SPECIAL MEETING AGENDA

Tuesday 6 October 2026
commencing at 1:00 PM

Quilpie Shire Council Boardroom
50 Brolga Street, Quilpie

Special Meeting of Council

29 September 2026

The Mayor and Council Members
Quilpie Shire Council
QUILPIE QLD 4480

Dear Members

Notice is also hereby given that the Special Meeting of the Quilpie Shire Council will be held at the Council Chambers, on **Tuesday 6 October 2026**, commencing at ***1:00 PM*.**

The agenda for the special meeting is attached for your information

Yours faithfully

Justin Hancock

Chief Executive Officer

SPECIAL MEETING OF COUNCIL AGENDA

Tuesday 6 October 2026
Quilpie Shire Council Boardroom
50 Brolga Street, Quilpie

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1 OPENING OF MEETING

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5 INFRASTRUCTURE SERVICES

5.1 ASSET MANAGEMENT PLAN (AMP) - WATER INFRASTRUCTURE (2026)

IX: **280105**

Author: **Eng Lim, Director Infrastructure Services**

Authorisors: **Sharon Frank, Director Corporate Services**

Eng Lim, Acting Chief Executive Officer

Attachments: **1. Asset Management Plan - Water Infrastructure (2026)**

KEY OUTCOME

Key Outcome:	2.	Essential Infrastructure and Regulated Services
Key Initiative:	2.1	Water (Supply and reticulation)
Key Outcome:	6.	Healthcare
Key Initiative:	6.2	Community health and wellbeing
Key Outcome:	9.	Finances and Resources
Key Initiative:	9.3	Financial planning
Key Outcome:	10.	Effective Leadership
Key Initiative:	10.1	Advocacy

EXECUTIVE SUMMARY

Following the 2026 asset revaluation, the Director Infrastructure Services reviewed Council's Asset Management Plan (AMP) for Water Infrastructure. The review responds to s 104(5)(a)(ii) of the *Local Government Act 2009* (Qld) and Resolution QSC293-12-24 of 17 December 2024. It draws on the revaluation and condition assessment completed in 2026, which provided an updated asset inventory, condition data, replacement costs and useful life information.

The revised AMP sets an evidence-based framework for managing, maintaining and renewing Council's water infrastructure assets over the long term. It aligns with Council's Long-Term Financial Plan and supports informed decision-making, financial sustainability and advocacy for external funding.

This report recommends that Council adopt the revised AMP as part of its ongoing commitment to sustainable asset management and legislative compliance.

RECOMMENDATION

1. That Council:

   (a) adopts the Asset Management Plan – Water Infrastructure (2026).

BACKGROUND

Section 104(5)(a)(ii) of the *Local Government Act 2009* (Qld) requires Council's financial management system to include a long-term asset management plan. Section 167 of the *Local Government Regulation 2012* (Qld) requires Council to prepare and adopt a long-term asset management plan covering a period of 10 years or more, and s 168(c) requires the plan to be part of, and consistent with, the long-term financial forecast. These plans help Council meet the challenges of asset, financial and community sustainability.

At its meeting on 17 December 2024, Council adopted the updated Asset Management Strategy and the Asset Management Plans for each asset class (Resolution QSC293-12-24).

RESOLUTION NO: (QSC293-12-24)

Moved: Cr Roger Volz
Seconded: Cr Tony Lander

That Council adopt the updated Asset Management Plans as follows:-

a) Asset Management Strategy
b) Asset Management Plan – Transport Services (Roads)
c) Asset Management Plan – Water Infrastructure
d) Asset Management Plan – Sewerage Infrastructure
e) Asset management Plan – Building & Other Structures
f) Asset Management Plan – Plant & Equipment
g) Asset Management Plan – Other Infrastructure

5/0

Figure 1 Extract from Council Meeting Minutes - Resolution QSC293-12-24 (December 2024)

The report to that meeting recommended that "the asset management plans should have a minor review every year to ensure that it still aligns with the long-term financial forecast and a major review every 5 to 10 years to ensure that all the technical data is correct", and noted that "it is planned to have major review of the technical data be undertaken during 2025".

REPORT

In March 2026, Council appointed Shepherd Services to undertake a comprehensive revaluation of Council-owned water and sewerage infrastructure for financial reporting as at 30 June 2026. Shepherd Services prepared the valuation in accordance with Australian Accounting Standards, including AASB 13 and AASB 2022-10, and included an asset condition assessment in its inspection program.

The revaluation gives Council a strong and accurate financial baseline for its water infrastructure assets, which the AMP uses to plan ahead. The valuation process collected substantial information about these assets, including:

- asset identification
- componentisation
- replacement costs
- useful lives
- remaining useful lives
- depreciation
- asset condition information.

The Director Infrastructure Services prepared the revised AMP with the Director Corporate Services and Deputy Director Corporate Services, using the work Shepherd Services had already completed. Shepherd Services has capability in both water asset accounting and asset management.

Preparing the AMP straight after the 2026 revaluation lets Council use current asset data and valuations to develop an evidence-based lifecycle management and renewal strategy. The AMP links the condition, service requirements and remaining useful lives of Council's water infrastructure to future capital investment and informs Council's Long-Term Financial Plan.

