Service (LoS) and compliance requirements in a sustainable manner over the whole life of the infrastructure assets.

Today, like many Australian communities, Council's assets are aging and require significant ongoing maintenance. The community is growing, and expectations are increasing, as well as the demand for new and improved services. The assets are also vulnerable to climate change impacts. Due to inflationary pressures and community expectations of LoS, the cost to renew or build new assets to meet these LoS, will also increase substantially in the long term. It is important that investment decisions on infrastructure are based on the whole of life approach to determining the cost of owning and managing infrastructure.

Council's strategic approach is to leverage the Asset Management (AM) Framework to streamline and align the delivery of infrastructure services to meet community requirements, and to provide effective control and governance to realise value through managing risk and opportunity. This ensures the ability to balance cost, risk and performance. AM is critical to the overall performance of Council, in delivering services to the Townsville community, and provides the key link between processes, strategies and systems.

This SAMP recognises the foundations already in place at Council, with respect to AM, but it also looks further ahead to ensure Council has a well-planned and achievable approach to city development, through responsible asset planning and delivery.

The AM Framework provides the essential information that enables business practices and schematically presents the asset investment planning and life cycle management with a Continuous Improvement focus. The AM Framework and Asset Management System combine to enable effective Asset Management practices that deliver on Council's commitment to ensuring the city's future sustainable growth across all asset portfolios.

List of Abbreviations

| | |
|-----------|---|
| AM | Asset Management |
| AMF | Asset Management Framework |
| AMP | Asset Management Plan |
| AMS | Asset Management System |
| BMS | Building Management System |
| CAPEX | Capital Expenditure |
| CEO | Chief Executive Officer |
| ELT | Executive Leadership Team |
| ERP | Enterprise Resource Planning |
| FOGO | Food Organics and Garden Organics |
| GIS | Geographical Information System |
| ICT | Information Communication Technology |
| IM | Information Management |
| ISO 55001 | ISO 55001: <i>Asset Management - Management System</i> – Requirements |
| LoS | Levels of Service |
| LGIP | Local Government Infrastructure Plan |
| LTFF | Long Term Financial Forecast |
| OPEX | Operational Expenditure |
| QGSO | Queensland Government Statisticians Office |
| RAS | Risk Appetite Statement |
| SAMP | Strategic Asset Management Plan |
| TCC | Townsville City Council |

2. Introduction

Council is committed to the vision of ‘A globally connected community driven by lifestyle and nature’ and to deliver the required functionality, LoS and compliance requirements to create a sustainable future for the community.

Everything Council does is underpinned by our five core values:



Figure 2-1: Council's SERVE values

Council has direct responsibility for funding, day-to-day management and delivery of assets that must be maintained and operated to provide continuous, safe, effective and efficient service to the community. This SAMP outlines how Council can deliver services, maintain assets, and achieve its strategic objectives in a financially sustainable manner in the short, medium, and long term.

Day-to-day AM includes routine inspection, maintenance and repair of assets to provide services while ensuring the health and safety of the Community and Council staff. Medium to longer term activities include the monitoring, planning, creation, renewal and disposal of assets. Ageing assets can require significant on-going maintenance, and this must be balanced against the need to provide new assets and services for our growing community.

2.1. Scope

This SAMP provides guidance on all Council assets, which are grouped into 11 asset portfolios.

Figure 2-2 shows each asset portfolio replacement value as a percentage of the total asset value. The Transport asset portfolio represents the highest replacement value (33% of total council assets) followed by the Water assets (25% of total council assets).

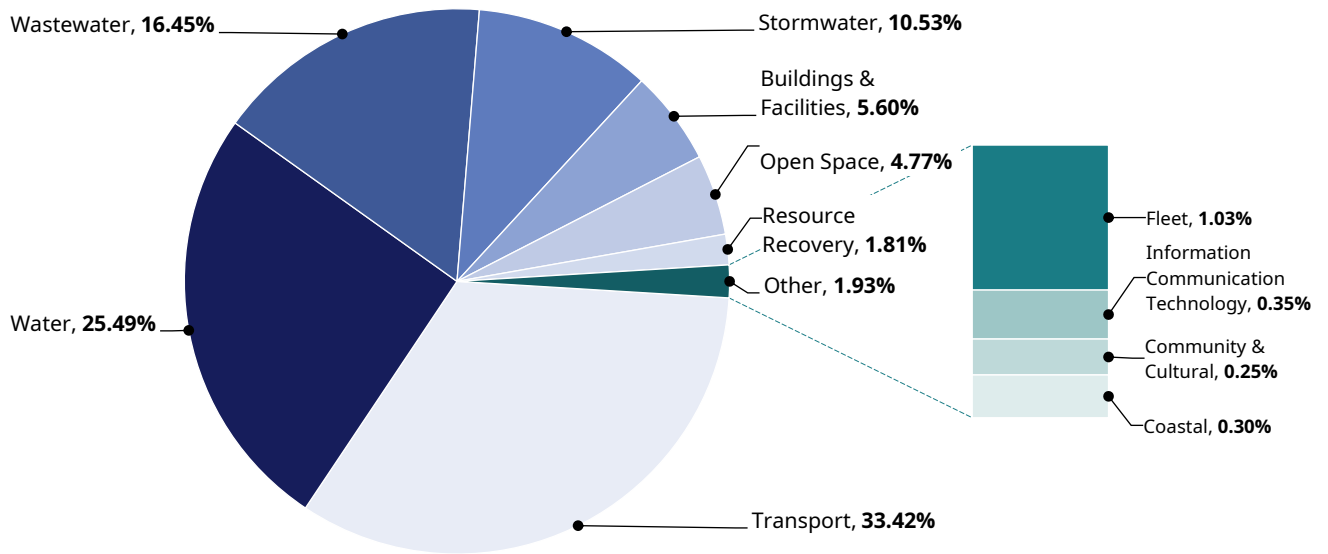


Figure 2-2: Asset portfolio value as a percentage of the total replacement value of assets

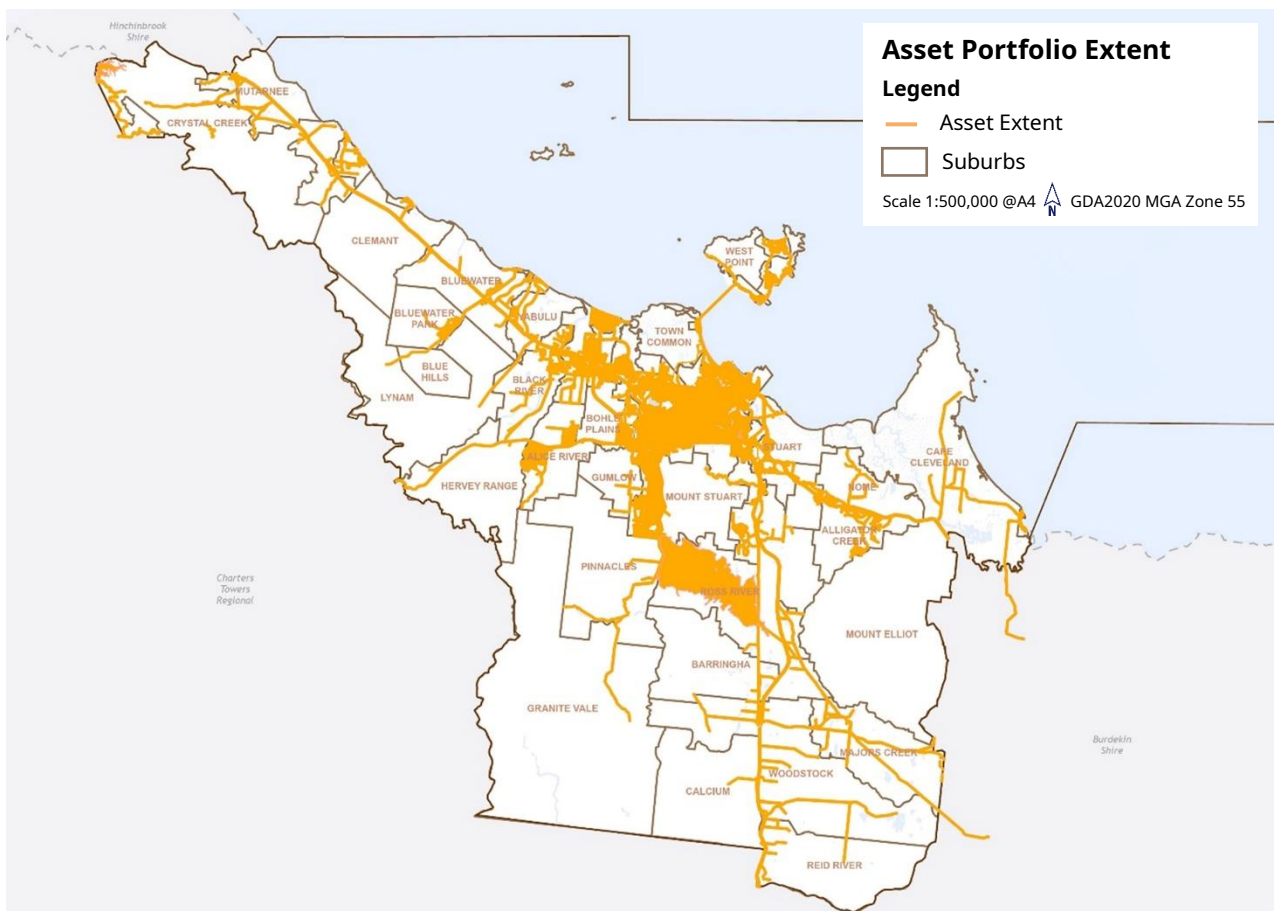


Figure 2-3: Assets shown geographically

2.2. Purpose and Objective of SAMP

The SAMP provides a framework for the effective management and control of our assets to achieve a balance of cost, risk, and LoS for delivery to the community. It ensures that we continue to create safe and vibrant spaces for our community, contribute to the city's visual appeal, and fulfill the goals of our Corporate Plan.

