Sunshine Coast Council

Holiday Parks

ASSET MANAGEMENT PLAN

Version 2

September 2012

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1	August 2010	Development of asset management plan	Gary Ehsman		
1.1	November 2010	Development and refinement of TAMP	Gary Ehsman		
1.2	September 2011	Inclusion of revised graphs and commentary	Gary Ehsman	Chris Campbell	
2	November 2012	Revised data from FAIM revaluation	Gary Ehsman	Chris Campbell	

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ABBREVIATIONS

AAAC	Average annual asset consumption
AMP	Asset management plan
ARI	Average recurrence interval
BOD	Biochemical (biological) oxygen demand
CRC	Current replacement cost
CWMS	Community wastewater management systems
DA	Depreciable amount
DoH	Department of Health
EF	Earthworks/formation
IRMP	Infrastructure risk management plan
LCC	Life Cycle cost
LCE	Life cycle expenditure
MMS	Maintenance management system
PCI	Pavement condition index
RV	Residual value
SS	Suspended solids
vph	Vehicles per hour

GLOSSARY

Annual service cost (ASC)
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 operating, maintenance, depreciation, finance/ opportunity and disposal costs, less revenue.

Asset class
Grouping of assets of a similar nature and use in an entity's operations (AASB 166.37).

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
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.

Assets
Future economic benefits controlled by the entity as a result of past transactions or other past events (AAS27.12).

Property, plant and equipment including infrastructure and other assets (such as furniture and fittings) with benefits expected to last more than 12 month.

Average annual asset consumption (AAAC)*
The amount of a local government's asset base consumed during a year. This may be calculated by dividing the Depreciable Amount (DA) by the Useful Life and totalled for each and every asset OR by dividing the Fair Value (Depreciated Replacement Cost) by the Remaining Life and totalled for each and every asset in an asset category or class.

Brownfield asset values**
Asset (re)valuation values based on the cost to replace the asset including demolition and restoration costs.

Capital expansion expenditure
Expenditure that extends an existing asset, at the same standard as is currently enjoyed by residents, to a new group of users. It is discretional expenditure, which increases future operating, and maintenance costs, because it increases 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
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 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

Capital new expenditure
Expenditure which creates a new asset providing a new service to the community that did not exist beforehand. As it increases service potential it may impact revenue and will increase future operating and maintenance expenditure.

Capital renewal expenditure
Expenditure on an existing asset which returns the service potential or the life 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 has no impact on revenue, but may reduce future operating 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. Where capital projects involve a combination of renewal, expansion and/or upgrade expenditures, the total project cost needs to be allocated accordingly.

Capital upgrade expenditure
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 discretional and often does not result in additional revenue unless direct user charges apply. It will increase operating 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. Where capital projects involve a combination of renewal, expansion and/or upgrade expenditures, the total project cost needs to be allocated accordingly.

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
An individual part of an asset which contributes to the composition of the whole and can be separated from or attached to an asset or a system.

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, plus 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.

Current replacement cost "As New" (CRC)
The current cost of replacing the original service potential of an existing asset, with a similar modern equivalent asset, i.e. the total cost of replacing an existing asset with an as NEW or similar asset expressed in current dollar values.

Cyclic Maintenance**
Replacement of higher value components/sub-components of assets that is undertaken on a regular cycle including repainting, building roof replacement, cycle, 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.

Depreciable amount
The cost of an asset, or other amount substituted for its cost, less its residual value (AASB 116.6)

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.

Greenfield asset values **
Asset (re)valuation values based on the cost to initially acquire the asset.

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 of the entity or of another entity that contribute to meeting the public's 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 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 (AASB 140.5)

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

Life Cycle Cost **
The life cycle cost (LCC) is average cost to provide the service over the longest asset life cycle. It comprises annual 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 maintenance and capital renewal expenditure incurred in providing the service in a particular year. Life Cycle Expenditure may be compared to Life Cycle Expenditure to give an initial indicator of life cycle sustainability.

Loans / borrowings
Loans result in funds being received which are then repaid over a period of time with interest (an additional cost). Their primary benefit is in 'spreading the burden' of capital expenditure over time. Although loans enable works to be completed sooner, they are only ultimately cost effective where the capital works funded (generally renewals) result in operating and maintenance cost savings, which are greater than the cost of the loan (interest and charges).

Maintenance and renewal gap
Difference between estimated budgets and projected expenditures for maintenance and renewal of assets, 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
An item is material is its omission or misstatement could influence the economic decisions of users taken on the basis of the financial report. Materiality depends on the size and nature of the omission or misstatement judged in the surrounding circumstances.

Modern equivalent asset.
A structure similar to an existing structure and having the equivalent productive capacity, which could be built using modern materials, techniques and design. Replacement cost is the basis used to estimate the cost of constructing a modern equivalent asset.

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, eg. parks and playgrounds, footpaths, roads and bridges, libraries, etc.

Operating expenditure
Recurrent expenditure, which is continuously required excluding maintenance and depreciation, eg power, fuel, staff, plant equipment, on-costs and overheads.

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

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.

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).

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

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 operating and maintenance expenditure.

Recurrent funding
Funding to pay for recurrent expenditure.

Rehabilitation
See capital renewal expenditure definition above.

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

Renewal
See capital renewal expenditure definition above.

Residual value
The net amount which an entity expects to obtain for an asset at the end of its useful life after deducting the expected costs of disposal.

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 capacity to provide goods and services in accordance with the entity's objectives, whether those objectives are the generation of net cash inflows or the provision of goods and services of a particular volume and quantity to the beneficiaries thereof.

Service potential remaining*
A measure of the remaining life of assets expressed as a percentage of economic life. 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 (DRC/DA).

Strategic Management Plan (SA)**
Documents Council objectives for a specified period (3-5 yrs), the principle activities to achieve the objectives, the means by which that will be carried out, estimated income and expenditure, measures to assess performance and how rating policy relates to the Council's objectives and activities.

Sub-component
Smaller individual parts that make up a component part.

Sustainability
Meeting the needs of the present without compromising the ability of future generations to meet their own needs.

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. It is the same as the economic life.

Value in Use
The present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. 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 new cash flows, where if deprived of the asset its future economic benefits would be replaced.

Source: DVC 2006, Glossary
Note: Items shown * modified to use DA instead of CRC
Additional glossary items shown **

1. EXECUTIVE SUMMARY

What Council Provides

Council business unit Sunshine Coast Holiday Parks provides 9 caravan parks and camping grounds as a Type 3 Competitive Business Activity.

Council has a management agreement contract in place for the day to day management services of the individual caravan parks and an internal service agreement with Building and Facilities for the asset maintenance.

The business generates revenue of $12.8 M per annum (to 30 June 2011) through operations and represents a significant rate of return of investment on assets.

The 9 caravan parks are in prime tourist locations at:

- Dicky Beach
- Mooloolaba
- Maroochydore
- Cotton Tree
- Mudjimba
- Coolum Beach
- Noosa River
- Noosa North Shore
- Boreen Point

What does it Cost?

There are two key indicators of cost to provide the caravan parks business.

- The life cycle cost being the average cost over the life cycle of the asset, and
- The total maintenance and capital renewal expenditure required to deliver existing service levels in the next 10 years covered by Council's long term financial plan.

The life cycle cost to provide the caravan parks business is estimated at **$4.05m** per annum. Council's planned life cycle expenditure for year 1 of the asset management plan is **$4.23m** which gives a life cycle sustainability index of 1

The total maintenance and capital renewal expenditure required to provide the Caravan Park business in the next 10 years is estimated at **$40.5m**. This is an average of **$4.05m** per annum.

Council's maintenance and capital renewal expenditure for year 1 of the asset management plan of **$4.18m** giving a 10 year sustainability index of **1.04**

Plans for the Future

Council plans to operate and maintain the Caravan Park business to achieve the following strategic objectives.

1. Ensure the Caravan Park business is maintained at a safe and functional standard as set out in this asset management plan.
2. Ensure that the caravan parks maintain a reliable 3 ½ star rating from the AAA Tourism star scheme.
3. Ensure that the business can maintain and build on existing customer base to improve the financial performance.

Measuring our Performance

Quality
The Caravan Park Business assets will be maintained at a standard to meet the 3 ½ star rating and to meet customers expectations and usability. Defects found or reported that are outside our service standard will be repaired. See our maintenance response service levels for details of defect prioritisation and response time.

Function
Our intent is that the Caravan Parks business continues to provide tourist accommodation options and a commercial return for Council.

The Caravan Park asset attributes will be maintained at a safe level and associated signage and equipment be provided as needed to ensure public safety. We need to ensure key functional objectives are met:

- Modern and functional facilities for guests
- Well maintained and clean facilities

Safety
We inspect all Caravan Parks regularly and prioritise and repair defects in accordance with our inspection schedule to ensure they are safe.

The Next Steps

This actions resulting from this asset management plan are:

- Demolish and replace some of the older amenity buildings
- Internal refurbish some of the other amenity buildings
- Complete annual asset condition assessment report
- Prepare plans for possible business expansion projects
- Refine asset items and real values and break down "grouped assets' which have different life patterns

2. INTRODUCTION

2.1 Background

This asset management plan is to demonstrate responsive management of assets (and services provided from assets), compliance with regulatory requirements, and to communicate funding required to provide the required levels of service.

The asset management plan is to be read with the following associated planning documents:

- Sunshine Coast Holiday Parks Business Plan 2009/14
- Sunshine Coast Holiday Parks Marketing Plan 2010
- Maroochy Plan 2000
- Noosa Plan 2008
- Caloundra City Plan 2004
- SCRC Corporate Plan 2009/14
- SCRC Operational Plan 2010/11

This asset management plan covers the following infrastructure assets:

The nine caravan parks and camping grounds located Dicky Beach, Mooloolaba, Maroochydore, Cotton Tree, Mudjimba, Coolum Beach, Noosa River, Noosa North shore and Boreen Point.