Quilpie Shire has a small rate base, a large geographic area and constrained capital resources. The revised AMP helps Council show which water assets need priority investment, including through advocacy for external funding, and which warrant a different lifecycle, utilisation or renewal strategy. This makes the AMP a practical tool for decision-making and financial sustainability.

OPTIONS

Option 1 (Recommended)

1. That Council:
    (a) adopts the Asset Management Plan – Water Infrastructure (2026).

Option 2

1. That Council:
    (a) does not adopt the Asset Management Plan – Water Infrastructure (2026); and
    (b) retains the Asset Management Plan – Water Infrastructure adopted on 17 December 2024 (Resolution QSC293-12-24).

CONSULTATION (Internal/External)

Director Corporate Services

Deputy Director Corporate Services

Infrastructure Services directorate

INTERESTED PARTIES

Council officers, community members and visitors

Note: The identification of interested parties is provided on a best endeavours basis by Council Officers and may not be exhaustive.

LEGISLATION / LEGAL IMPLICATIONS

To ensure it is financially sustainable, s 104(1) of the *Local Government Act 2009* (Qld) requires Council to establish a system of financial management that complies with subsections (5) to (7). Under s 104(2), Council is financially sustainable if it can maintain its financial capital and infrastructure capital over the long term. Section 104(5)(a)(ii) requires that system to include a long-term asset management plan.

Section 167 of the *Local Government Regulation 2012* (Qld) requires Council to prepare and adopt a long-term asset management plan covering a period of 10 years or more. Section 168 requires the plan to provide strategies for the sustainable management of Council's assets and infrastructure, state the estimated capital expenditure for renewing, upgrading and extending the assets over the plan period, and be part of, and consistent with, the long-term financial forecast.

The revised AMP is Council's long-term asset management plan for its water infrastructure. It sets a lifecycle management and renewal strategy for these assets, based on the 2026 revaluation and condition assessment, and identifies future maintenance, renewal, upgrade and replacement requirements. It links to the 10-year renewal forecast in Council's Long-Term Financial Plan. Adopting the revised AMP keeps this financial planning document current and supports Council to maintain its infrastructure capital over the long term.

POLICY IMPLICATIONS

Corporate Plan 2026–2031

The revised AMP supports four outcomes in Council's Corporate Plan 2026–2031.

Outcome 2, Essential Infrastructure and Regulated Services, commits Council to provide essential infrastructure and regulated services "that are well planned and managed". Under initiative 2.1, Water (supply and reticulation), the AMP sets a lifecycle management and renewal strategy for Council's water infrastructure, based on the 2026 revaluation and condition assessment.

Outcome 6, Healthcare, includes initiative 6.2, Community health and wellbeing. The AMP guides the maintenance and renewal of the assets that supply drinking water to the community, which protects community health.

Outcome 9, Finances and Resources, commits Council to "manage our finances and other council resources responsibly". Under initiative 9.3, Financial planning, the AMP links water infrastructure renewal needs to the Long-Term Financial Plan and helps Council identify any funding gap.

Outcome 10, Effective Leadership, includes initiative 10.1, Advocacy. The AMP gives Council evidence of asset need to support its advocacy for external funding.

G.01 Asset Management Policy

Council's Asset Management Policy (Resolution QSC 147-07-24) commits Council to the "preparation and review of detailed asset management plans for all major classes of assets", using these plans to help determine expenditure priorities. The revised AMP is Council's detailed asset management plan for its water infrastructure, and adopting it meets this commitment.

The AMP applies three of the Policy's principles:

- "Asset Management will be integrated with corporate, financial, business and budgetary planning": the AMP links to the Corporate Plan outcomes above and to Council's Long-Term Financial Plan
- "Informed decision making, incorporating a life cycle approach to Asset Management": the AMP sets a lifecycle management and renewal strategy based on the 2026 revaluation and condition assessment
- "Establishing accountability and responsibility for asset condition, use and performance": the AMP aims to deliver clearer asset ownership and accountability.

Under the Policy, Council's role is to "approve the Asset Management Plan and monitor its outcomes". This report asks Council to exercise that role.

FINANCIAL AND RESOURCE IMPLICATIONS

The revised AMP gives Council a better understanding of the current condition, remaining useful life, lifecycle requirements and future renewal needs of its water infrastructure assets. The AMP identifies future maintenance, renewal, upgrade and replacement requirements that Council can include in its annual budget and Long-Term Financial Plan as appropriate.

Adopting the AMP does not commit Council to the expenditure in the long-term forecasts. Instead, it provides an evidence-based framework to inform future investment decisions and the prioritisation of available funds. The AMP may also strengthen Council's ability to demonstrate asset need when applying for external grants and other funding.

The AMP will also help Council identify any gap between the investment needed to sustainably manage its water infrastructure and the funding currently available.

Implementing the AMP will need ongoing staff resources to maintain the water asset register, undertake periodic condition assessments, monitor asset performance, review lifecycle requirements and update renewal forecasts.

Council may periodically need specialist resources for specialist assessments. Council will manage these requirements through its existing operational planning, procurement and budget processes.

Council will review the AMP periodically to keep asset management activity proportionate to the value, risk and criticality of its water infrastructure. The leadership team will periodically review service levels and future water service requirements.