The SAMP also describes the asset-based activities that Council proposes to undertake over the medium to long term in delivering its goals and vision and providing services to the community through its assets. This SAMP includes 10 years of asset renewal projections, in alignment with Council's Long Term Financial Forecast (LTFF). The SAMP also presents the current state of Council's AM Framework, data and systems, highlighting identified gaps and continuous improvement activities.

This document is intended to link the Corporate Plan to the management of assets, in a manner which aligns with the Asset Management Policy and is consistent with the AMS.

The purpose of this SAMP is to:

- Describe the role of the AMS in supporting achievement of the AM Strategy, linkage for appropriate LoS, and meeting legislative requirements while balancing cost and risk;
- Document information that specifies how organisational objectives from the Corporate Plan have been realised as AM Principles; and inform the approach for developing Asset Management Plans (AMPs).

3. Organisational Context and Stakeholders

Council operates in accordance with the AM Framework, external legislation and industry practice, and multiple internal strategies, policies, procedures, and organisational management framework. These influence the Council AM operational activities and decision making. In addition, stakeholders (both internal and external) play an important role in this process.

3.1. Organisational Objectives

Organisational objectives are short-term and medium-term goals that Council seeks to accomplish. These play a large part in developing policies and determining the allocation of resources.

3.1.1. Corporate Plan

The Corporate Plan, Townsville 2025 – 2029, sets the direction for Council to provide strong leadership, sustainable services and city growth. The plan has been driven by feedback from our community, businesses and industries.

The Corporate Plan feeds into Council's broader strategic planning framework including the LTFF, SAMP and the City Plan.

The Corporate Plan sets the framework for the annual Operational Plan and supporting Annual Budget. Performance against each of these is reported quarterly and then annually through the Annual Report.

The Corporate Plan included detailed public consultation, held over 11 November to 8 December 2024. The 2024 Liveability Survey conducted in September 2024 also provided key information that helped shape the plan.

Council has published its Corporate Plan with the following Vision and Purpose statements:

Our Vision

A globally connected community driven by lifestyle and nature.

Our Purpose

Grow Townsville.

Council has also adopted four key goals.

- A City for Everyone
- A Sustainable and Resilient City
- A Future-ready City
- A Well-managed City

3.1.2. Townsville City Plan

The Townsville City Plan has been prepared in accordance with the *Planning Act 2016*, as a framework for managing development in a way that advances the purpose of the Act. To fulfill this purpose, the planning scheme outlines the Council's intention for future development within the planning scheme area, over the next 25 years.

3.2. Understanding Community Perspective

Many people depend on infrastructure assets in their daily activities. Additionally, Council's stakeholders encompass a diverse range of individuals and groups who, while not directly using the assets, have shared or competing interests in how Council oversees their management. Therefore, understanding community and stakeholder perspective is essential for the effective management of assets.

Council's Community Engagement Policy recognises the importance of community input in developing and delivering better services. The Community Engagement team provides strategic communication and engagement advice across all Council departments, to ensure the community is:

- Informed - Providing the public with balanced, timely and objective information to assist them in understanding projects, impacts, benefits and /or council decisions.
- Consulted - Two-way communication designed to obtain public feedback about ideas or rationale, alternatives and proposals to inform decision making.
- Involved - Working directly with the public throughout the process to ensure that public concerns and aspirations are consistently understood and considered.
- Collaborated with - To partner with the public in each aspect of the decision, including the development of alternatives and the identification of the preferred solution.

Ensuring the participation of community members, local agencies, and businesses in Council's decision-making helps create solutions that are more responsive to community concerns and effectively integrated. Council initiatives to continuously monitor customer satisfaction and align asset provision with service delivery are:

- Continue to consult with the community through surveys and workshops.
- Monitor Levels of Service and improve work practices as required.

3.3. Queensland's Legislative Framework

The *Local Government Act 2009* and the *Local Government Regulation 2012* set out the accountability framework for local governments in Queensland. They are "principle based" legislation and are founded on five local government principles. All principles are of equal importance.

The local government principles are:



Being broad in nature, the local government principles allow councils to develop processes and procedures well-adapted for their own unique and diverse circumstances.

3.4. Leadership and Accountability

Council leadership is provided by four main divisions as outlined below.

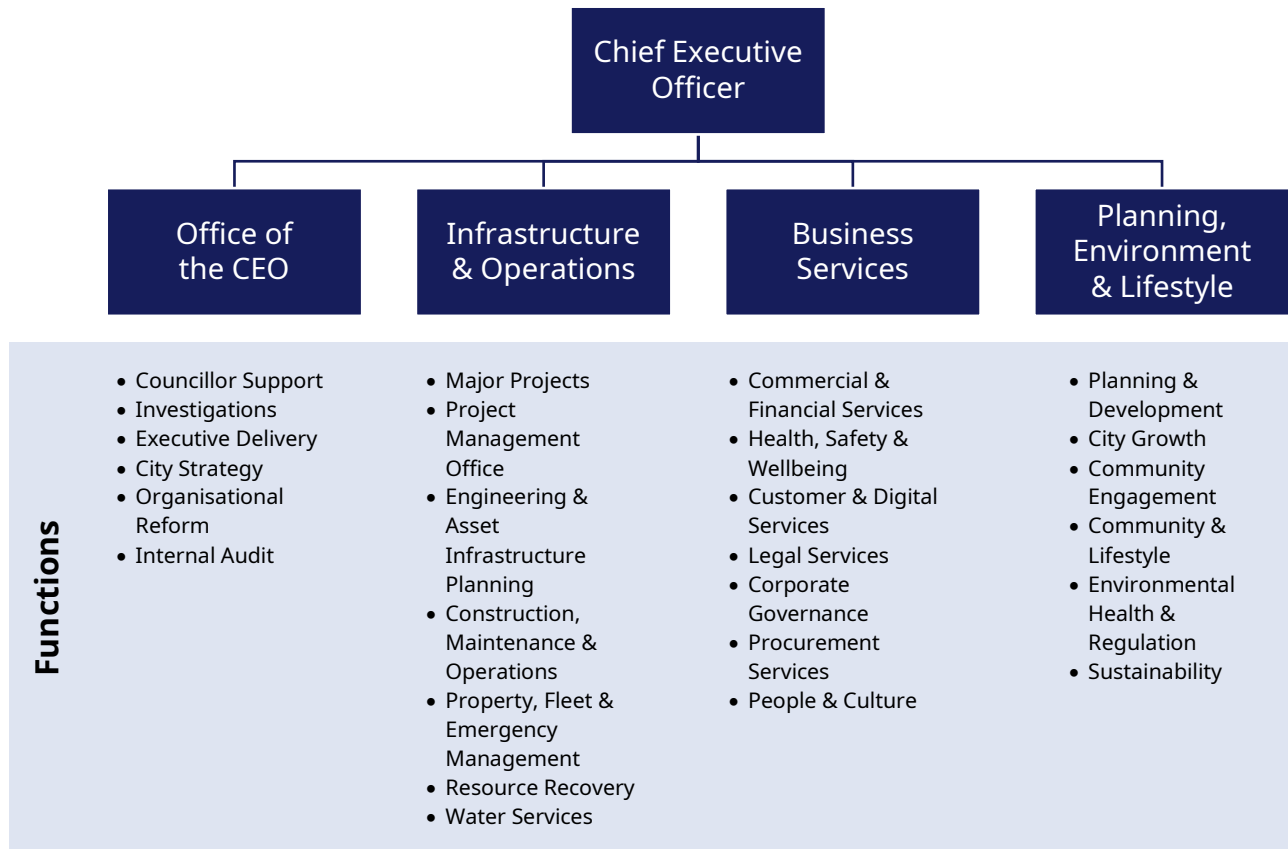


Figure 3-1: Council Organisation

3.5. SAMP and Executive Responsibility

Strategic AM planning is a key corporate activity that must be driven by Executive to ensure alignment with the AM Policy, AMF, AMS and associated budgetary objectives. For strategic AM to generate maximum impact, Executive should ensure that:

- Ownership, control, accountability, responsibility, and reporting requirements for assets are established, relevant, clearly communicated and implemented;
- AM Information Systems are maintained at a level that meets the requirements for asset information, decision making and reporting;
- An effective asset performance evaluation/reporting and continuous improvement program is in place; and
- Ongoing development and review of the SAMP to promote the viability and long-term use of assets is in line with Council's Corporate Plan and Goals.