Table 2.1. Assets covered by this Plan

Asset category	Dimension	Replacement Value ($M)
Buildings – Residence & office, amenities and cabins	9 Residences and offices 20 amenities buildings 36 cabins and 1 beach house	$2.0 M $8.8 M $1.98 M Total $12.78 M
Roads and storm water drainage	Sealed roads servicing 1728 sites Unsealed roads servicing	$2.8M
Reticulated services including water, sewer and electrical	All services to 1258 sites and 36 cabins Water only to some of 364 unpowered sites	$4.56 M
Site improvements , including power heads and concrete slabs, boom gates, street lighting	Approx 800 concrete slabs and 550 power heads	$6 M
TOTAL		**$26.14 M**

Key stakeholders in the preparation and implementation of this asset management plan are:

Building and Facilities	Internal service provider for the maintenance of buildings and facilities at the caravan parks
Contract Resident Managers	Contract on site management services to deliver the day to day services, cleaning and routine maintenance inspections at the caravan park.
Corporate Asset Management Team	Asset Management requirements
Caravan Parks and Projects	Asset owner of Caravan Park Business assets
Asset Management Steering Committee	Overview

2.2 Goals and Objectives of Asset Management

The Council exists to provide services to its community. Some of these services are provided by infrastructure assets. Council has acquired infrastructure assets by 'purchase', by contract, construction by council staff and by donation of assets constructed by developers and others to meet increased levels of service.

Council's goal in managing infrastructure assets is to meet the required level of service in the most cost effective manner for present and future consumers. The key elements of 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,
- Continuous improvement in asset management practices.[1]

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

Council's vision is:

To be Australia's most sustainable region – vibrant, green, and diverse.

The Sunshine Coast Holiday Parks vision is:

To provide quality, family friendly Holiday Parks operated with a strong business focus that exceeds our customers' expectations while minimising the impact on the environment.

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

[1] IIMM 2006 Sec 1.1.3, p 1.3

Table 2.2. Council Goals and how these are addressed in this Plan

Goal (theme)	Objective (emerging priorities)	How Goal and Objectives are addressed in IAMP
Great governance	Effective Business Management	Efficient and effective management of the caravan park assets to provide continued commercial business operations and an important segment of the tourist accommodation industry on the Sunshine Coast.

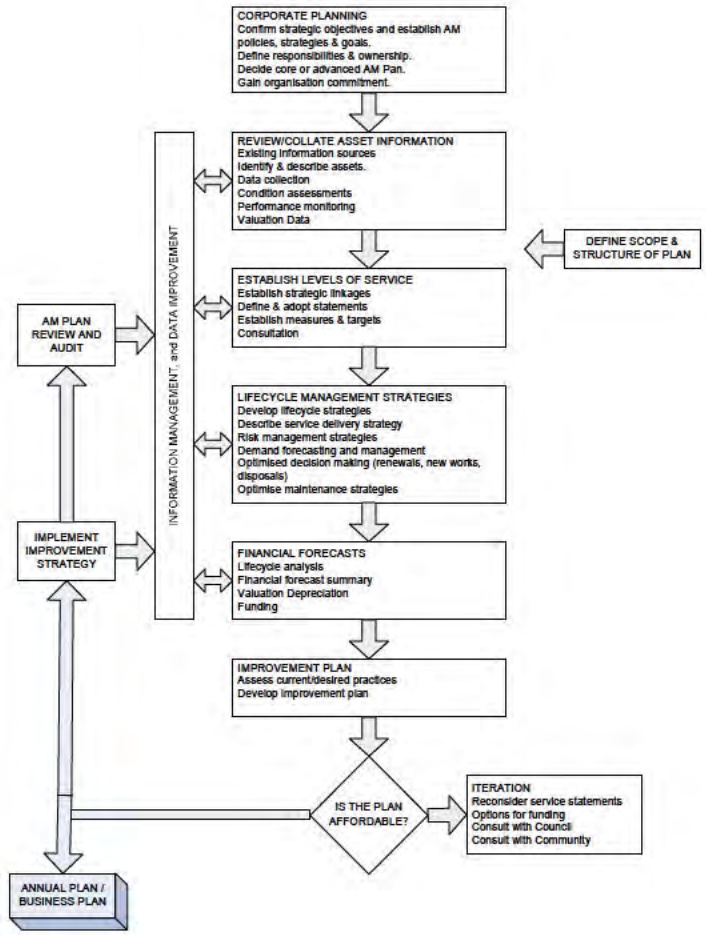
2.3 Plan Framework

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 Council will manage its existing and future assets to provide the required services
- Financial summary – what funds are required to provide the required services.
- Asset management practices
- Monitoring – how the plan will be monitored to ensure it is meeting Council's objectives.
- Asset management improvement plan

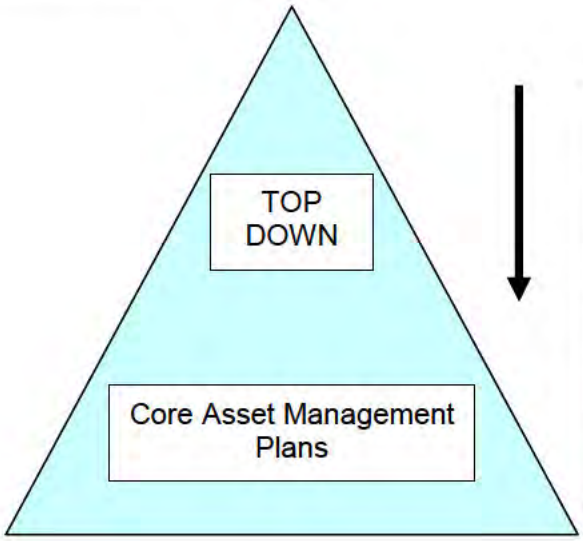
A road map for preparing an asset management plan is shown below.

Road Map for preparing an Asset Management Plan
Source: IIMM Fig 1.5.1, p 1.11



2.4 Core and Advanced Asset Management

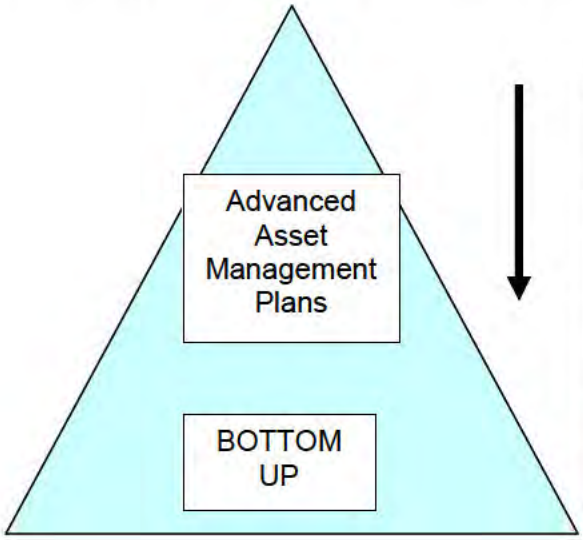
This asset management plan is prepared as a 'core' asset management plan in accordance with the International Infrastructure Management Manual. It is prepared to meet minimum legislative and organisational requirements for sustainable service delivery and long term financial planning and reporting. Core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



Systems / knowledge approach

- Based on what we know
- Current financial & physical data
- Uses current levels of service (not desired)
- Inconsistent data sets a major constraint
- Provides a base to move forward
- Provides a detailed improvement plan

Future revisions of this asset management plan will move towards 'advanced' asset 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.



Asset / Component Data

- Finding out what we don't know
- Analysis to individual assets & services
- Support optimisation of activities & programs to meet desired levels of service
- Implemented improvement plan

3. LEVELS OF SERVICE

3.1 Customer Research and Expectations

Council has not carried out any research on customer expectations. This will be investigated for future updates of the asset management plan

Table 3.1. Community Satisfaction Survey Levels

Performance Measure	Satisfaction Level				
	Very Satisfied	Fairly Satisfied	Satisfied	Somewhat satisfied	Not satisfied
5.2.5. Community satisfaction with asset management			√		
AAA Tourism Star Rating Assessment		3 ½ Stars			

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

3.2 Legislative Requirements

Council has to meet many legislative requirements including Australian and State legislation and State regulations. These include:

Table 3.2. 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 asset management plans for sustainable service delivery.
Local Law No.1 –Sch 10 Accommodation Parks	Sets out requirements for operating a licensed accommodation park
Workplace Health and Safety Act	Safe working environment requirements
Residential Tenancy Act 2009	Conditions of tenancy of any permanent tenants
Building Act and Building Code Australia	Building standards requirements
Disability Discrimination Act	Equal access requirements

3.3 Current Levels of Service

Council has defined service levels in two terms.

Community Levels of Service relate to how the community receives the service in terms of safety, quality, quantity, reliability, responsiveness, cost/efficiency and legislative compliance.

Supporting the community service levels are operational or technical measures of performance developed to ensure that the minimum community levels of service are met. These technical measures relate to service criteria such as:

Service Criteria	Technical measures may relate to
Quality	Star Rating of Property
Quantity	No of sites, cabins
Availability	Occupancy %
Safety	Number of injury accidents

Council's current service levels are detailed in Table 3.3.