ASSET MANAGEMENT IMPLICATIONS

Adopting the revised AMP will establish a more consistent lifecycle management framework for Council's water infrastructure assets. It will strengthen the links between asset condition, service requirements, risk, maintenance, renewal and long-term financial planning. The AMP aims to deliver:

- clearer asset ownership and accountability
- a more reliable and current water asset register
- improved understanding of asset condition and remaining useful life
- identification of critical water infrastructure assets and components
- defined maintenance and renewal strategies
- better identification and management of asset-related risks
- improved understanding of service levels and community expectations
- a prioritised renewal program.

RISK MANAGEMENT IMPLICATIONS

Council will manage risks in accordance with G.11 Enterprise Risk Management Policy and G.11-A Risk Management Framework. The revised AMP will help Council move from a largely reactive approach to a risk-based, planned approach to managing its water infrastructure assets.

Risk Name & Description	Current Controls	Impacts	Risk Assessment			Risk Treatment
			Likelihood	Consequence	Risk Rating	
Water asset failure	Maintenance schedules and inspections	Loss of water asset functionality and potentially significant repair costs	Unlikely	Major	High	Prioritise critical defects and renewal works; undertake planned inspections
Deferred maintenance	Annual maintenance budget	Increased cost due to inflation or accelerated deterioration	Possible	Moderate	High	Establish preventative maintenance priorities; monitor maintenance backlog
Inadequate renewal funding	10-year renewal forecast via LTFP	Assets deteriorate beyond acceptable service levels and future costs increase	Possible	Moderate	High	Regularly validate asset data, condition, useful life, components and replacement costs

HUMAN RIGHTS CONSIDERATION

In accordance with s 58 of the *Human Rights Act 2019* (Qld), Council identified the human rights relevant to this decision and considered whether adopting the revised AMP is compatible with them.

Adopting the AMP is a strategic planning decision. It does not commit expenditure, change any water service or impose any obligation on individuals. Council will consider human rights separately when it makes decisions on projects, service changes or budget allocations arising from the AMP.

Council identified the following human rights as relevant to the decision:

- recognition and equality before the law (s 15), because the AMP applies a consistent, condition-based approach to prioritising water infrastructure across the Shire
- right to life (s 16), because the AMP guides the maintenance and renewal of assets that supply drinking water to the community.

The decision does not limit any human right and is therefore compatible with human rights.

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WATER INFRASTRUCTURE ASSET MANAGEMENT PLAN

Quilpie Shire Council

Document Control	**Asset Management Plan** – Asset Register Method				
Document ID :					
Rev No	**Date**	**Revision Details**	**Author**	**Reviewer**	**Approver**
V1.0	27/07/2026	First Draft	NW		
V1.1	21/08/2026	Updated with Council comments and additional information	NW	EL	
V1.2	28/09/2026	Final review and minor updates	NW	PM	PM

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The Institute of Public Works Engineering Australasia

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1.0 EXECUTIVE SUMMARY

Our community relies on a diverse portfolio of infrastructure assets, including Water Infrastructure, valued at approximately $13,403,983.

The Asset Management Plan (AM Plan) provides a strategic framework for managing our community's infrastructure assets, ensuring they remain safe, reliable, and capable of meeting current and future demands.

1.1 Purpose of the Plan

The AM Plan aims to:

- Provide a systematic approach to asset management.
- Address critical risks associated with aging infrastructure and limited funding.
- Ensure infrastructure supports the community's social, economic, and environmental goals.

This AM Plan details information about Water infrastructure assets with key actions required to maintain agreed service levels, optimise lifecycle costs, and support long-term financial sustainability in the most cost-effective manner while outlining associated risks.

The plan defines the services, how they are provided and what funds are required to provide the services over the 20 year planning period. The AM Plan expenditure forecasts inform the Long-Term Financial Plan which typically considers a 10-year planning period.

1.2 Asset Description

The Water Infrastructure assets network comprises:

Component	Facilities	Asset Count	Total Valuation Dimension	Measurement Unit	Current Replacement Value
Bores	9	60	250	various	$4,237,080.78
Pump Stations	1	6	6	various	$143,074.19
Water Treatment Plants	1	43	207	various	$2,124,959.55
Water Mains		186	32,462	Length (m)	$5,022,291.69
Other Assets (including individual Tanks, and Pumps)		26	461	various	$1,876,576.42
			33,385.93		**$13,403,982.63**

The above infrastructure assets have replacement value estimated at $13,403,983.

1.3 Levels of Service

This plan covers the infrastructure assets that provide water related services.

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

The main service consequences of the planned budget due to insufficient amounts allocated are:

- Asset conditions will likely deteriorate due to insufficient budget amount allocated for renewal
- Consequently, this leads to increased safety hazards and lower compliance to related regulations, resulting in higher liability risks to Council
- Declining asset conditions can affect supply of services, leading to closures or reduced functionality and lowering public satisfaction with Council services
- Delays in renewals and/or maintenance result in more costly repairs over time as minor issues worsen.

1.4 Future Demand

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

- Population changes
- Demographic shifts
- Changes in customer expectations and preference

- Economic development
- Regulatory requirements in the future
- Changes in technology

Strategies to manage these demands are discussed in Section 4.0.

1.5 Lifecycle Management Plan

How we plan to manage and operate the assets at the agreed levels of service throughout their lifecycle is contingent on 10-year Long-Term Financial Plan (LTFP).