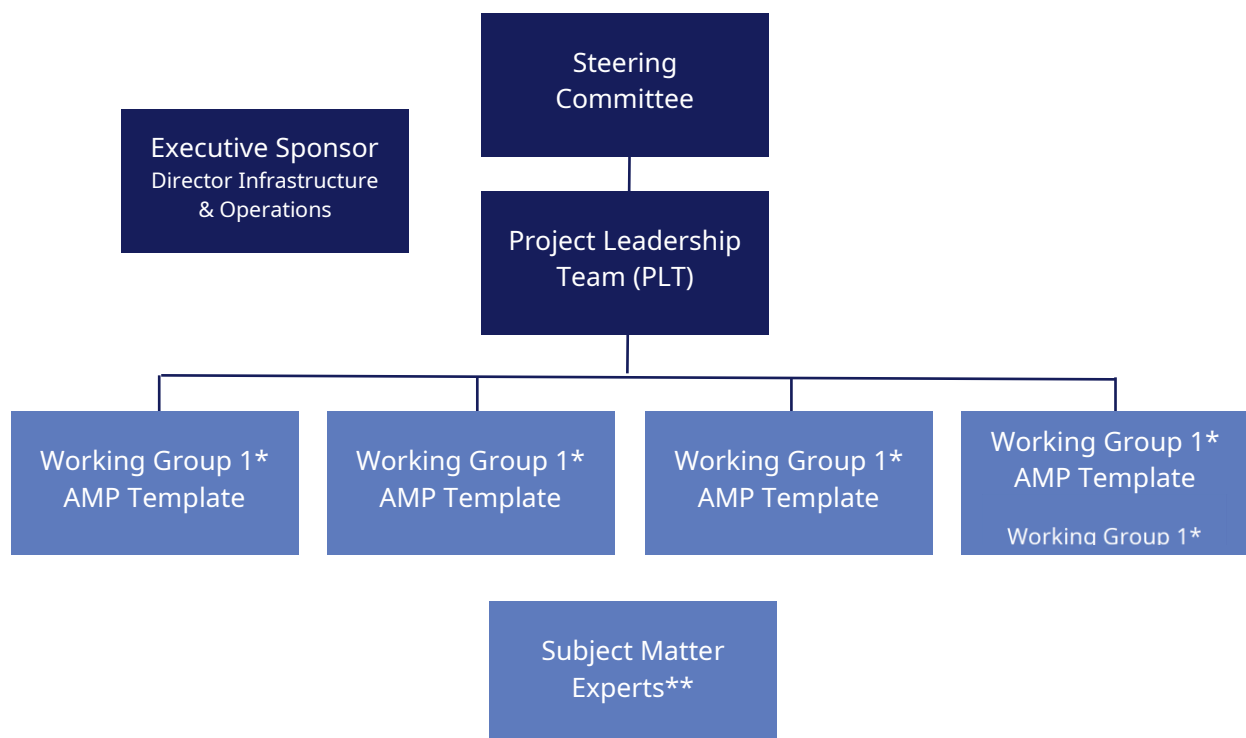
3.6. Asset Management Roles and Responsibilities

Council's AM teams sit within the Engineering and Asset Infrastructure Planning section, which is responsible for the custodianship of Council's infrastructure assets. These teams are responsible for the AM Policy, AMF, AMS, SAMP, asset data and asset planning, working collaboratively with other teams.

Establishing clear roles and responsibilities is fundamental to effective asset management, ensuring accountability, transparency, and consistency in decision-making and service delivery. Well-defined responsibilities enable staff to perform their duties efficiently, enhancing coordination across teams while minimising gaps or redundancies in asset management activities. This clarity supports strategic resource allocation, risk mitigation, and long-term planning, ultimately improving asset performance and service outcomes. Townsville City Council is in the process of defining asset management roles and responsibilities, and this work is included in its Asset Management Improvement Plan.

3.7. Governance

In order to ensure adequate governance over the AMF and AMS the governance structure shown in Figure 3-2 has been implemented.



*Working Group subject areas are determined by the PLT and then agreed with the Steering Committee, these will change over time as the focus areas change

**Subject Matter Experts will be included in the working groups as required

Figure 3-2: AM Governance

3.8. Stakeholders

3.8.1. Internal Stakeholders

Building on from the activity outlined on roles and responsibilities in Section 3.6, there will be a broader exercise to establish roles and responsibilities through the development of a RASCI (Responsible, Accountable, Support, Consult, Inform) matrix.

In the interim, internal stakeholder group engagement will continue through a variety of formal and informal communication channels including email, meetings, workshops, and formal AM training.

3.8.2. External Stakeholders

The community (residents and visitors) are the primary external stakeholders in the AMS and the main beneficiaries of the services. They also contribute the bulk of the operating funds through rates, utilities, charges, and fees. There are other groups with external stakeholder interests including:

- Goods and services providers to Council
- The Federal Government
- The Queensland State Government
- Financial Institutions, Insurers, Regulatory Authorities
- Developers

The Department of State Development and Infrastructure administers the *Local Government Act 2009* which stipulates various Council obligations, duties, and administrative requirements. The Department also ensures that activities at the local level are aligned with the Queensland State Government's local and regional priorities. Council's management is audited by the Government Audit Office and Queensland Treasury sets out the accountability and reporting requirements.

Additionally, there are many regulations governing Council activities which are administered by various State and Federal Government Departments. These can be specific to the asset portfolios and as such, are not detailed here.

Developers rely on Council to provide guidance and planning approvals that ensure the desired LoS are delivered in new developments. It is common practice that developers contribute infrastructure assets (e.g. water and wastewater infrastructure, roads, drainage, footpaths, parks, and lighting) to Council when new developments are commissioned. These assets expand the asset base under Council's management.

Visitors are stakeholders as they not only use Council infrastructure but also support the viability of the community through spending, which in turn creates employment in both the private and local Government sectors.

4. Asset Management Framework

The AMF provides a structured approach to managing Councils assets effectively and sustainably. It provides a cohesive structure for asset management, linking various policies, strategies, and plans to ensure an integrated asset management approach.

4.1. Asset Management Framework

The AMF below provides a visual representation of how the Council's asset management systems, documents, and processes integrate to support effective asset management.

The intent of Council's AMF is to:

- Link the Corporate Plan and goals with the AM Policy and AM Principles;
- Link organisational goals with the Levels of Service that the assets should deliver; and
- Guide the AM priorities, the work required on the assets to achieve those levels of service and the finances needed to support that work.

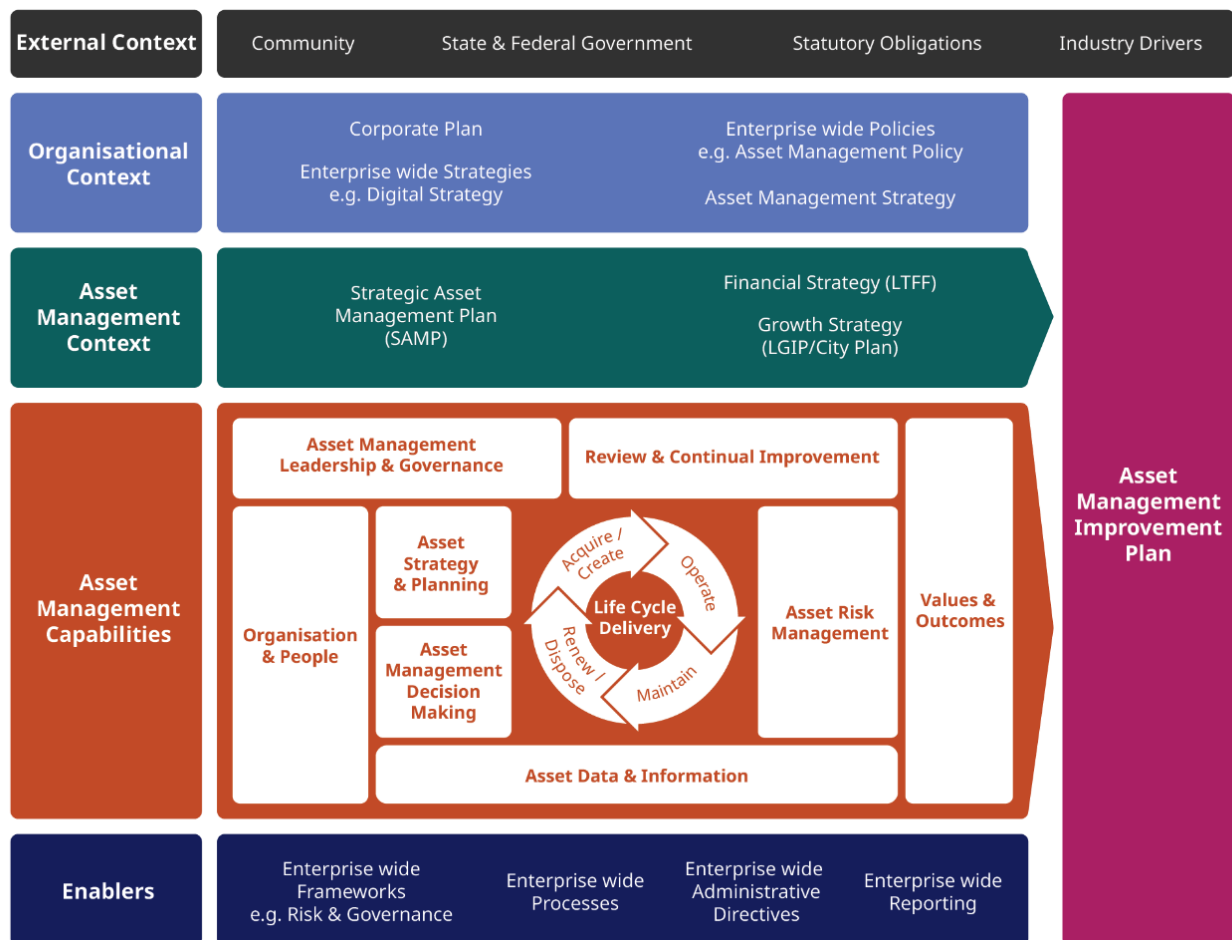


Figure 4-1: Council Asset Management Framework

4.2. Asset Management Capabilities

The capability model defines the necessary skills, tools, and processes required for effective asset management within Council. It ensures that Council has the resources and expertise needed to implement best practices in asset management.