Table 3.3. Current Service Levels

Key Performance Measure	Level of Service	Performance Measure Process	Performance Target	Current Performance
COMMUNITY LEVELS OF SERVICE				
Quality	Provide quality accommodation and facilities at each caravan park	• Customer surveys • Customer service requests • Caravan park AAAT star rating	• 100% satisfaction • < 2 per month per park • ****3 ½ stars	• 95% (2008) • 2 per month per park (2008 average) • ***3 ½ stars
Function	Ensure facility is clean and meets user requirements and industry standards	Customer service requests relating to service, quality and convenience	• < 2 requests per month • Regular monthly inspection by Council officers	• 2 per months (2008 average) • Regular Inspections
Safety	Provide safe environment and meet all safety standards by eliminating or reducing all risks and hazards	Bi- Annual Risk Management audit Insurance claims	All items actioned < 1 per park per year	External audit completed each 2 years. 2 per park per year average
Sustainability	Council facilities are operated to minimise damage to the environment and reduce energy and water consumption	Water Efficiency Management Plans (WEMP) has been prepared for the caravan parks. A corporate energy management plan is being developed and will be reviewed and updated annually	• 25% target reduction in water usage for the first year of the WEMP ending November 2011. • > 80% of annual performance targets in the energy plan are met • Energy efficiency principles are incorporated in the design of all new facilities.	• Baseline water usage included in individual WEMP documents for each park. •
TECHNICAL LEVELS OF SERVICE				
Condition	Carry out routine maintenance as per	Cabin and caravan park sites (grounds)	Daily after each customer	Daily after each customer (2008)

Key Performance Measure	Level of Service	Performance Measure Process	Performance Target	Current Performance
	service level agreement	maintenance/cleaning		
Occupancy	Utilisation of Cabins and sites	Cabin and caravan sites demand and availability	75% occupancy of cabins 70% occupancy of sites	70% cabins 69% sites
Cost effectiveness	Provide service in cost effective manner	Contract cost	As a percentage of turnover	Benchmark in Business Plan
Safety	Provide safe environment and meet all safety standards by eliminating or reducing all risks and hazards	Bi- Annual Risk Management audit Insurance claims	All items actioned < 1 per park per year	• External audit completed each 2 years. • 2 per park per year average

3.4 Desired Levels of Service

At present indications of desired levels of service are obtained from customer feedback and the Sunshine Coast Holiday Parks Business Plan and these have been built into the above table in the current level of service targets.

4. FUTURE DEMAND

4.1 Demand Forecast

Factors affecting demand include population change, tourism trends, changes in demographics, seasonal and weather impacts, vehicle ownership, consumer preferences and expectations, economic factors and environmental awareness, etc.

Demand factor trends and impacts on service delivery are summarised in Table 4.1.

Table 4.1. Demand Factors, Projections and Impact on Services

Demand factor	Present position	Projection	Impact on services
Population	The current population of the Sunshine Coast is 310,000. However the majority of the business customers live outside the Council boundaries.	South east Queensland population increase projections indicate population increases of 5% over the next 10 years	The increased population of the greater South East Queensland will have a direct impact on the demand for the holiday parks as a large proportion of customers live within 3 hours drive of the Sunshine Coast.
Demographics	The demographics of the whole of the Australian population has an impact on the demand on the caravan park industry – with continuing increase in the number of "Baby Boomers" generation retiring and purchasing caravans and motor homes/ campervans	Projections from Caravan and Recreational Vehicles Australia indicate a growth factor of 7% -10% pa over the next 15 years with currently 20,000 new caravans sold in last year to 30 June 2010.	The increased retired population of Australia will have a direct impact on the demand for the holiday parks as a large proportion of customers to the Sunshine Coast are from the retired and Baby Boomer generations.
Tourism	Tourist / Holiday parks are intrinsically linked to the tourism industry generally	Sunshine Coast as a preferred destination will continue to drive demand	Sunshine coast is a tourist destination and the holiday parks play an important role in the diversification of tourist accommodation
Weather conditions	Outside peak school holidays and winter seasons the weather conditions determine demand from customers	Continued seasonality of demand	Seasonal demand results in full occupancy during peak periods and low occupancy during Autumn and spring.
Accommodation Type and Customer Expectations	Accommodation mix is predominately caravan and camp sites (97%) to cabins (3%) AAA Tourism star rating at 3 ½ to 4 stars.	Continued increased demand for a mix of accommodation types improved facilities and services. The criteria for the AAA Tourism star ratings are being reviewed and likely to be harder in the future to maintain current ratings without capital improvements	New and refurbished amenities and other facilities to meet customer expectations, and tougher AAA Tourism star rating criteria including additional cabins, camp kitchens/ BBQs, amenity buildings etc.
Expansion and Development Threat	Some caravan parks are in threat of being reduced in capacity through development and other uses. There are opportunities to expand/ replace capacity through expansion and redevelopment at Mudjimba and Beachfront , Noosa North Shore to maintain and increase revenue streams generated through the business		Maintain and increase revenue streams generated by the business

4.2 Changes in Technology

Technology changes are forecast to affect the delivery of services covered by this plan in the following areas.

Table 4.2. Changes in Technology and Forecast effect on Service Delivery

Technology Change	Effect on Service Delivery
Energy Use and Efficiency	Minimise energy use. Major focus has been on use of heat pumps in generation of hot water for showers in the 20 amenity buildings in the caravan parks.
Water re-use / WEMP's	A Water Efficiency Management Plan (WEMP) has been prepared for all parks that currently use more than 10 ML of water pa. The plan requires a range actions to minimise water consumption into the future, including retrofit 3 star WELS rated shower heads, sub metering of amenity buildings, restrictors to taps, rain water harvesting (tanks) to amenities and swimming pools.
Internet bookings	Website on-line bookings and a new Sunshine Coast Holiday Park brand has been launched in May 2010 and is expected to increase demand for cabins and sites at the parks.

4.3 Demand Management Plan

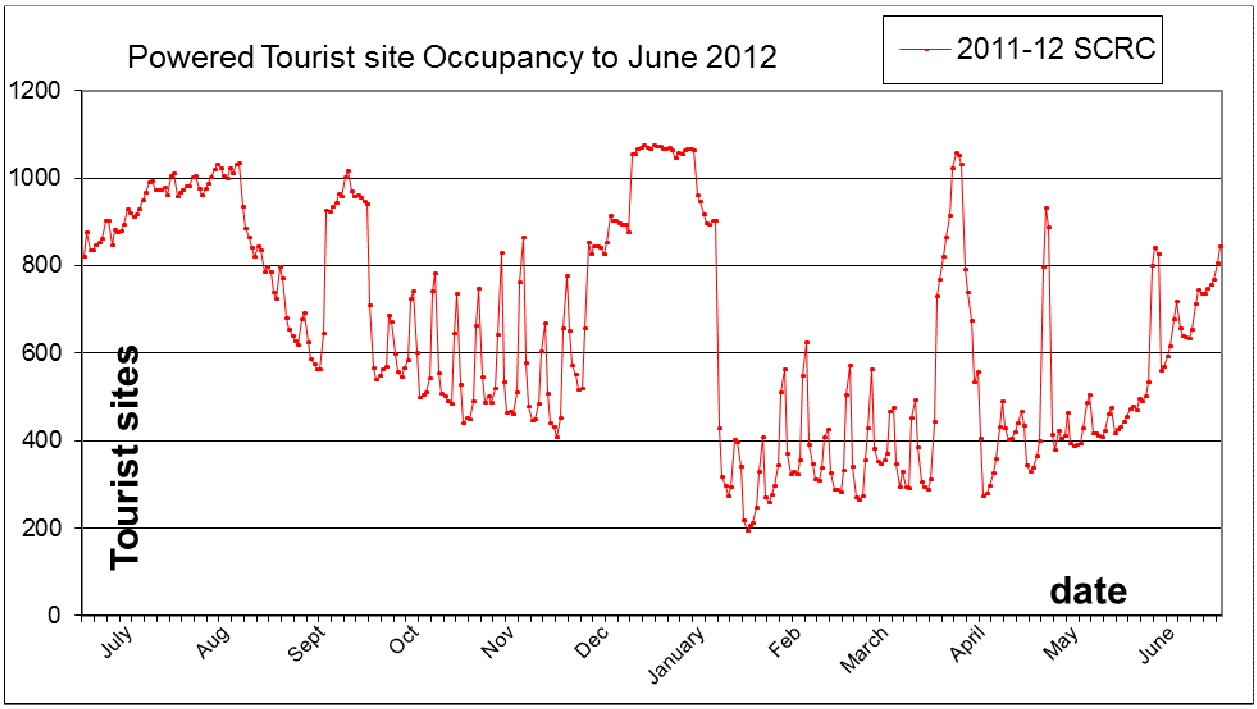
Demand for new services will be managed through a combination of managing existing assets, upgrading of existing assets and providing new assets to meet demand and demand management. Demand management practices include non-asset solutions, insuring against risks and managing failures. The caravan parks are 100% occupied during peak times of school holidays and winter months.

Opportunities identified to date for demand management are shown in Table 4.3. Further opportunities will be developed in future revisions of this asset management plan.

Table 4.3. Demand Management Plan Summary

Service Activity	Demand Management Plan
Pricing Structure	The caravan parks utilise peak and mid season demand pricing strategies in high demand periods of school holidays, winter season and long weekends.
Multi use sites	Some sites are established to allow for multiple styles of uses from caravan, campervan, mobile home, camper-trailer or tent. This allows these sites to meet a range of demands during the year.
Internet Bookings	A new website that was launched in May 2011 includes an on-line booking capability that will assist in demand management.

Table 4.4. Current Demand Profile:



4.4 New Assets from Growth

The new assets required to meet growth will be based on the opportunities to expand two of the existing caravan parks and installation of additional cabins which will be constructed by Council. As this commercial business generates net surplus revenue, any new assets would be planned to further increase revenue and profitability for Council

Acquiring these new assets will commit council to fund ongoing operations and maintenance 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 operating and maintenance costs, as are the associated revenue streams.

5. LIFECYCLE MANAGEMENT PLAN

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

5.1 Background Data

Lifecycle asset management takes account of the whole-of-life implications for acquiring, operating, maintaining and disposing of park assets. The objectives of lifecycle planning are to

- Establish the total cost of an asset over its useful life
- Establish a sound basis on which asset management decisions are made
- Plan for the impact of refurbishment and maintenance, and
- Increase the service delivery capacity for the asset

The standard asset's lifecycle is depicted in the following diagram:

5.1.1 Physical parameters

The assets covered by this asset management plan are shown below.