Furthermore, when Quilpie Shire Council commits to the upgrade of existing and acquisition of new assets, future operations, maintenance and renewal costs including depreciation will increase.

1.5.1 What does it Cost?

The lifecycle costs necessary to provide the services covered by this AM Plan include operations, maintenance, renewal and upgrade of existing assets, and the acquisition of new assets to meet demand. Disposal of assets is also considered.

When lifecycle costs are prepared for a minimum 10-year planning period, they can be used to inform the 10-year LTFP. The first 10-year lifecycle forecast is estimated to cost $7,332,587 or $733,259 on average per year.

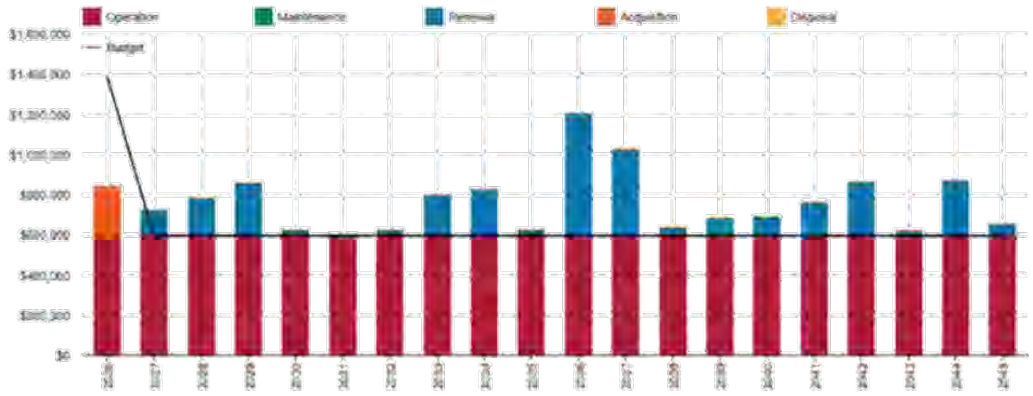
Depreciation is excluded from these cost estimates.

1.5.2 What we will do

The funding made available in the first 10-years' of the LTFP is $6,751,071 or $675,107 on average per year which is approximately 92.07% of the cost to undertake the lifecycle activities.

The reality is, only what is funded in the LTFP can be provided. Informed decision making depends on the AM Plan emphasising the consequences of planned budgets on the service levels provided and communicating the residual risks. It is important to ensure the organisation is delivering the services in a financially sustainable manner.

The 10-year LTFP results in a shortfall of -$58,152 on average per year of the forecast lifecycle costs required to provide services. This is shown in the figure below. The LTFP, on average, for the first 10 years is sufficient to provide services. This is shown in the figure below.



Forecast Lifecycle Costs and Planned Budgets

Amounts are shown in real values (i.e., current values, net of inflation).

We plan to provide water-related services for the following:

- Operation, maintenance, renewal and acquisition of Council water bores, pump stations, treatment plants and pipes networks to meet service levels set by Quilpie Shire Council in annual budgets.

1.5.3 What we cannot do

We currently do not allocate enough budget for the planning period to sustain services at the proposed standard including the provision of new assets. The future works and services that cannot be provided under present funding levels are:

- Maintenance and Renewal of Council's existing Water Bore Assets
- Maintenance and Renewal of Council's existing Pump Station Assets
- Maintenance and Renewal of Council's existing Treatment Plant Assets
- Maintenance and Renewal of Council's existing Water pipe network

1.6 Risk Management

The planned budget is insufficient to continue to manage risks in the short term (first ten years) and in the medium term (Year 11 to 20).

The main risk consequences are:

- Increased Safety and Compliance Risks – higher occurrence of failure and non-compliance to the governing legislations and regulations
- Service Level and Community Risks – deteriorating asset conditions affect asset functionality and service delivery, leading to potential reduced capacity and lowering public satisfaction with Council services
- Financial Risks – escalating future maintenance costs as minor issues worsen due to reduced maintenance due to lack of budget.

Strategies and actions to manage these risks are discussed in Section 6.0.

1.7 Financial Summary

Providing financially sustainable and affordable services from infrastructure requires the careful management of service levels, costs and risks.

The 10-year LTFP is $675,107 on average per year giving a 10 year funding shortfall of $58,152 per year. This indicates that 92.07% of the forecast costs needed to provide the services documented in this AM Plan are accommodated in the LTFP.

Asset values are forecast to increase as additional assets are acquired, primarily through future success from grant submissions to both State and Federal Governments.

While new assets are beneficial for the community, it will inevitably lead to increased operational, maintenance, and renewal obligations in the future. This will also contribute to a gradual rise in depreciation costs, impacting long-term financial sustainability.

It is essential that the financial impacts of these additional assets are fully accounted for in future iterations of the AMP and LTFP.

Council must not only prepare for initial acquisition through external funding but also allocate sufficient funding not only for the full lifecycle costs of these assets to avoid future funding shortfalls or service-level compromises.

1.8 Monitoring and Improvement Program

Key assumptions made in this AM Plan are:

- Asset valuations performed as at 30 June 2026 provide an accurate estimation of the replacement values of all water assets
- Assumptions made on the basis of "reasonable endeavour" using professional judgement regarding existing and planned budget expenditures for various activities (acquisition, operations, maintenance, renewals)
- Assumptions made on useful lives of selected assets with missing information by deriving from similar subcategories (benchmarking)

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

This AM Plan is based on a highly reliable level of confidence information, based on the most recent asset valuation (2026). The asset register method was selected for lifecycle modelling as it offers a reliable, asset-specific basis for forecasting long-term renewal and maintenance needs. This approach enables more precise financial planning and ensures alignment with actual asset conditions, supporting informed decision-making and effective risk and budget management.