Council has aligned its asset management capabilities model with the Institute of Asset Managements “10-box model” which meets the requirements of ISO5001. This model demonstrates the 10 key capabilities the council requires to ensure effective management of assets. The purpose of the model is to articulate the key components and how they inter-relate. It also shows how all areas of Council have a role to play in the management of assets.

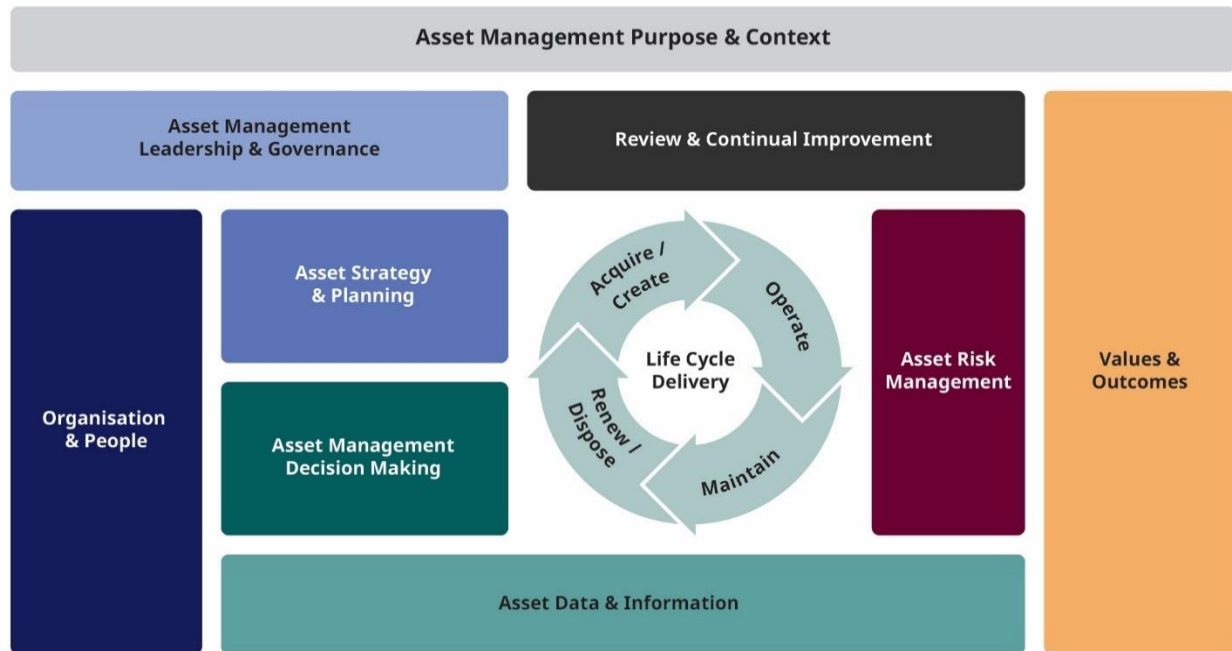


Figure 4-2: Council Asset Management Capabilities Model

4.3. Council Asset Management Policy

Council's AM Policy was adopted by Council in July 2024. It is the responsibility of all councillors and workers to ensure Council's Assets are managed in accordance with legislation, the Asset Management Policy and associated documents.

The policy intent is summarised as:

- The Townsville City Council (Council) commit to sustainably managing all council-owned assets in line with good asset management practices to maximise the value of the services that they provide for the community.

The management of assets and service will be achieved by:

- Governance, including an Asset Management Steering Committee to co-ordinate and implement specific asset management improvement initiatives, ensuring alignment with overall service delivery.
- Developing and maintaining a long-term SAMP and AMPs;
- A continuous improvement approach through leadership, cross functional integration, effective communication, capability development, collaboration and influencing culture.

4.4. SAMP Alignment

Council's AMF in Figure 4-1, provides guidance to assist Council and community to plan for the future. It is a continuous systematic process, which includes how all elements related to the management of assets including community engagement, come together to identify intended future outcomes and monitor and report on the progress of outcomes.

The SAMP has a pivotal role in the AM document hierarchy. It links corporate goals to AM Strategy, and outlines the high level, strategic actions that are required to ensure that the AM goals are achieved. In turn, this ensures that the Council AM activities are contributing effectively to the achievement of overall goals. The SAMP also provides guidance for the development of Levels of Service, and the more detailed AMPs for achieving them.

5. Asset Management Strategy

The AM Strategy has been developed and adopted as a standalone document and key elements are included here in the SAMP.

The AM Strategy provides a high-level approach to how the Council will manage its assets over time. It translates the AM Policy's principles into actionable strategies that support sustainable service delivery and financial planning.

The strategy articulates the vision and mission for asset management and documents the guiding principles that govern the Council's approach. It outlines the strategic goals targeted for the next five years, along with the anticipated outcomes and measures for success. This strategy ensures that the Council's asset management activities are proactive, well-coordinated, and aligned with broader strategy and long-term asset and community needs.

Our Asset Management Vision

Efficient, effective, sustainable, community-centric asset management.

Our Asset Management Mission

To deliver reliable, agile services, manage risk, and optimise asset performance for the long-term benefit of our community through informed data driven decisions.

5.1. Asset Management Principles

These principles serve as the foundation for our Asset Management Strategy, shaping our approach to managing assets, guiding decision making, and fostering collaboration across Council and with the community.

By adhering to these principles, we are confident in our ability to manage assets in a way that is sustainable, ethical, and responsive to the needs of our community, ensuring long-term value and a thriving future.

These principles were generated through an inclusive and collaborative process that involved input from various stakeholders, including the Council leadership team, employees and subject matter experts.



Community-Centric

Reliable, effective, efficient, and sustainable services.



Data driven outcomes

Informed decision-making in the community interest.



Financial Sustainability

Balancing cost, risk and performance to realise whole of life value.



Resilient Infrastructure

Withstand challenges and adapt for long-term reliability.



Integrated Whole of Council Asset Management

Foster collaboration, enhance capability, and promote integrated systems.



Continuous Improvement

Identify opportunities and embrace innovation.

5.2. Council's Asset Management Goals

Council's strategic goals will drive asset management transformation over the next five years, guiding efforts towards achieving meaningful outcomes for Council and the community. These goals represent areas of focus and set the direction for our asset management initiatives, enabling us to deliver tangible and sustainable benefits.

The strategic goals are designed to address key challenges and leverage opportunities in asset management. Specific focus areas have been identified to align with these goals, targeting critical domains where robust asset management practices can drive significant improvements.

Aligned with Council and community's priorities outlined in the Corporate Plan, the strategic goals provide a clear roadmap for the next five years. They reflect a shared vision and a commitment to a well-managed, sustainable and resilient, future-ready city for everyone.

By leveraging the expertise and perspectives of diverse stakeholders, we ensure that our strategic goals remain robust, relevant, and responsive to the evolving needs of Council and the community.

These goals are:

- Understanding and Setting Levels of Service
- Advancing Asset Data and Digital Capability
- Enhanced Decision Making and Governance
- Understanding and Communicating Asset Risk & Resilience

6. Levels of Service

6.1. Background

The purpose of AM is to realise value from assets and achieve the desired balance of cost, risk, and performance in community service delivery. This manifests in agreed LoS which are described from both a high-level community outcome perspective, and an asset and operational perspective.

To understand community stakeholder expectations that are reflected in the LoS, Community Sentiment Surveys are undertaken periodically. The surveys are based on a Council developed methodology to ensure consistency of results and to reflect changes in community expectations that are tracked over time. In addition to the survey, the community can interact with Council through various channels such as the Customer Experience teams, The Office of the Mayor and Divisional Councillors, Council's public website, the Have Your Say Townsville platform and various social media platforms.

Council is currently documenting the LoS that will provide consistent and quality services to the community.

LoS establish a line of sight from the goals and subgoals in the Corporate Plan and the operational LoS which define and measure aspects like maintenance needs and service intervals. They also align with intervention levels, ensuring clarity in response times and any additional activities required to address declining levels of service.