Asset category	Category Inventory
Buildings – Residence & office, amenities and cabins	9 Residences and offices 20 amenities buildings 36 cabins and 1 beach house
Roads and storm water drainage	Sealed roads servicing 1728 sites Unsealed roads servicing 120 sites
Reticulated services including water, sewer and electrical	All services to 1258 powered sites and 36 cabins Water only to some of 364 unpowered sites
Site improvements , including power heads and concrete slabs, boom gates, street lighting	Approx 800 concrete slabs and 550 power heads

The typical asset life for each asset category are shown below:

Asset category	Typical Useful Life (Years)
Buildings – Residence & office, amenities	50
Cabins	40
Site Improvements and services	50

The age profile of Council's assets is shown below.

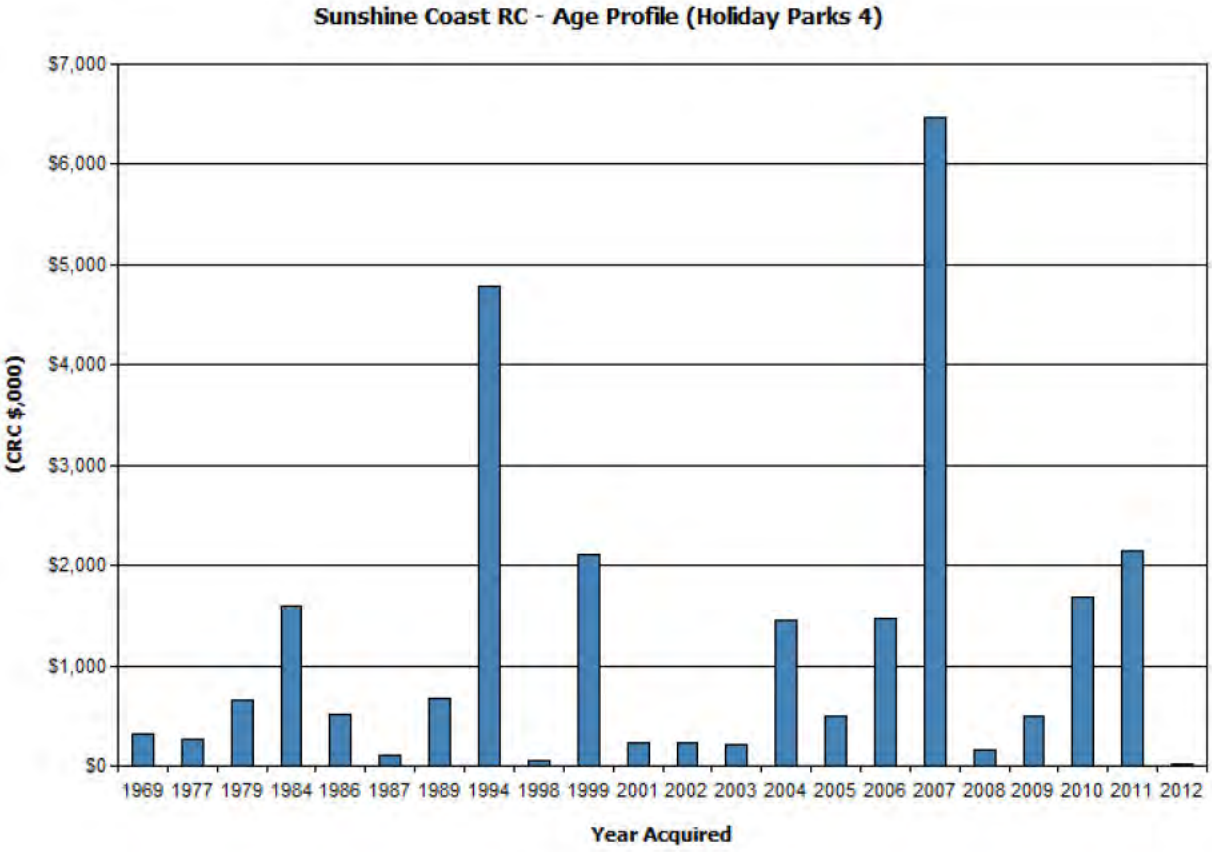


Fig 2. Asset Age Profile

5.1.2 Asset capacity and performance

The caravan parks assets are generally provided to meet industry standards and customers needs. In recent years the focus has increased on replacing the older assets that are beyond economic refurbishment. Other assets that are structurally sound are planned to be refurbished to achieve the customer's expectations and prolong the life and serviceability of the asset.

Locations where deficiencies in service performance are known are detailed in Table 5.1.2.

Table 5.1.2. Known Service Performance Deficiencies

Location	Service Deficiency
Coolum Beach Holiday Park	• Old amenity No.1 (near office) and No.3 (on top of sand dune) are at end of economic life and requires replacement.
Cotton Tree Holiday Park	• Amenity buildings No.1 and 3 are both old and in need of replacement • Some of the underground electrical reticulation is at inadequate depth and requires to be replaced • There is a lack of BBQ and camp kitchen facilities to meet the required ratio for the number of sites and additional BBQ facilities are required • 6 of the cabins (built 2002) require external paint and internal touch up and updating of some furniture and electrical appliances
Mooloolaba Beach Holiday Park	• Both amenities are coming towards the end of their economic life and require to be listed for replacement in the medium term • Limited site sizes restrict the number of large caravans and mobile homes that can be accommodated. • Internal roads require reseal
Maroochydore Beach Holiday Park	Amenity building requires full internal refurbish and external painting
Mudjimba Beach Holiday Park	• The 2 amenity buildings are in good condition
Dicky Beach Holiday Park	• Two of the three amenity buildings have been refurbished in last 2 years. Amenity No. 3 will need to be refurbished in the medium term of 3 -5 years. • The 12 cabins have been internally refurbished in past 2 years. These cabins are small motel style units and require some modifications to meet user needs.
Noosa River Holiday Park	• Lack of security Boom gates • Camp Kitchen facility required
Noosa Northshore Beach Campground	• Limitations with current septic system • Limitation with water supply
Boreen Point Campground	• Limitations with capacity of amenity building – currently requires additional Porta Loos during peak times

The above service deficiencies were identified from Sunshine Coast Holiday Parks Business Plan 2009-14

5.1.3 Asset condition

The condition profile of Council's assets is shown below.

Condition is measured using a 1 – 5 rating system.[2]

Rating	Description of Condition
1	Excellent condition: Only planned maintenance required.
2	Very good: Minor maintenance required plus planned maintenance.
3	Good: Significant maintenance required.
4	Average: Significant renewal/upgrade required.
5	Poor: Unserviceable.

5.1.4 Asset valuations

The value of assets as at 30 June 2012 covered by this asset management plan is summarised below. Assets were last re-valued at 30 June 2012 by Australian Pacific Valuers. Assets are valued at brownfield rates.

Current Replacement Cost	$26,142 m
Depreciable Amount	$24,910 m
Depreciated Replacement Cost	$18,358 m
Annual Depreciation Expense	$741 k

Council's sustainability reporting reports the rate of annual asset consumption and compares this to asset renewal and asset upgrade and expansion.

Asset Consumption	2.97%
Asset renewal	3.36%
Annual Upgrade/expansion	4.65%

5.2 Risk Management Plan

A risk management plan has been developed for the caravan parks business following an external audit of each of the facilities by Workplace Health and Safety. The risks identified from these bi annual audit inspections are rated using Councils Risk Assessment calculator to assess the likelihood and consequences from the risk identified. Extreme risks are not tolerated and are addressed immediately.

[2] IIMM 2006, Appendix B, p B:1-3 ('cyclic' modified to 'planned')

Table 5.2. Critical Risks and Treatment Plans

Asset at Risk	What can Happen	Risk Rating (VH, H)	Risk Treatment Plan
All Caravan Parks	Flood inundation		Staff Preparedness and advanced warnings for evacuations
Electrical reticulation	Electrocution, fire and property damage		RCD testing, electrical upgrades
Buildings	Gas and chemical storage – fire and person/ property damage		Correct storage and handling procedures

5.3 Routine Maintenance Plan

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.

5.3.1 Maintenance plan

Maintenance includes reactive, planned and cyclic 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.

Cyclic maintenance is replacement of higher value components/sub-components of assets that is undertaken on a regular cycle including repainting, building roof replacement, etc. This work generally falls below the capital/maintenance threshold.

Maintenance expenditure trends are shown in Table 5.3.1

Table 5.3.1. Maintenance Expenditure Trends

Year	Maintenance Expenditure		
	Reactive	Planned	Cyclic
2008/09	$400k	$400k	$2.320 m
2009/10	$400k	$400k	$2.320 m
2010/11	$400k	$400k	$2.320 m

Planned maintenance work is 20% of total maintenance expenditure.

Maintenance expenditure levels are considered to be adequate to meet required service levels. Future revision of this asset management plan will include linking required maintenance expenditures with required service levels.

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

5.3.2 Standards and specifications

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

Building Code Australia

3 ½ Star requirements AAAT Star Rating Guidelines and reports

5.3.3 Summary of future maintenance expenditures

Future maintenance expenditure is forecast to trend in line with the value of the asset stock as shown in Fig 4. Note that all costs are shown in current 2012 dollar values.