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

No.	Major Actions and Tasks	Benefits
1	Develop 10 year capital works plans for budgetary council approval	Assist with long term financial planning and ensure adequate funds for future needs
2	Develop an inspection program for condition assessing remaining assets from the revaluation	Improves accuracy of renewal forecasts, ensures timely intervention, and reduces risk of unexpected asset failure
3	Update the asset register (e.g. latest condition, missing information such as useful life or year of acquisition), include componentised elements as well as add any unregistered assets	Enhances data accuracy for better planning, supports lifecycle costing, and ensures no assets are overlooked in renewal programs
4	Undertake customer satisfaction surveys	Captures community feedback to align service levels with user expectations and helps identify priority areas for improvement
5	Establish contingency plans for the potential failure of deferred assets, including increased inspection frequency, enhanced routine maintenance, or interim mitigation measures	Reduces service disruption risks, enhances preparedness, and ensures continuity of critical services
6	Develop a prioritisation strategy for unfunded asset renewals	Focuses limited resources on the most critical needs, improves decision-making transparency, and supports risk-based investments
7	Explore options to increase the renewal budget through external grants or public-private partnerships	Helps address funding gaps, accelerates renewal delivery, and reduces long-term liability
8	Develop an asset management steering group	Leads improvements in asset management practices
9	Implement an affordable AMIS to support monitoring	Improves data management, enables proactive asset planning, and enhances reporting capability

No.	Major Actions and Tasks	Benefits
10	Invest in structured training for Council staff to improve knowledge on asset management and adopt best practices	Builds internal capability, supports continuous improvement, and helps embed a culture of asset management
11	Documentation of existing processes, standard operating procedures and knowledge	Preserves institutional knowledge, improves consistency, and facilitates onboarding and auditing process
12	Stocktake of critical spares, and emergency contact information for suppliers or critical systems	Ensure rapid response and recovery to critical failures
13	Succession planning to replace long serving staff who are due for retirement	Ensures business continuity, reduces reliance on certain individuals, and supports a smooth transition of skills and knowledge

The AM Plan will be reviewed and updated annually to ensure it represents the current service level, asset values, forecast operations, maintenance, renewals, acquisition and asset disposal costs and planned budgets. These forecast costs and proposed budget are incorporated into the Long-Term Financial Plan or will be incorporated into the Long-Term Financial Plan once completed.

The AM Plan has a maximum life of 4 years and is due for complete revision and updating within the four year cycle of each Council election.

2.0 INTRODUCTION

2.1 Background

Quilpie Shire Council is located in South West Queensland and covers approximately 67,415 square kilometres, an area comparable in size to the State of Tasmania. The Shire includes the communities of Quilpie, Eromanga, Adavale, Cheepie and Toompine and is characterised by its remote location, dispersed population, strong community identity and significant agricultural, tourism and resource-based industries.



Council plays a critical role in delivering and maintaining infrastructure and community services across the region. Due to the geographic scale of the Shire and the remoteness of many facilities, Council's water and sewerage assets are essential to supporting local government operations, community wellbeing, recreation, emergency response, tourism, economic activity

This AM Plan communicates the actions and necessary funds required to sustainably deliver services through the careful management of assets for the foreseeable future. It is to be read with the Quilpie Shire Council planning documents. This should include the Asset Management Policy and Strategy, where developed, along with the following planning documents:

- Quilpie Shire Council Corporate Plan 2026–2031;
- Council's Asset Management Policy 2024;
- Council's Asset Management Strategy 2024;
- Council's Long Term Financial Planning (LTFP); and
- Annual Budget processes

Council's Corporate Plan recognises the importance of providing well-planned, managed and affordable infrastructure to support community wellbeing, economic development, recreation, tourism and quality of life across the Shire. The Operational Plan further recognises the role of asset management planning in supporting sustainable service delivery and long-term financial sustainability.

Council's Asset Management Policy recognises that infrastructure assets are fundamental to service delivery and that effective asset management is essential to achieving strategic, financial and operational sustainability.

Quilpie Shire Council is desirous of improving and achieving a core level of asset management maturity within the next five years. This AM Plan has been prepared to inform the Long-Term Financial Plan. It is recognized that further versions of this document may be required to bring the Long-Term Financial Plan and the projections in this document into alignment.

The infrastructure assets covered by this AM Plan include a diverse range of Council-owned water assets that serve water related needs throughout the Quilpie Shire. The key assets are shown as follows:

- Water Bores in Adavale, Eromanga and Quilpie,
- Water Pump station in Quilpie
- Water Treatment Plant in Eromanga
- Water Mains in Adavale, Eromanga and Quilpie

The asset portfolio comprises a mix of asset types, materials and ages, reflecting varying stages of condition and maintenance needs.

The infrastructure assets included in this plan have a total replacement value of $13,403,983.