Community



Community Basic Needs



Shelter & Health



Movement



Social interaction

Activity Types

| Residential services | Community facilities | Cycling | Walking | Driving | Boating | Sport and Recreation | Cultural pursuits | Knowledge |
|----------------------|----------------------|---------|---------|---------|---------|----------------------|-------------------|-----------|
|----------------------|----------------------|---------|---------|---------|---------|----------------------|-------------------|-----------|

Assets

| Water | Waste-Water | Resource Recovery | Cycle ways | Footpaths | Roads | Jetties | Pools, parks and playgrounds | Art, galleries, theatres and museums | Libraries |
|-------|-------------|-------------------|------------|-----------|-------|---------|------------------------------|--------------------------------------|-----------|
|-------|-------------|-------------------|------------|-----------|-------|---------|------------------------------|--------------------------------------|-----------|

Asset Portfolios

| Water | Waste-Water | Resource Recovery | Transport | Stormwater | Coastal | Open Space | Community and Cultural |
|-------|-------------|-------------------|-----------|------------|---------|------------|------------------------|
|-------|-------------|-------------------|-----------|------------|---------|------------|------------------------|

Asset Portfolios

| Information and Communication Technology | Buildings and Facilities | Fleet |
|--|--------------------------|-------|
|--|--------------------------|-------|

Figure 6-1: Services provided to the Community

6.2. Impact of External and Internal Factors

Council takes into consideration the following external and internal factors which influence the strategic AM planning and objectives:

6.2.1. External

- **Legislative and Regulatory Environment:** Legislation may explicitly require AMPs, practices or systems to be best met by adopting AM principles. This in turn may inform minimum requirements for AM service levels and customer requirements and thus the LoS.
- **Commercial Environment:** Council arrangements and funding mechanisms may affect the timing of AM activities and its focus within Council. Key factors also include customer pricing, charges, and the Council's financial position and capacity.
- **Economic Environment:** The economy, internal economic efficiency, and resource availability.
- **Social Environment:** Societal benefits and balancing benefits and impacts for the community.
- **Natural Environment:** Limiting adverse impacts on the environment such as climate change.

6.2.2. Internal

- **Corporate Direction:** As defined in the Corporate goals and plan.
- **Business Frameworks:** These include Risk Management Framework, commitment to AM and change management practices.
- **Financial and Funding Strategies:** These include application of financial management principles, funding constraints and budgets and consideration of asset lifecycle costs.

The above factors influence how AM is conducted to meet the demands of rapidly changing societal, political, legislative, and business environments.

7. Asset Management Planning Approach

Sustainably managing Council assets involves overseeing them throughout their entire lifecycle. This is done through consideration of demand and growth forecasts, LoS, risk, condition management, environmental, social and governance management. Council's approach to AM planning is based on data driven decision making for the delivery of sustainable services, reducing the asset risk exposure in line with the Corporate Risk Appetite Statement, and achieving financial sustainability.

7.1. Asset Management Plans

AMPs are prepared for each asset portfolio and also at the relevant asset level in the portfolio.

Each AMP includes provision for capital, renewal, operational and maintenance works to provide infrastructure meeting agreed levels of service. The AMPs outline processes and principles used to plan capital, renewal and maintenance works within asset portfolios and prioritise works in and across the asset portfolios. This information impacts the Council's LTFF and the annual budget business plans.

The AMPs are currently being revised with a new template aligning to the Asset Management Capabilities.

The revised template includes:

- Current state of the assets – what Council owns, what the portfolio is valued at and its most recent assessed condition and performance.
- Levels of Service – defining the applicable LoS for the assets within the AMP and their current performance.
- Future demand – assessing its effects on service delivery and outlining strategies to meet evolving needs.
- Risk Management – assessing the asset portfolio's risk profile and how it evolves with investment and over time.
- Asset Lifecycle Management - how Council will optimise the management including maintenance and renewal of its existing and future assets to provide the required sustainable services.
- Financial Summary – this includes the forward prioritised capital and operational expenditure.
- Improvement Plan – improvements in the data and information for the asset portfolio / class / type and the AM systems and processes specific to the AMP.

The information linkages to the AMPs include:

- asset register data on location, size, age, value, condition, and remaining life of the assets,
- the unit rates for classes of work / resources and materials,
- performance relative to LoS,
- projections of factors affecting future demand for services,
- correlations between maintenance and renewal including asset condition / service performance models,
- data on new assets developed or acquired by Council,
- data on assumed works programs and trends,
- works delivery practices including the outsourcing options,
- the resulting budget, valuation, and depreciation projections,
- lifecycle analysis data,
- risk, performance, and cost data.

This information feeds into the Council's long-term financial forecast, Corporate Plan, annual budget and departmental business plans and budgets.

7.2. Long Term Planning

7.2.1. Local Government Infrastructure Plan (LGIP)

The Local Government Infrastructure Plan (LGIP) is a long-term, forward plan for trunk infrastructure to service the future growth of the Townsville local government area. Council's LGIP was originally adopted in 2017.

The LGIP forms Part 4 and Schedule 3 of the Townsville City Plan. It includes growth assumptions and desired standards of service (DSS). The Townsville LGIP identifies trunk infrastructure for:

- water supply
- sewerage
- roads
- footpaths and cycle ways
- public open space and land for community facilities.

Regular reviews and amendments to the LGIP identify trunk infrastructure requirements for upgrades and delivery to appropriate standards, when and where it is needed in the most cost-effective way.

In 2019 an interim amendment to the LGIP was undertaken, incorporating updates to the growth projections comparable to the 2018 edition of the Queensland Government Statisticians Office (QGSO) projections. Additionally, the amendment included revisions to infrastructure service strategies.

7.2.2. Demand Management Planning

AMPs describe the drivers affecting the future demand of each asset portfolio. Council meets the demand for new services by effectively managing existing assets, upgrading them as needed, and acquiring new ones. This also includes non-asset solutions, insuring against risks and managing failures to ensure service continuity. The key drivers affecting the future demand are:

- Regulation
- Population growth
- Economic factors
- Community preferences and expectations
- Technological changes
- Climate change

Public consultation and measurement of current LoS are crucial for Council's demand management planning. Through the continuous monitoring of LoS, Council addresses any service deficiencies that arise through the activities of its programs of works.

7.3. Decision Making Criteria

Asset investment decisions across asset portfolios require balancing competing priorities within constraints of limited funding. Council considers the following factors to decide investment priorities for both capital and operational funding:

- Critical assets and benefits to the Community
- Meeting legislated requirements
- Managing safety and risk
- Financial sustainability
- Alignment with the Corporate Plan
- Maintaining agreed LoS for existing and contributed assets
- Delivering increased LoS / new assets where appropriate

7.4. Capital Investment Strategy

Asset investment strategies are specific to each asset portfolio. The capital works within all asset portfolios including renewal and rehabilitation of existing assets or the creation of new assets in the capital works program, depends on optimising the relationship between performance (LoS), cost, and risk.

7.5. Maintenance Strategy

The maintenance strategy comprises of preventative, corrective and reactive maintenance. The objectives of the strategy are developed based on the following:

- Assets are maintained to perform at the required LoS during their life cycle. For some assets, this involves minimising service disruptions, preventing failures that could lead to licence breaches or loss, and maintaining operational reliability. Other assets are designated as run-to-failure, meaning their maintenance approach is purely reactive, addressing issues only as they arise.
- Critical areas and risks are identified and managed
- Information is gathered to assist future decision making and budgeting.

The strategy recognises that assets require different maintenance standards based on their specific functions and risks. The appropriate standard, condition auditing and frequency of servicing/maintenance are determined through assessing criticality (aligned with the risk assessment framework), functionality, ease of service restoration after failure and utilisation needs.

7.6. Asset Condition Assessment

Assets need to be managed in a way that ensures they continue to provide the required LoS and disruptions to the community are minimised.

Council undertakes asset condition assessment at various intervals depending on the asset portfolio to determine their remaining useful life and to prioritise future operational and capital works. Regular inspections help track the rate of asset deterioration, allowing Council to assess the effectiveness of maintenance and renewal efforts in achieving the expected useful life of assets.

7.7. Risk Management

Council has adopted an Enterprise-Wide Risk Management Policy to manage business, project and operational activities and decisions. The Strategic Enterprise-Wide Risk Management Framework is the means through which these are coordinated. Risk is proactively managed in accordance with ISO 31000:2018 *Risk Management Guidelines* and related standards such as Compliance Programs (AS 3806:2006), and Compliance Management Systems – Guideline.

Council's Strategic Enterprise-Wide Risk Management Framework includes commentary on its risk appetite, acknowledging that risk-based decision making to support the achievement of strategic objectives should be tailored to each major risk type. Council has set specific risk parameters against major functions/risk categories to operate within tolerable ranges. Council has established acceptable risk level, determined with the guidance of Risk Appetite Statement (RAS) and the cost of treating the risk weighed against the opportunity for creating or protecting value. A report is provided to the Audit & Risk Committee quarterly.

Council-wide strategic and operational risk assessments are managed by the Legal Services section through a risk register with responsible risk owners across the organisation. The AM teams continue to assess risk to feed into decision making relating to Council's assets and monitor for any new and emerging risks.

8. Current State of Assets

Council owns and manages a diverse asset portfolio, with a replacement value close to \$9 billion. Assets are divided into portfolios that comprise of Transport, Water, Wastewater, Resource Recovery, Buildings and Facilities, Fleet, Stormwater, Open Space, ICT, Coastal, Community and Cultural.