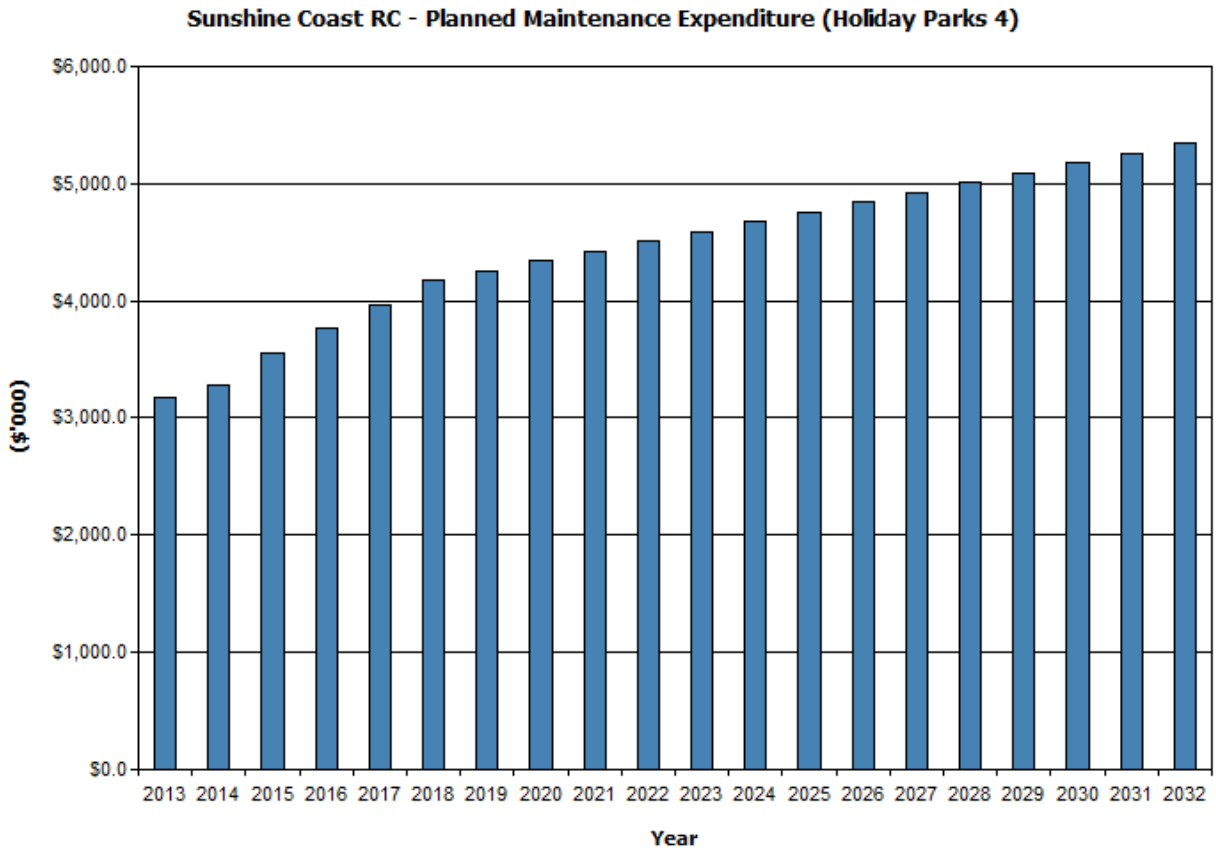


Fig 4. Planned Maintenance Expenditure

Deferred maintenance, ie 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.

Maintenance is funded from the caravan park business operating revenues. This is further discussed in Section 6.2.

5.4 Renewal/Replacement Plan

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

5.4.1 Renewal plan

Assets requiring renewal are identified from estimates of remaining life obtained from the asset register worksheets on the *'Planned Expenditure template'*. Candidate proposals are inspected to verify accuracy of remaining life estimate and to develop a preliminary renewal estimate. Verified proposals are ranked by priority and available funds and scheduled in future works programmes. The priority ranking criteria is detailed in Table 5.4.1.

Table 5.4.1 Renewal Priority Ranking Criteria

Criteria	Weighting
AAAT star rating	30%
Customer feedback and expectations	20%
Age and condition	50%
Total	100%

Renewal will be undertaken using 'low-cost' renewal methods where practical. The aim of 'low-cost' renewals is to restore the service potential or future economic benefits of the asset by renewing the assets at a cost less than replacement cost.

Examples of low cost renewal include Mid Life renewal of amenity buildings by replacing all internal fitout – ie tiling & fittings etc.

5.4.2 Renewal standards

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

Building Code Australia

AAAT Star Rating Guidelines

5.4.3 Summary of future renewal expenditure

Projected future renewal expenditures are forecast to increase over time as the asset stock ages. The costs are summarised in Fig 5. Note that all costs are shown in current 2010 dollar values.

The projected capital renewal program is shown in Appendix B.

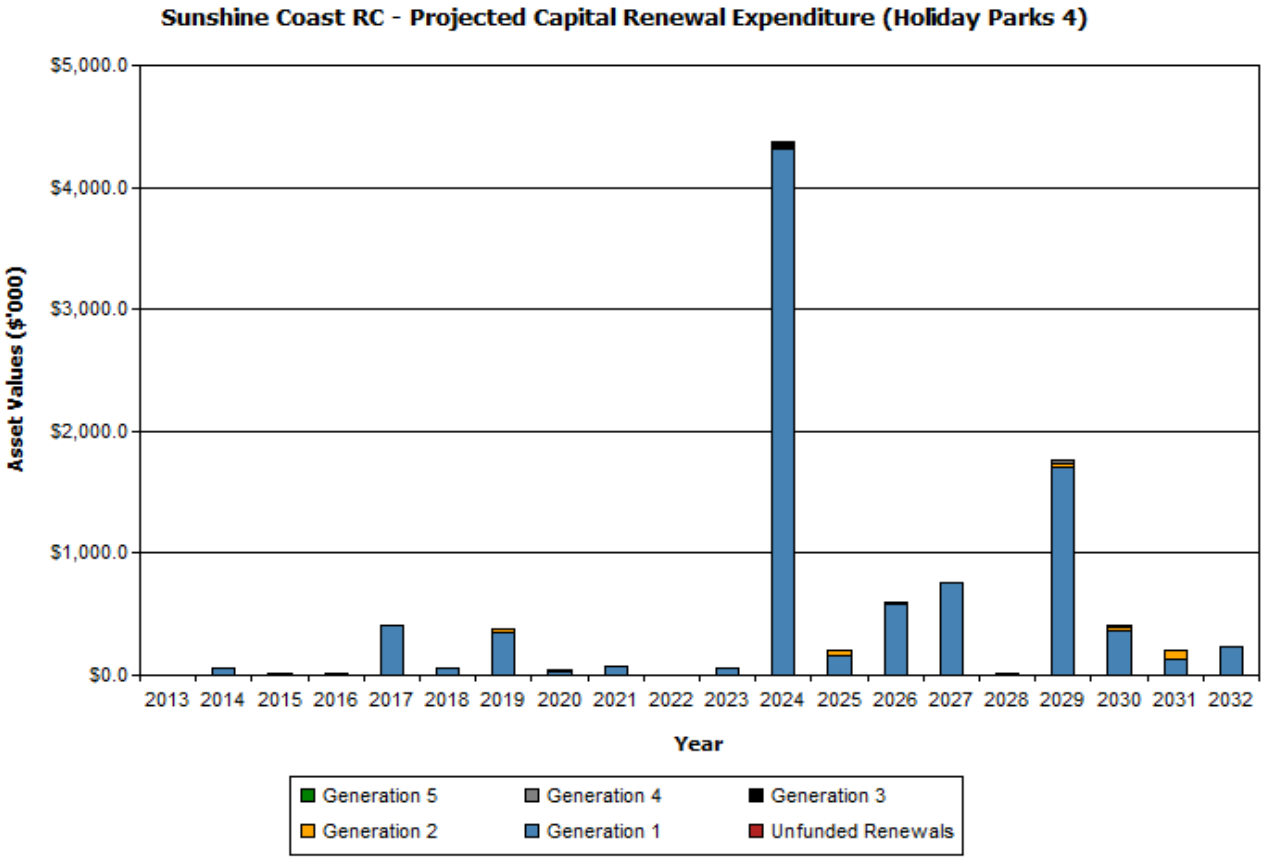


Fig 5. Projected Capital Renewal Expenditure

Deferred renewal, ie those assets identified for renewal and not scheduled for renewal in capital works programs are to be included in the risk assessment process in the risk management plan.

Renewals are to be funded from Council's capital works program and grants where available. This is further discussed in Section 6.2.

5.5 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 4.4.

5.5.1 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 and available funds and scheduled in future works programmes. The priority ranking criteria is detailed below.

Table 5.5.1 New Assets Priority Ranking Criteria

Criteria	Weighting
AAAT star rating	30%
Customer feedback and expectations	20%
Age and condition	50%
Total	100%

5.5.2 Standards and specifications

Standards and specifications for new assets and for upgrade/expansion of existing assets are the same as those for renewal shown in Section 5.4.2.

5.5.3 Summary of future upgrade/new assets expenditure

Planned upgrade/new asset expenditures are summarised in Fig 6. The planned upgrade/new capital works program is shown in Appendix C. All costs are shown in current 2012 dollar values.