2.2 Principles, Goals and Objectives of Asset Management

The principles of asset management as per the International Standards for asset management are:

- **Value**: asset management focuses on the value assets provide to the organization over time.
- **Alignment**: asset management aligns financial, technical and operational decisions with the organizational objectives, promoting vertical and horizontal coordination.
- **Leadership**: leadership and sustained commitment at all levels are crucial for successful asset management.[1]

Our goal for managing infrastructure assets is to deliver the defined level of service (as amended from time to time) in the most cost effective manner for present and future consumers.

The key objectives of infrastructure asset management as defined by the International Infrastructure Management Manual are:

- Defining levels of service and monitoring performance,
- Managing the impact of growth through demand management and infrastructure investment,
- Taking a lifecycle approach to developing cost-effective management strategies for the long-term that meet the defined level of service,
- Identifying, assessing and appropriately controlling risks, and
- Linking to a Long-Term Financial Plan which accommodates the required expenditure and how it will be funded.[2]

Key elements of the planning framework are:

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

Other references to the outcomes and benefits, principles and objectives of asset management can be found in:

- ISO 55000:2024 Asset Management – Vocabulary, overview, and principles
- International Infrastructure Management Manual[3]

A road map for preparing an AM Plan is shown in the following page.

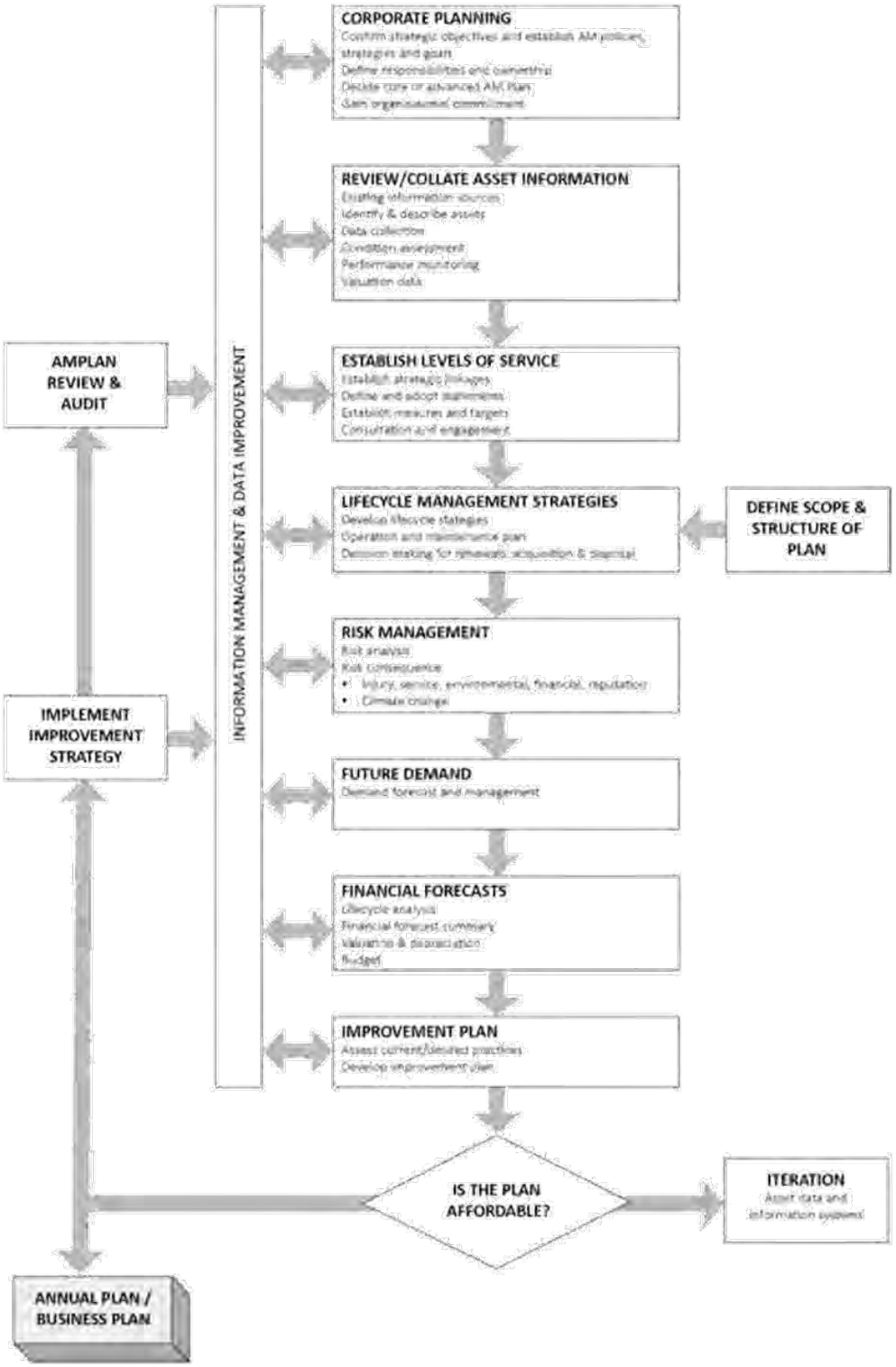
[1] ISO 55000:2024 Asset Management – Vocabulary, overview, and principles