8.1. Asset Portfolio Summary

In 2023-24, Council collected 6.7 million bins, processed 21,634 megalitres of wastewater, treated 42,342 megalitres of water, serviced over 1,800 kilometres of roads and 600 kilometres of footpaths and maintained 373 parks. The following figure (Figure 8-1) summarises the Council asset portfolio as of May 2025.

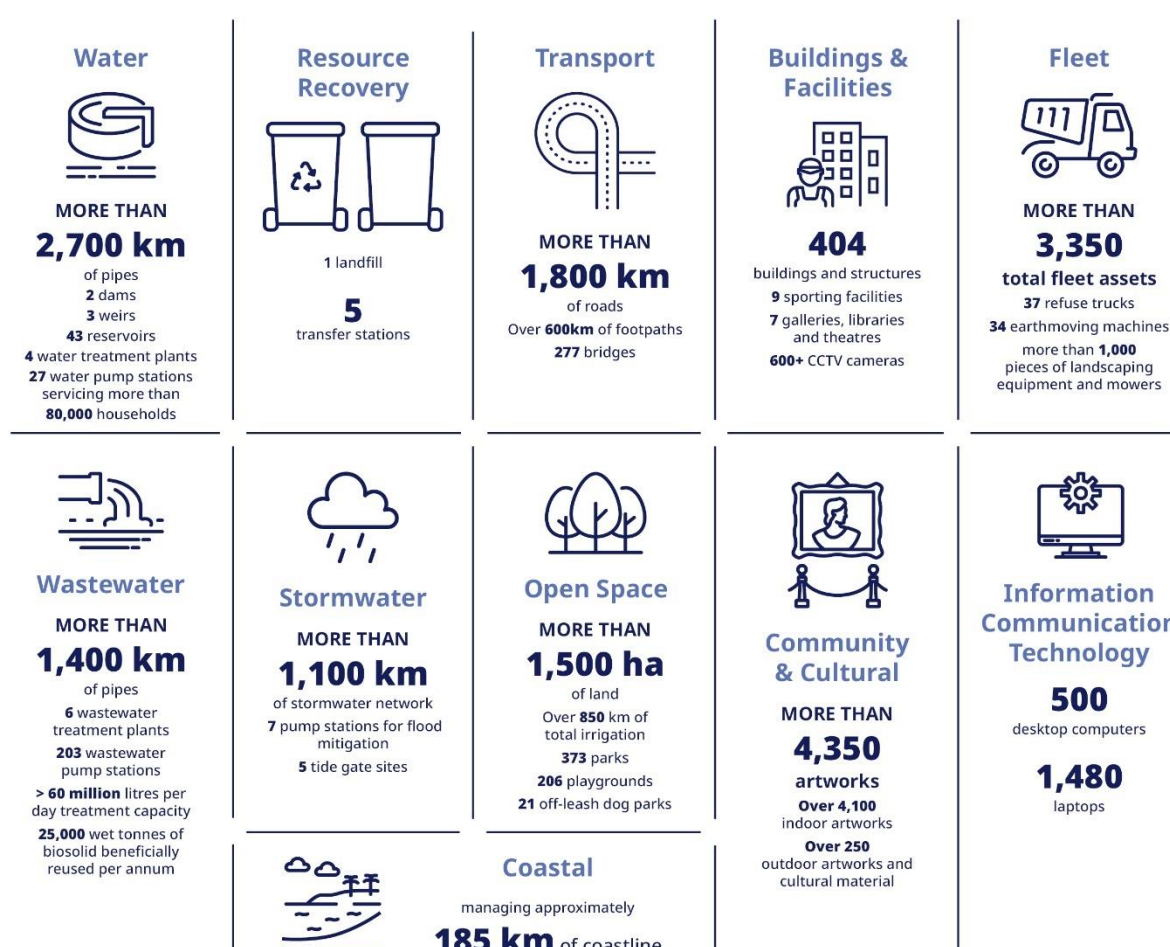


Figure 8-1: Council asset portfolio summary

The replacement value of commissioned assets covered by this SAMP as of May 2025 are shown in table 8-1 below. (Note this value is subject to change and dependent on factors including asset revaluation, renewal, upgrades, disposals and donated assets).

Table 8-1: Council asset portfolio replacement value at May 2025

| Asset Portfolio | Replacement Value (\$000) | % of total value |
|--------------------------------------|---------------------------|------------------|
| Transport | \$3,004,582 | 33.42% |
| Water | \$2,291,638 | 25.49% |
| Wastewater | \$1,478,788 | 16.45% |
| Stormwater | \$946,843 | 10.53% |
| Buildings & Facilities | \$503,664 | 5.60% |
| Open Space | \$429,301 | 4.77% |
| Resource Recovery | \$163,016 | 1.81% |
| Fleet | \$92,276 | 1.03% |
| Information Communication Technology | \$31,173 | 0.35% |
| Community & Cultural | \$22,859 | 0.25% |
| Coastal | \$27,213 | 0.30% |
| Total | \$8,991,353 | 100% |

8.1.1. Performance Monitoring

Asset performance is measured against LoS and relevant targets. Areas of continual improvement, alignment with stakeholder requirements, and defined responsibility and processes for measurement, recording and reporting are also included where relevant. LoS for each asset portfolio will be identified in the revised AMPs.

8.2. Asset Portfolios

As Council matures further in its asset management practices, this section of the SAMP will develop over time to include a summary of each asset portfolio. Further details will then be found in the AMPs.

In the interim we have, where possible, outlined key information on the asset portfolios.

8.2.1. Water

Over the next 10 years, the Water portfolio is expected to require over \$1B in investment. Some of the key drivers of this investment are:

- Aging Water Mains and Risk-Based Renewals**
 Council has an extensive water network which includes water mains that are over 100 years old with asset failures increasing in certain zones. This is especially true for older asbestos cement mains reaching end-of-life. Risk-based renewal planning using criticality is a key strategic focus.
- Water Security through Houghton Pipeline and Smart Water Management**
 The completion of Stage 1 and planning and commissioning of Stage 2 of the Houghton Pipeline (extending to the Burdekin) are central to securing a climate-resilient emergency raw water supply to supplement urban demand.
- Smart Water Management**
 Integrated water management—including leak detection, smart metering, and pressure zoning—offers additional efficiency. Council has proactively replaced over 25,506 smart meters (as of May 2025) which accounts for a third of the water meters in Council's water network. Continued capital investment is required to ensure all water meters are replaced with smart meters.

- **Reservoir and Pump Station Upgrades**

Several reservoir and water pump station assets are due for renewal or upgrades. This includes chlorination systems, structural rehab, and remote monitoring integration to improve resilience and operational control.

- **Urban Growth and Network Capacity Planning**

New developments require ongoing modelling and upgrades to water trunk infrastructure. Strategic capacity planning ensures adequate fire flow, redundancy, and energy-efficient pumping systems. Council has recently updated and calibrated its Water and Wastewater models to allow for accurate network modelling assisting with network flexibility and developer driven growth planning.

8.2.2. Resource Recovery

Some of the key activities within the Resource Recovery portfolio over the next few years are:

- **Stuart Waste Facility Capacity and Planning**

Council's main Resource Recovery facility at Stuart is undergoing major Capital investment. Long-term planning involves landfill cell expansion, leachate management improvements, and landfill capping projects. Strategic decisions must be made about post-2030 disposal pathways.

- **Organics and food organics and garden organics (FOGO) Readiness**

Council is preparing for mandatory FOGO collection in coming years is a major priority. Council is evaluating processing options, facility requirements, and community readiness for source separation.

- **Transfer Station Modernisation and Accessibility**

Several rural transfer stations require upgrades for safety, traffic flow, and accessibility. Modernisation may include digital tracking, drop-off incentives, and waste stream separation bays.

- **Community Engagement and Behaviour Change**

Increasing community ownership of recycling outcomes and waste reduction is essential. Programs like school education, waste champions, and reuse workshops can amplify impact.

8.2.3. Transport

A key influencing factor for the Transport portfolio is affordability in light of increasing construction costs.

8.2.4. Buildings & Facilities

Some of the key activities within the Buildings & Facilities portfolio over the next few years are:

- Assess, maintain, and develop strategies for facilities renewal to meet operational needs. (aging facilities and changed requirements, number of facilities, location)
- Ensure building compliance and efficiencies through building management systems (BMS). (Currently not all buildings have BMS)
- Implementation of energy efficiency programs on facilities. (Solar, building automation, efficient equipment)
- LoS agreed for the different asset types.
- Secure government funding for facilities renewals

8.2.5. Fleet

Key focus areas for the Fleet portfolio in the next few years are:

- Electric Vehicle renewal program
- Fit for purpose analysis on fleet equipment
- The recently implemented GPS tracking system and the improved data that this will provide around fleet utilisation
- Increasing refuse truck fleet
- Carpooling (Ride Sharing)
- Aging fleet (Higher maintenance cost, less capacity, unreliable plant)

8.2.6. Wastewater

Key focus areas for the Wastewater portfolio in the next few years are:

- **Inflow and Infiltration and Wet Weather Overflows**
Infiltration during wet weather events cause increased flows, overloading the wastewater pipe network and wastewater pump stations. Council is undertaking targeted CCTV inspections and wastewater main relining programmes in priority zones to reduce inflow and infiltration.
- **Wet Weather network capacity/resilience**
Townsville's dry tropics climate is prone to extremes of weather, in particular periods of high-volume rain events which overwhelm the hydraulic capacity of the wastewater network. Strategic investment is required to optimise network performance, pump station operation and reduction of choke points in the network.