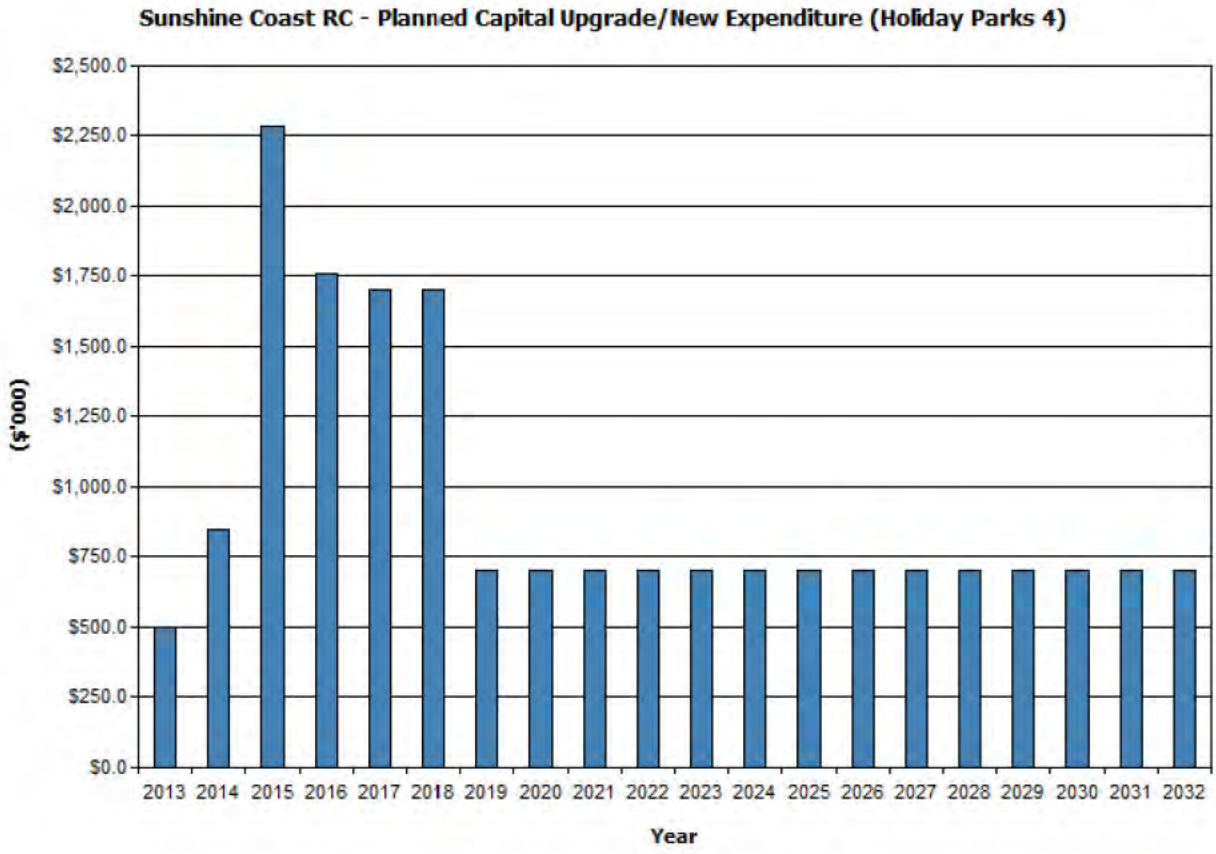


Fig 6. Planned Capital Upgrade/New Asset Expenditure

New assets and services are to be funded from Council's capital works program and grants where available. This is further discussed in Section 6.2.

5.6 Disposal Plan

Disposal includes any activity associated with disposal of a decommissioned asset including sale, demolition or relocation. Assets identified for possible decommissioning and disposal are shown in Table 5.6. 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.

Table 5.6 Assets identified for Disposal

Asset	Reason for Disposal	Timing	Cashflow from disposal
Amenity Building No 1 Cotton Tree Holiday Park	Amenity building is below standard and does not meet customer expectations of 3.5 star caravan park. Built 1954.	2011	Nil
Amenity Building No 2 Cotton Tree Holiday Park	Amenity building is below standard and does not meet customer expectations of 3.5 star caravan park. Built 1952.	2012	Nil
Amenity Building No 1 Coolum Beach Holiday Park	Amenity building is below standard and does not meet customer expectations of 3.5 star caravan park. Built 1973.	2011	Nil
Amenity Building No 3 Cooluum Beach Holiday Park	Amenity building is below standard and does not meet customer expectations of 3.5 star caravan park. Built 1954.	2012	Nil

Where cashflow projections from asset disposals are not available, these will be developed in future revisions of this asset management plan.

6. FINANCIAL SUMMARY

This section contains the financial requirements resulting from all the information presented in the previous sections of this asset 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.

6.1 Financial Statements and Projections

The financial projections are shown in Fig 7 for planned operating (operations and maintenance) and capital expenditure (renewal and upgrade/expansion/new assets).

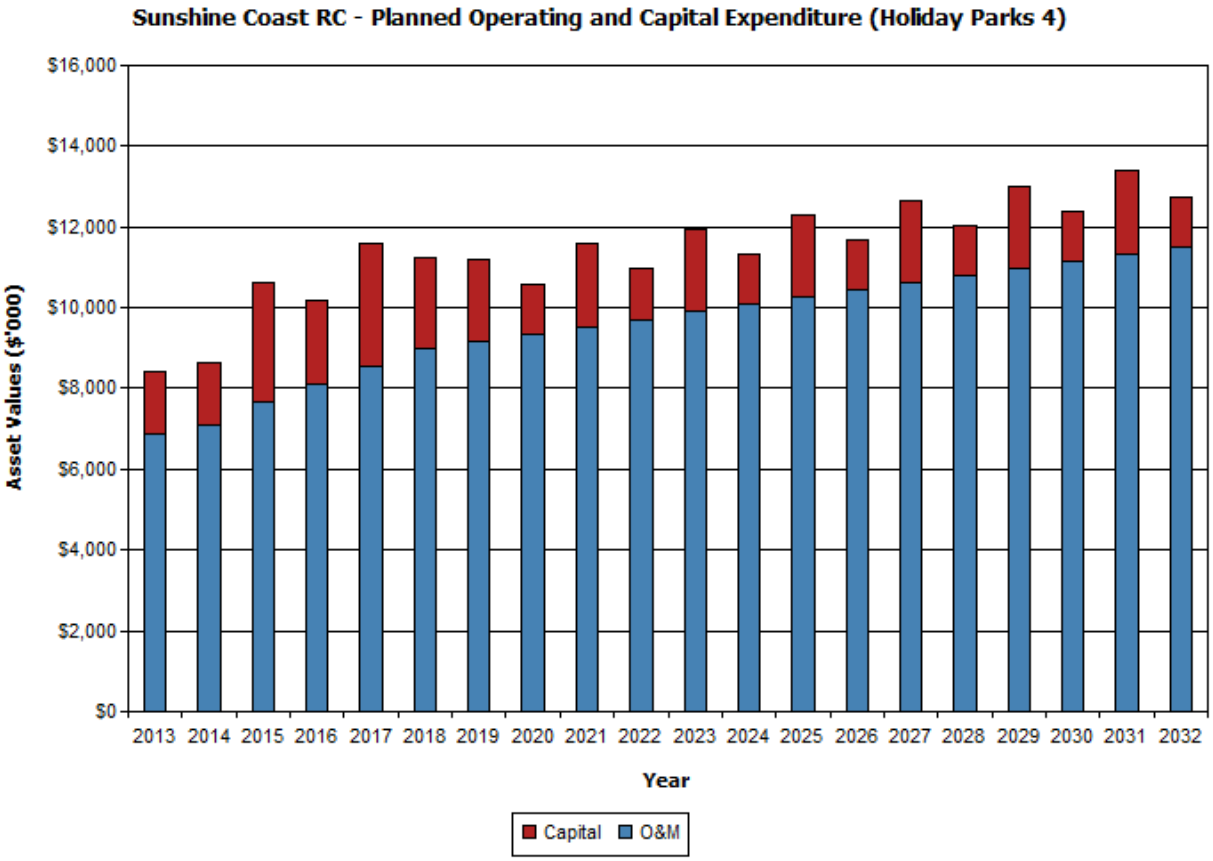


Fig 7. Planned Operating and Capital Expenditure

Note that all costs are shown in current 2012 dollar values.

6.1.1 Sustainability of service delivery

There are two key indicators for financial sustainability that have been considered in the analysis of the services provided by this asset category, these being long term life cycle costs and medium term costs over the 10 year financial planning period.

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 maintenance and asset consumption (depreciation expense). The annual average life cycle cost for the services covered in this asset management plan is $4.05m.

Life cycle costs can be compared to life cycle expenditure to give an indicator of sustainability in service provision. Life cycle expenditure includes maintenance plus capital renewal expenditure. Life cycle expenditure will vary depending on the timing of asset renewals. The life cycle expenditure at the start of the plan is $4.23m.

A gap between life cycle costs and life cycle expenditure gives an indication as to whether present consumers are paying their share of the assets they are consuming each year. The purpose of this Caravan Park asset management plan is to identify levels of service that the community needs and can afford and develop the necessary long term financial plans to provide the service in a sustainable manner.

The life cycle sustainability index is 1

Medium term – 10 year financial planning period

This asset management plan identifies the estimated maintenance and capital expenditures required to provide an agreed level of service to the community over a 20 year period for input into a 10 year financial plan and funding plan to provide the service in a sustainable manner.

This may be compared to existing or planned expenditures in the 20 year period to identify any gap. In a core asset management plan, a gap is generally due to increasing asset renewals.

Fig 8 shows the projected asset renewals in the 20 year planning period from the asset register. The projected asset renewals are compared to planned renewal expenditure in the capital works program and capital renewal expenditure in year 1 of the planning period as shown in Fig 8. Table 6.1.1 shows the annual and cumulative funding gap between projected and planned renewals.