[2] IPWEA International Infrastructure Management Manual (IIMM), Sec 1.2.1

[3] IPWEA International Infrastructure Management Manual (IIMM), Sec 2.1

Road Map for preparing an Asset Management Plan

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



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2.3 Key Stakeholders

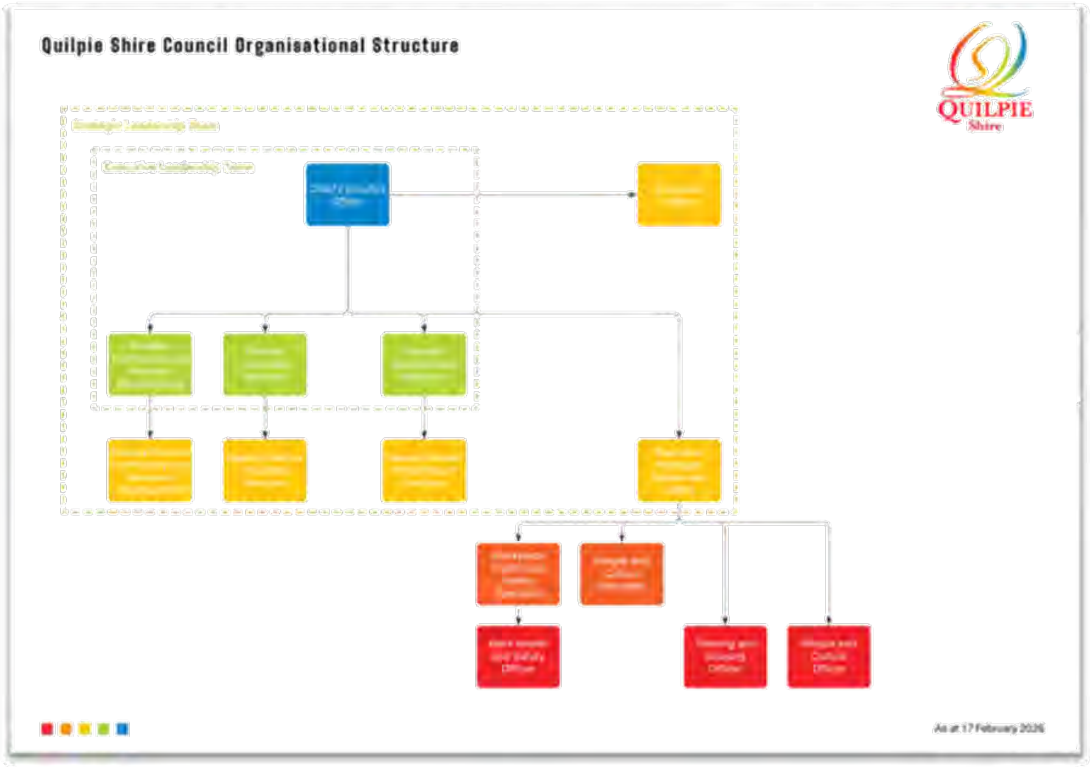
Key stakeholders in the preparation and implementation of this AM Plan are shown in Table 2.1.

Table 2.1: Key Stakeholders in the AM Plan

Key Stakeholder	Role in Asset Management Plan
Quilpie Shire Councillors	Represent needs of community/shareholders, Allocate resources to meet planning objectives in providing services while managing risks, Ensure service sustainable. Approval of the AMP; and Approval of the allocation of resources
Chief Executive Officer (CEO)	▪ ▪ Overall responsibility for developing an asset management policy, plans and procedures and reporting on the status and effectiveness of the asset management within Council ▪ Allocate resources to meet the organisation objectives in providing services while managing risks ▪ Ensuring the organisation is financially sustainable ▪ Ensure funds are invested appropriately to ensure best value for money is delivered to the community
Director, Infrastructure Services	Lead responsibility for the planning, management and delivery of the Water and Sewerage infrastructure Maintain the currency of the Asset Management Plan (the plan) and oversees asset planning, maintenance, renewal and capital works Ensures operational requirements, risks and renewal priorities are reflected in the AMP ▪ Management of customer relationships and liaison regarding Levels of Service, plus the interpretation of the future needs and any changes required
Director, Corporate Services	Responsible for maintaining the Asset Register including financial asset information such as acquisition costs, useful life and depreciation, asset revaluations and capitalisation records. Coordinates the Long-Term Financial Plan (LTFP) and annual budget process in collaboration with the Director, Infrastructure Services on infrastructure renewal program ▪ Supports financial sustainability, governance and customer service functions
Director, Community and Business Development	Provides input into community needs ▪ Supports community engagement, undertake customer surveys and assists in identifying changing service expectations and future requirements
Deputy Director, Infrastructure Services	Responsible for the operational and maintenance activities for service, repair and presentation of the water and sewerage assets Adherence to specified servicing and maintenance schedules and implementing preventative maintenance techniques ▪ Coordination and allocation of program and reactive maintenance, including regular inspections and record keeping.

Key Stakeholder	Role in Asset Management Plan
Works and Operations staff	Provide local knowledge on all the assets. Verify the size, location and condition of assets. ■ Help inform the maintenance standards deployed and the ability to meet technical and customer levels of service
External stakeholders	Department of Local Government, Water and Volunteers Department of the Environment, Tourism, Science and Innovation Local residents and businesses Tourist and Visitors (as occasional users, particularly during tourist season in winter months) Neighbouring Shires Federal and State Government authorities and agencies Emergency services including Royal Flying Doctors Service ■ Utility providers (e.g. Telstra, NBN, Ergon Power)

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



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3.0 STRATEGIC ALIGNMENT

3.1 Council Planning Context

This Asset Management Plan has been prepared to support Quilpie Shire Council's documented planning and reporting arrangements, including the Corporate Plan, Operational Plan, Annual Budget, 10-Year Financial Plan, Annual Report and Asset Management Policy.