8.2.7. Stormwater

The focus for the Stormwater portfolio is the continuous improvement in capturing unmapped assets in the asset register.

8.2.8. Open Space

Key challenges for the Open Space portfolio in the next few years are:

- Increasing prevalence of crime/vandalism and the extent of damage occurring through vandalism and arson
- Affordability - increasing costs for replacement items combined with reduced life and quality of products

8.2.9. Community & Cultural

Nothing to note at this time.

8.2.10. ICT Portfolio

ICT has developed a multi-year plan to address asset lifecycle requirements and move towards a predictable future model.

- Over the next three years we will conduct a comprehensive review of our wired and wireless network services, ensuring they align with modern best practices. This process will involve validating and redesigning systems as needed, while also replacing obsolete and unsupported equipment with new technology that will comply with our security requirements. This will involve a market engagement to ensure Council is getting a solution that is both fit for purpose and economical to procure and maintain.
- Council has spent the last two years focussed on updating outdated and unsupported equipment within its end-user computing environment. This has included refreshing laptops, desktops and other computers required to deliver community services. The final phase of this upgrade will be completed in the upcoming financial year, bringing all systems up to date. Moving forward, Council will transition to a regular 20% annual replacement cycle, ensuring a smoother capital expenditure and enabling more predictable budgeting.

8.2.11. Coastal

The Coastal portfolio is a relatively new addition. Previously, many of these assets were managed under the Open Space portfolio. However, they are now being designated separately as they have distinct requirements and service levels.

Over the coming years, we aim to gain a deeper understanding of this portfolio, clearly defining the assets it encompasses and their specific requirements, particularly in relation to levels of service.

8.3. Asset Data

Council collects, maintains, and analyses extensive information across its asset portfolios. This data is stored, managed, and maintained in an Asset Register within the Council's enterprise Asset Management Information System. The Geographical Information System (GIS) is fundamental in the creation of asset data, including size, material, and construction dates for linear assets. The Asset Management System records available information for the asset portfolio, such as the condition, value, size, and age of individual assets. Utilising the GIS in conjunction with the Asset Management System enables map-based visualisation and analysis of the Council's asset data.

Information from the Asset Register and GIS supports AM decision-making and reporting, including capital programs, forecasting, asset valuation, operational maintenance, and compliance. Council combines 'top down' policy inputs with 'bottom up' data analysis, performance metrics, risk management, and predictive modelling.

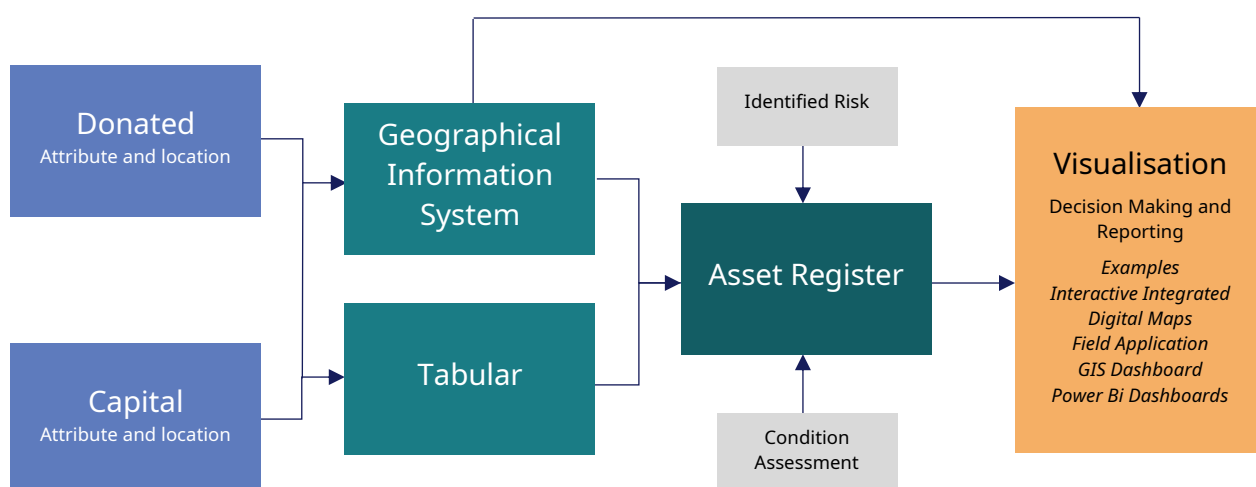


Figure 8-2 Council's Asset Data Flows

8.4. Asset Key Focus Areas

To understand some of the key focus areas and challenges within and across asset portfolios, a number of internal stakeholders came together to discuss the larger issues either present today or on the horizon. The summary of this assessment is included below.

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8.5.1. Summary of Key Focus Areas Across Asset Portfolios

Some of the key focus areas and challenges across asset portfolios currently being considered are:

- Replacement costs – Post COVID impacts, and high inflation are leading to higher replacement costs, combined with a lower availability of local construction and service providers
- Changing demographics – current spike in occupancy rates due to housing crisis, however over the longer term as the community continues to age, a lower occupancy rate is expected to be seen
- Aging infrastructure – since much of it was developed around the same time, renewal projects tend to coincide. To ensure effective long-term planning, a well-informed approach to staging and distributing investments is essential, supported by a strong understanding of infrastructure condition and performance.
- Community safety and vandalism impacts are increasing concerns and lead to reactive expenditure
- Technology is advancing rapidly, with more innovations becoming increasingly cost-effective. Over the coming years, these advancements are expected to integrate into asset management practices, enhancing efficiency and effectiveness.
- Workforce – As technology progresses and working environments evolve, workforce dynamics will transform, making proactive workforce planning essential.
- Donated assets, primarily from developers, are increasingly exceeding TCC-required standards (e.g. Parks and Open Spaces). While this enhances overall quality, it also demands higher ongoing investment and raises community expectations for similar assets.

9. Asset Investment

Council follows the financial sustainability terms stated in Section 104 (2) of the *Local Government Act 2009* which states that “A Local Government is financially sustainable if the Local Government is able to maintain its financial capital and infrastructure capital over the long term”. The importance of AM to the financial sustainability of the Council is reinforced by the *Local Government Act 2009*.

Each year, Council spends a significant proportion of its budget renewing the existing assets and acquiring new assets. The purpose of asset management is to ensure assets are managed to achieve the desired balance of cost, risk, and Levels of Service for the community.

Townsville City Council (Council) recognises the role that Financial Reserves play as a sound and prudent financial management strategy to ensure long-term financial sustainability. A Financial Reserves policy is currently being developed in order to establish Reserves to assist in its effective management of Council's long-term financial sustainability. Reserves are enacted where they contribute to Council's long-term financial sustainability by:

- linking funds raised to delivery of outcomes;
- assisting in cash flow stability;
- managing impacts of inflationary pressures; and/or
- supporting long-term financial planning.

9.1. Funding Strategies

The funding strategy to provide the services covered by this SAMP and supporting AMPs is contained within the organisation's 10-year Long Term Financial Forecast (LTFF). The LTFF produces Council's financial statements which are included in the Operational Plan. This is adopted twice a year, once at Budget adoption in June and then in January (Mid-year Review).

9.2. Valuation Forecasts

In accordance with AASB116 Property Plant and Equipment, all non-current physical assets measured at fair value must be comprehensively revalued by a suitably qualified person at least once every five years. Where indicators exist that the asset class has experienced a significant and volatile change in value since the last reporting period, all assets in that class should be considered for specific appraisal, if practicable.

It is the responsibility of the General Manager Commercial & Financial Services and General Manager Engineering & Asset Infrastructure Planning to:

- Coordinate asset revaluations in line with the Queensland Audit Office requirements. Council carries out the revaluation of the infrastructure assets at different intervals for different asset classes.
- Asset revaluation results are reviewed and agreed by the Executive Leadership Team (ELT).
- Ensure that the carrying value for large asset classes do not materially differ from the fair value as at that financial year's reporting date. This includes material change in an asset's condition and useful life.

Council acknowledges fully depreciated assets can still be in use. This provides an indication that Council's applied depreciation does not reflect the pattern in which the asset's future economic benefits are being consumed. In accordance with State Government guidelines, Council does not re-life assets and credit depreciation but holds the asset at nil written down value.

9.3. Annual Expenditure

Below is the forecast expenditure for the next 10 years.