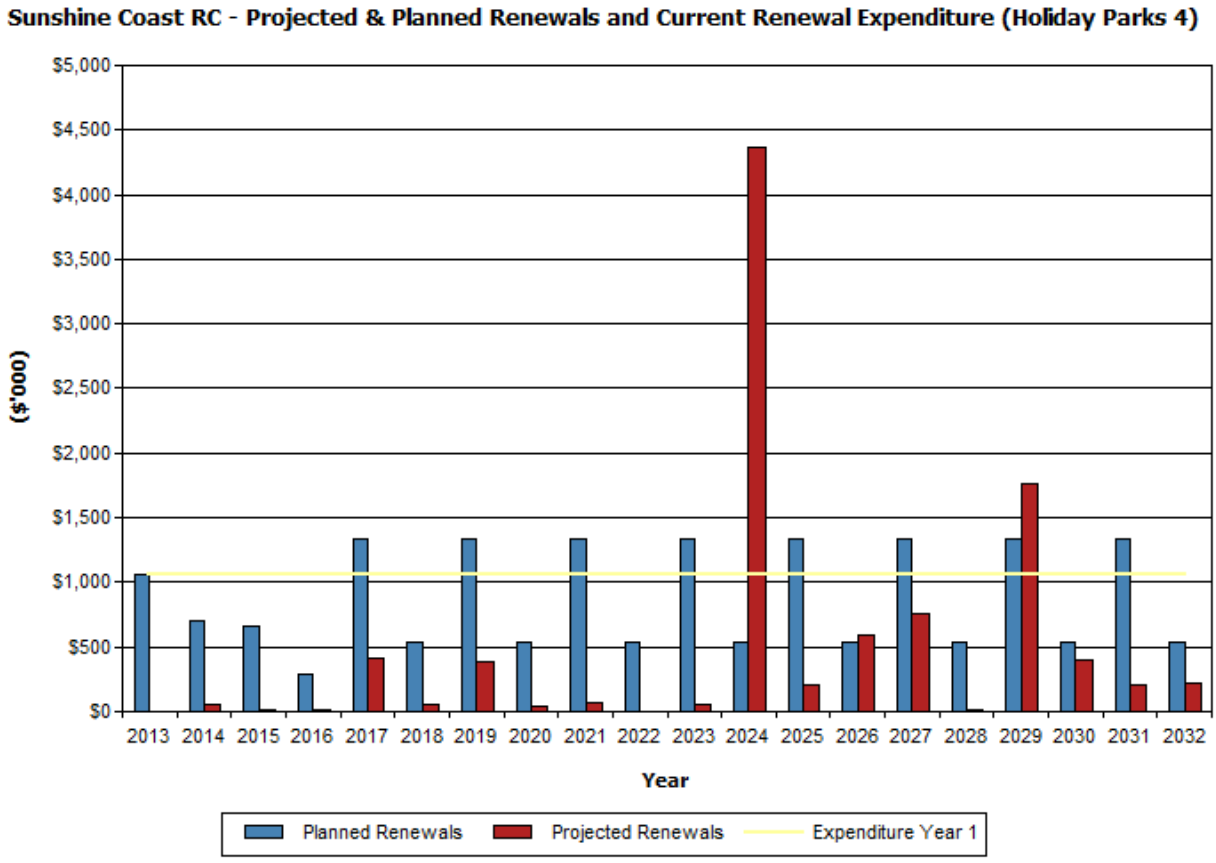


Fig 8. Projected and Planned Renewals and Current Renewal Expenditure

Table 6.1.1 shows the gap between projected and planned renewals.

Table 6.1.1 Projected and Planned Renewals and Expenditure Gap

Year End June 30	Total Operations Expenditure ($'000)	Total Maintenance Expenditure ($'000)	Projected Capital Renewal Expenditure ($'000)	Planned Capital Upgrade/New Expenditure ($'000)	Planned Disposals ($'000)	Planned Capital Renewal Expenditure ($'000)	Shortfall in Renewal Expenditure (Projected - Planned) ($'000)	Cumulative Renewal Funding Shortfall ($'000)
2013	$3,680.07	$3,179.67	$0.00	$500.00	$0.00	$1,055.00	-$1,055.00	-$1,055.00
2014	$3,797.48	$3,281.12	$54.31	$850.00	$0.00	$705.00	-$650.69	-$1,705.69
2015	$4,113.10	$3,553.83	$8.60	$2,285.00	$0.00	$665.00	-$656.40	-$2,362.09
2016	$4,356.21	$3,763.88	$17.66	$1,760.00	$0.00	$290.00	-$272.34	-$2,634.43
2017	$4,591.03	$3,966.78	$410.93	$1,700.00	$0.00	$1,340.00	-$929.07	-$3,563.50
2018	$4,825.86	$4,169.67	$59.40	$1,700.00	$0.00	$540.00	-$480.61	-$4,044.11
2019	$4,922.55	$4,253.21	$385.80	$700.00	$0.00	$1,340.00	-$954.20	-$4,998.30
2020	$5,019.24	$4,336.75	$38.65	$700.00	$0.00	$540.00	-$501.35	-$5,499.65
2021	$5,115.93	$4,420.30	$70.40	$700.00	$0.00	$1,340.00	-$1,269.60	-$6,769.24
2022	$5,212.62	$4,503.84	$0.00	$700.00	$0.00	$540.00	-$540.00	-$7,309.24
2023	$5,309.31	$4,587.39	$58.75	$700.00	$0.00	$1,340.00	-$1,281.25	-$8,590.49
2024	$5,406.00	$4,670.93	$4,368.49	$700.00	$0.00	$540.00	$3,828.49	-$4,762.00
2025	$5,502.69	$4,754.47	$209.41	$700.00	$0.00	$1,340.00	-$1,130.59	-$5,892.59
2026	$5,599.38	$4,838.02	$597.09	$700.00	$0.00	$540.00	$57.09	-$5,835.50
2027	$5,696.08	$4,921.56	$753.20	$700.00	$0.00	$1,340.00	-$586.80	-$6,422.30
2028	$5,792.77	$5,005.10	$8.60	$700.00	$0.00	$540.00	-$531.40	-$6,953.70
2029	$5,889.46	$5,088.65	$1,769.33	$700.00	$0.00	$1,340.00	$429.33	-$6,524.37
2030	$5,986.15	$5,172.19	$403.56	$700.00	$0.00	$540.00	-$136.44	-$6,660.81
2031	$6,082.84	$5,255.74	$200.15	$700.00	$0.00	$1,340.00	-$1,139.85	-$7,800.66
2032	$6,179.53	$5,339.28	$226.88	$700.00	$0.00	$540.00	-$313.12	-$8,113.78

Providing services in a sustainable manner will require matching of projected asset renewals to meet agreed service levels with planned capital works programs and available revenue.

A gap between projected asset renewals, planned asset renewals and funding indicates that further work is required to manage required service levels and funding to eliminate any funding gap.

Council will manage the 'gap' by developing this asset management plan to provide guidance on future service levels and resources required to provide these services, and assist in developing capital budgets.

Council's long term financial plan covers the first 10 years of the 20 year planning period. The total maintenance and capital renewal expenditure required over the 10 years is $40.8M.

This is an average expenditure of $4.08M. Estimated maintenance and capital renewal expenditure in year 1 is $3.52M. The 10 year sustainability index is 86.2%

6.2 Funding Strategy

Projected expenditure identified in Section 6.1 is to be funded from Council's operating and capital budgets. The funding strategy is detailed in the Council's 10 year long term financial plan. The caravan parks business generates a healthy operating surplus each year and it is expected that with the implementation of the Sunshine Coast Holiday Parks Business Plan, 10 year Capital Budget and the Caravan Parks Asset Management Plan that the good results will continue.

Achieving the financial strategy will require continuation of existing Council commitment to a separate capital works program budget for caravan parks and re-injecting enough of the operating surpluses of the business back into the assets of the business.

6.3 Valuation Forecasts

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. Fig 9 shows the projected replacement cost asset values over the planning period in current 2010 dollar values.

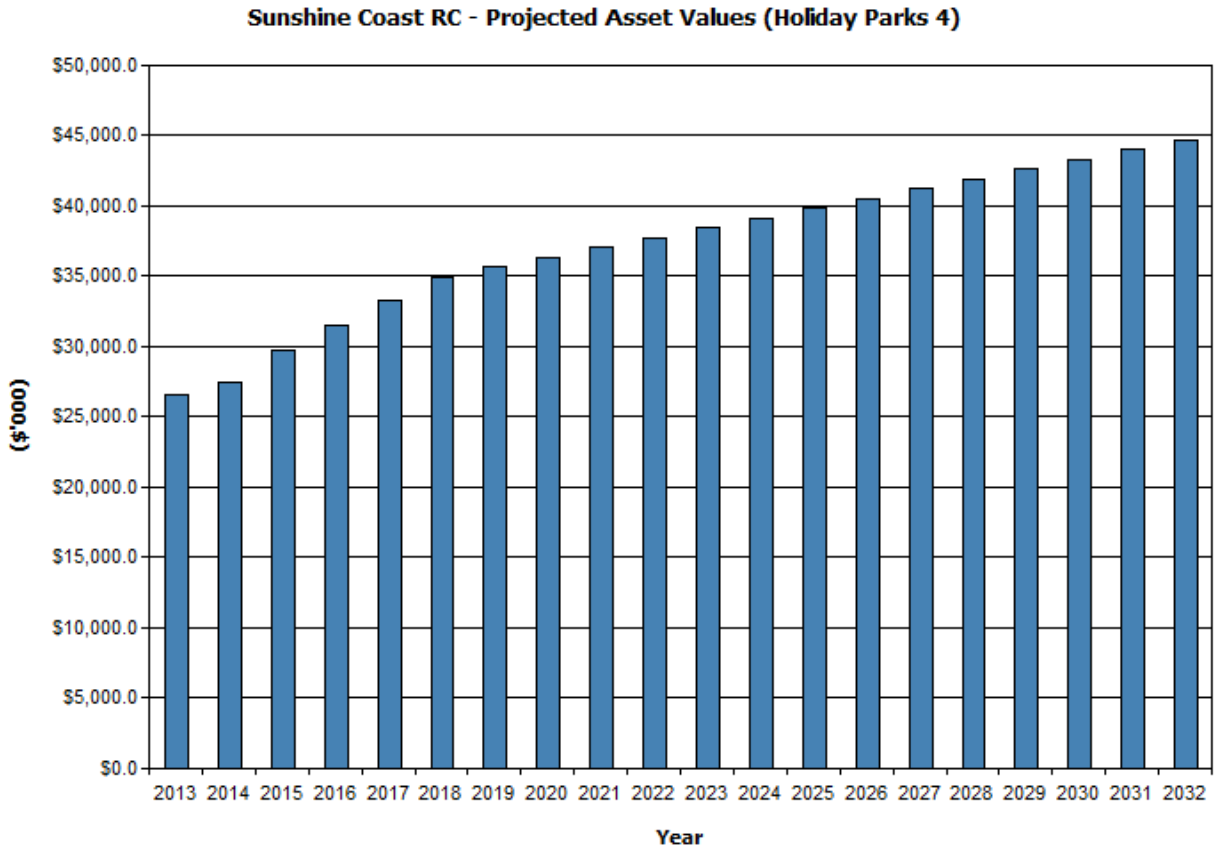


Fig 9. Projected Asset Values

Depreciation expense values are forecast in line with asset values as shown in Fig 10.

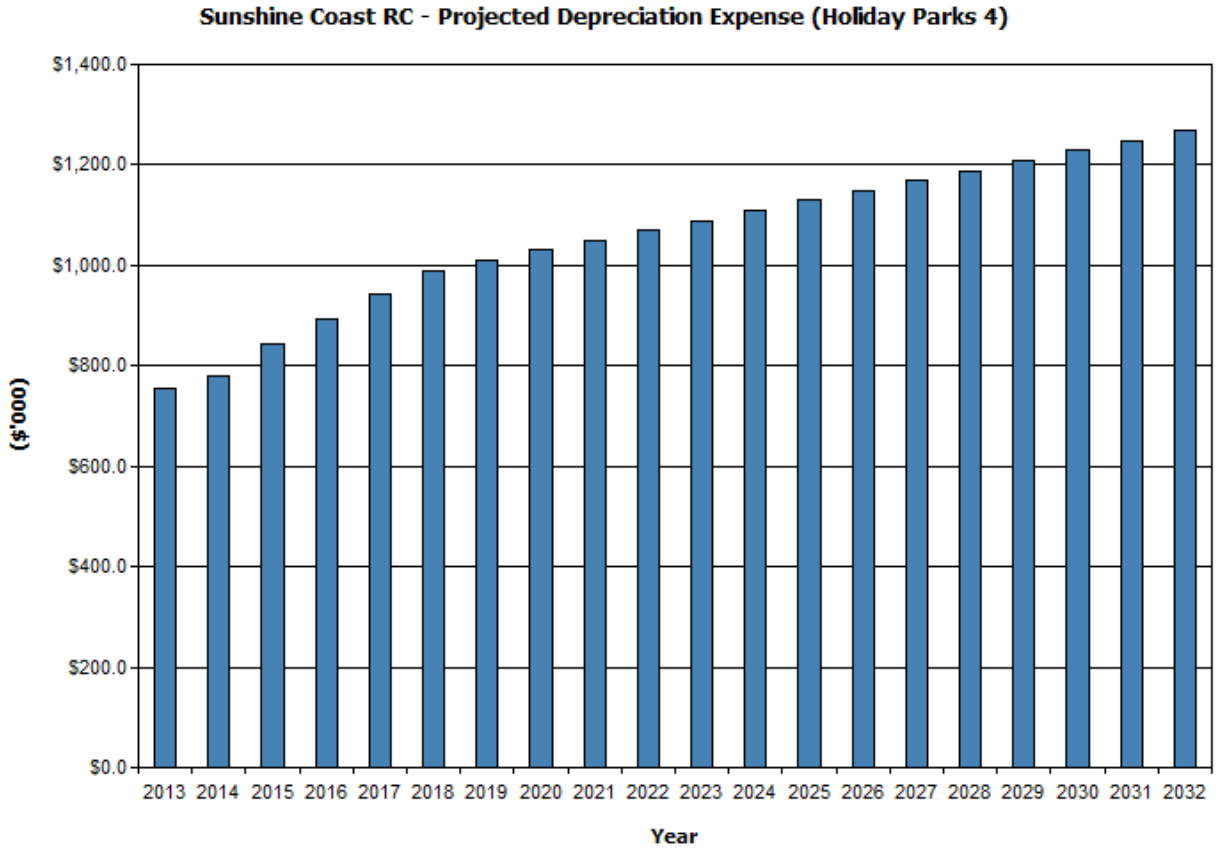


Fig 10. Projected Depreciation Expense

The depreciated replacement cost (current replacement cost less accumulated depreciation) 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 Fig 11.

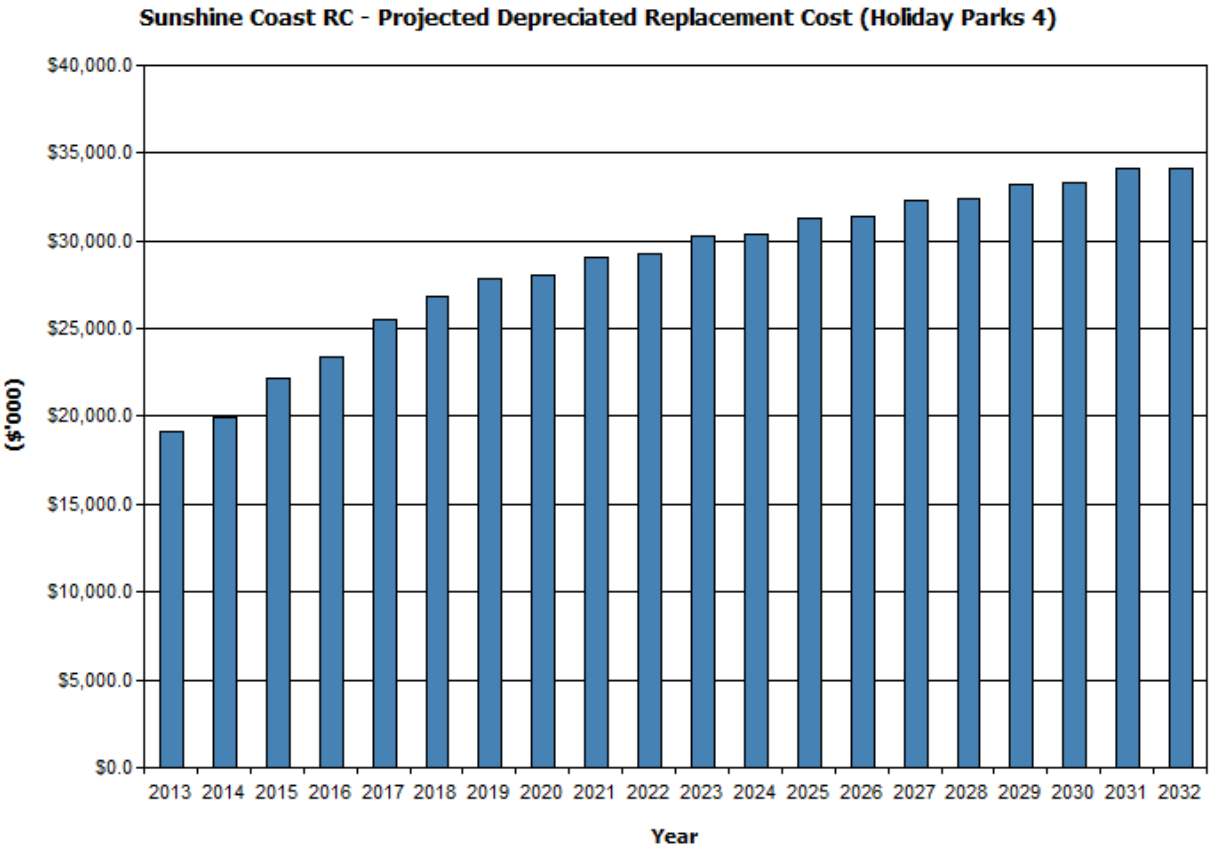


Fig 11. Projected Depreciated Replacement Cost

6.4 Key Assumptions made in Financial Forecasts

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

Key assumptions made in this asset management plan are:

- Asset replacement costs from FAIM
- Asset acquisition dates and estimated asset life from FAIM and Asset Revaluation data

Accuracy of future financial forecasts may be improved in future revisions of this asset management plan by the following actions.

- Review of Asset replacement costs with recent awarded contracts for new caravan park assets
- Complete Asset condition assessment report

7. ASSET MANAGEMENT PRACTICES

7.1 Accounting/Financial Systems

Sunshine Coast Regional City Council operates the Technology One system for management of financial information.

This system is managed by the Finance Business Unit. Technology One is interfaced with the Maximo Asset Management System (see below) to enable the transfer of financial asset information between the two systems.

7.2 Asset Management Systems

Sunshine Coast Regional Council operates the Maximo asset management system for the management of asset information. The asset management system is linked to the finance system via a software interface.

Asset managers are responsible for maintaining data pertaining to their asset area.

Geographical data is held on all assets within ArcGIS to display and edit geographical data

7.3 Information Flow Requirements and Processes

The key information flows *into* this asset management plan are:

- The asset register data on size, age, value, remaining life of the network;
- The unit rates for categories of work/material;
- The adopted service levels;
- Projections of various factors affecting future demand for services;
- Correlations between maintenance and renewal, including decay models;
- Data on new assets acquired by council.

The key information flows *from* this asset management plan are:

- The assumed Works Program and trends;
- The resulting budget, valuation and depreciation projections;
- The useful life analysis.

These will impact the Long Term Financial Plan, Strategic Business Plan, annual budget and departmental business plans and budgets.

8. PLAN IMPROVEMENT AND MONITORING

8.1 Performance Measures

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

- The degree to which the required cashflows identified in this asset management plan are incorporated into council's long term financial plan and Strategic Management 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 asset management plan;

8.2 Improvement Plan

The asset management improvement plan generated from this asset management plan is shown in Table 8.2.

Table 8.2 Improvement Plan

Task No	Task	Responsibility	Resources Required	Timeline
1.	Review of roles and responsibilities			
2.	Review of systems (linkages / dependencies)			
3.	Review current asset management processes			
4.	Review of data integrity			
5.				

8.3 Monitoring and Review Procedures

This asset management plan will be reviewed during annual budget preparation and amended to recognise any changes in service levels and/or resources available to provide those services as a result of the budget decision process.

The Plan has a life of 4 years and is due for revision and updating within 2 years of each Council election.

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