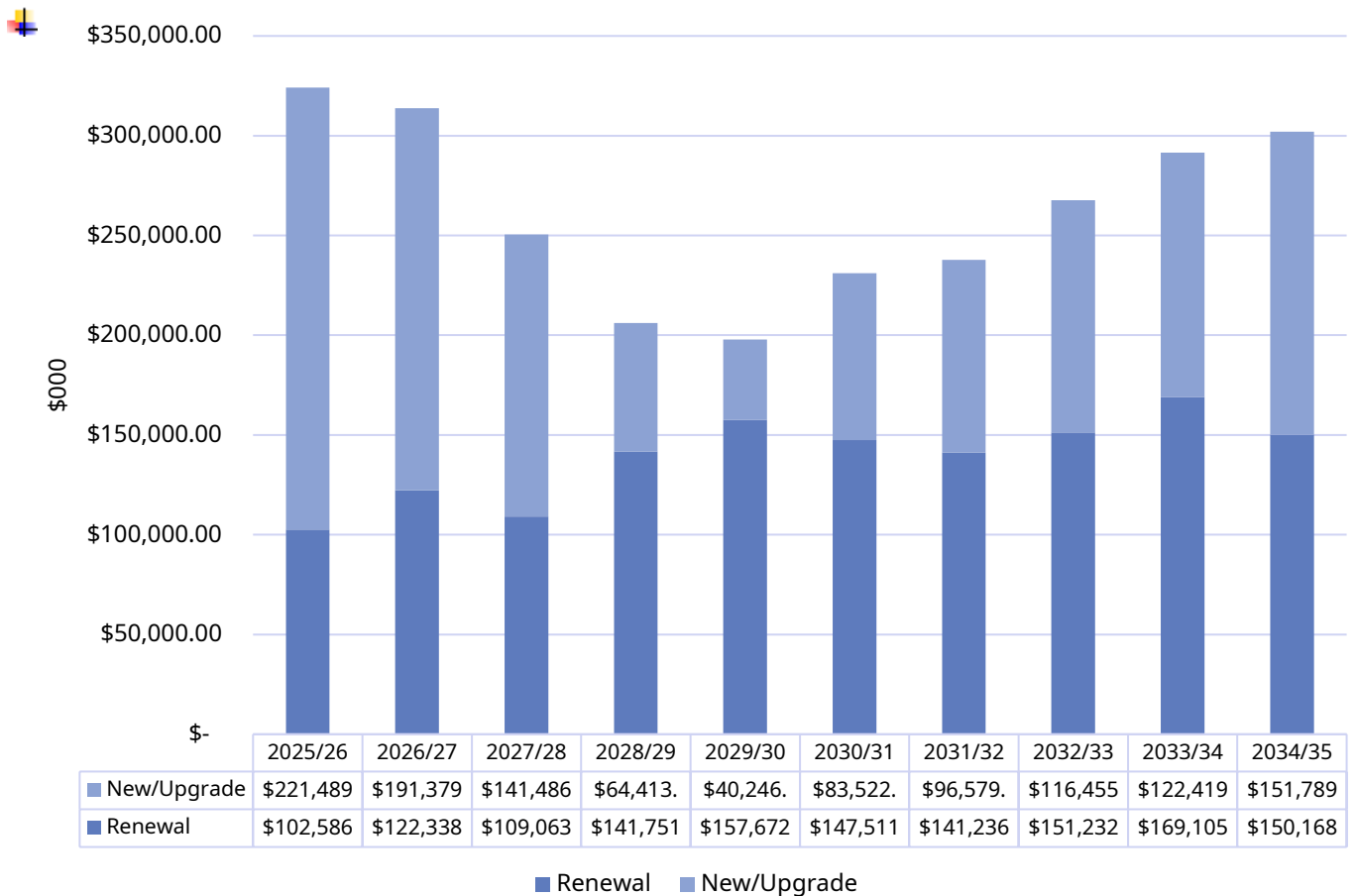


Figure 9-1: Council Annual Asset Expenditure Forecast (10 years)

The following are the financial sustainability measures for the Queensland local government sector.

Table 9-1: Financial Sustainability Measures

| Type | Measure | Rationale | Target (Tier 2) | Budget as at 30 June 2026 |
|-------------------------|---------------------------------------|---|-----------------------|---------------------------|
| Financial Capacity | Council Controlled Revenue Ratio | Capacity to generate revenue internally | N/A | 94.2% |
| | Population Growth Ratio | Population growth/decline pressures on council | N/A | 1.7% |
| Operating Performance | Operating Surplus Ratio | Holistic overview of council operating performance | Greater than 0% | -2.0% |
| | Operating Cash Ratio | Cash operating performance (less depreciation and other non-cash items) | Greater than 0% | 29.9% |
| Liquidity | Unrestricted Cash Expense Cover Ratio | Unconstrained liquidity available to council | Greater than 2 months | 5.8 months |
| Asset Sustainability | Asset Sustainability Ratio | Capital renewals program performance | Greater than 60% | 61.6% |
| | Asset Consumption Ratio | Extent to which assets are being consumed | Greater than 60% | 79.3% |
| | Asset Renewal Funding Ratio | Asset replacement program performance | N/A | 93.9% |
| Debt Servicing Capacity | Leverage Ratio | Ability to repay existing debt | 0 to 4 times | 2.8 times |

10. Continuous Improvement and Key Interfaces

Performance and efficiency of the AMF and AMS are monitored, measured, analysed, evaluated and auditable. This is brought together in the Asset Management Improvement Plan (AMIP). Council's asset management improvement plan will:

- Be based on ongoing consultation across Council.
- Be documented in the Asset Management Maturity Improvement Plan.
- Be prioritised against the Asset Management Strategy.
- Have annual outcomes agreed and documented.
- Have progress to the plan tracked quarterly.

10.1. Project Interfaces

The following are two key Council wide projects that integrate with asset management systems and processes and therefore are key focus areas for the asset management teams over the next four years.

Business Transformation Program

The council is embarking on a business transformation program to uplift capability across the organisation to ensure efficient and effective operating models to deliver on council's current and future strategic outcomes. This program includes enhancing the enterprise resource planning (ERP) solution to act as the information back bone. The Asset Management Maturity Uplift project feeds into the broader organisation-wide transformation agenda, and the asset information systems and processes must be well understood and clearly documented to ensure a smooth transition to enhanced or new technology.

Information Management Project.

Council has embarked on an Information Management (IM) Project aimed at enhancing TCC's IM Maturity. The objective is to foster effective connectedness that respects the customer and adheres to IM requirements. To accomplish this, a Council-wide IM Framework – IM Project has been initiated.

The project is designed to deliver tangible benefits incrementally, ensuring stakeholders are involved in the change process, know what to expect and are informed at each stage of transformation. The project delivery roadmap and the future operating model are designed to support sustainable and scalable growth, further improving the experience of TCC and the community.

10.2. Asset Management Maturity Uplift Project

Council has adopted a continuous improvement approach that establishes and nurtures a 'whole-of-organisation' culture focused on best practice in AM.

In order to best facilitate this approach, an AM Maturity Assessment has been carried out. This determined the current state of Council AMS for all asset portfolios with respect to the requirements of ISO55001:2014. It also provided recommendations in order to improve current asset management practices.

To take forward the recommendations, an Asset Management Maturity Uplift Project has been launched. This project will provide Council with a solid foundation to:

- Build and improve AM capability
- Maximise the value of infrastructure assets
- Better understand, manage and mitigate risks associated with assets within Council's risk appetite
- Improve evidence-based decision making based on criticality and risk-based optimisation of investment across asset portfolios
- Improve performance and reliability resulting in more capacity and better service delivery to the community
- Improve governance, legislative compliance, community trust and stakeholder confidence

Some key areas of continuous improvement over the next 2 years are summarised below:

- Alignment of individual AMPs to this SAMP
- Development of an Asset Management Glossary in order to standardise language and terms across Council
- Review, development, and implementation of Levels of Service across the total service chain
- Asset information review and updates in order to align with the Asset Management Strategy.

10.3. SAMP Review

The SAMP is a medium to long-term document and has a general time horizon of 10 years. However, it is also essential that the SAMP is regularly reviewed and updated to ensure that it contains current asset portfolio and condition data, risks and mitigations are current and that continuous improvement initiatives are up to date. The review period for the SAMP is set to a maximum of five-yearly with minor reviews as detailed in Figure 10-1 below.

As the SAMP must have alignment with the Corporate Plan the next planned revision will be in five years' time in order to coincide with the next revision of the Corporate Plan in 2030.

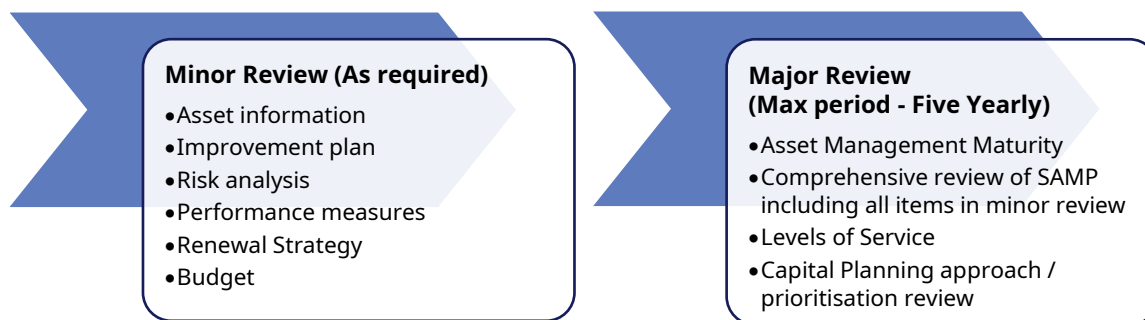


Figure 10-1: Planning Horizon of SAMP

Document Control

| | |
|--------------------|---|
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