Council's planning framework shows the relationship between the Corporate Plan, community input, 10-Year Financial Plan, Annual Budget, Asset Management Plan, Operational Plan, service delivery, sustainability, progress reporting and the Annual Report.

In this context, this AMP supports informed decision-making by documenting the current asset portfolio, service levels, condition, lifecycle planning considerations, risk information, forecast renewal demand and funding requirements for Council's Water and Sewerage assets. It also identifies key improvement actions to strengthen asset management practices and support future operational planning, improve data quality and support sustainable investment decisions over time and long-term financial decision-making.

3.2 Corporate Plan

Council's Corporate Plan 2026–2031 identifies four priority areas:

- Well planned, managed and affordable infrastructure ready for growth;
- Guided development and investment to grow our communities;
- Community access to services and facilities for health and wellbeing, lifelong learning and connection; and
- Collaborative and accountable government.

This Asset Management Plan contributes to the Corporate Plan by supporting:

- improved understanding of Council's Water and Sewerage asset base;
- planned, affordable and risk-based maintenance and renewal decisions;
- improved alignment between community service needs and asset investment;
- ongoing provision of safe and functional water and sewerage services;
- transparent decision-making on levels of service, risk and cost;
- improved asset data, lifecycle planning and renewal forecasting; and
- better integration between asset planning, financial planning and service delivery.

The Quilpie Shire Council Corporate Plan 2026–2031 identifies the following priorities, strategic directions and outcome statements relevant to the management of Water assets.

Table 3.1: Alignment – Corporate Plan and Water Assets

Corporate Plan Priority / Theme	Strategic Direction	Outcome
Well planned, managed and affordable infrastructure ready for growth	Land and housing	Contribute to the availability, quality and mix of land and housing options to support liveability for current residents and in readiness for growth.
	Essential infrastructure and regulated services	Provide essential infrastructure and regulated services that are well planned and managed, with capacity to meet current and

Corporate Plan Priority / Theme	Strategic Direction	Outcome
	Transport	Plan and deliver safe and resilient transport networks that maintain and strengthen Shire connections
Guided development and investment attraction to grow our communities	Development	Guide development, support liveability and contribute to a flourishing economy through planned towns, community spaces and managed growth.
	Strategic partnerships and local investment attraction	Build strategic partnerships to attract the funding and investment needed for strong and growing communities.
Community access to services and facilities for health and wellbeing, lifelong learning and connection	Healthcare	Advocate for, and promote, the healthcare needs of our communities across residents' lifespan, from the very young to those later in life.
	Community services and facilities	Provide and advocate for community services and facilities that build and retain connections, enhance liveability or meet priority needs.
	Teamwork	Through strong teamwork, provide a safe, healthy, positive and productive workplace where our people can confidently fulfill responsibilities, continue to improve and have the opportunity to flourish.
Collaborative and accountable government	Financial and resource management	Manage our finances and resources responsibly, continuing to build Council's capacity to meet the needs of Shire communities now and in the future.
	Leadership	Provide effective leadership for Council and our communities through inclusive community consultation, informed decision-making and open, clear and timely communication.

3.3 Operational Plan

The Operational Plan 2026–2027 sets out the action areas to deliver the strategic goals identified in Council's Corporate Plan. The Operational Plan shows that Asset Management Plans form part of Council's broader planning arrangements alongside the Corporate Plan, community input, 10-Year Financial Plan, Annual Budget, Operational Plan, service delivery, sustainability, progress reporting and the Annual Report.

This AMP Plan supports the Operational Plan by identifying asset condition, renewal needs, lifecycle requirements, risks and improvement actions that can inform future maintenance programs, capital works planning and budget development.

3.4 Annual Report and Financial Planning

This Asset Management Plan supports Council's financial planning and reporting by identifying the future renewal demand, lifecycle cost implications and improvement actions associated with the water and sewerage portfolio.

The Asset Management Policy requires asset management to be integrated with Council's corporate, financial, business and budgetary planning. It also identifies the importance of whole-of-life costing, informed decision-making, maintenance and renewal planning, and keeping asset information up to date for both technical and financial purposes.

Where long-term operating and capital expenditure forecasts are not currently available for the water and sewerage portfolio, this should be identified as an improvement action within this AMP.

3.5 Asset Management Policy

Quilpie Shire Council's Asset Management Policy provides the overarching direction for the planning, management, operation, maintenance, renewal and disposal of Council assets.

The Policy recognises that assets are important to the local community and fundamental to Council's overall service delivery. It also recognises that planning and responsibility for assets requires strong Councillor and executive oversight to support strategic asset management, financial management and sustainability.

The Policy applies to all Council-owned and operated assets and associated services, regardless of how they were acquired.

Key principles identified within the Policy include:

- adopting a whole-of-life approach to asset management;
- aligning asset management practices with service delivery needs;
- supporting risk-based and financially sustainable decision-making;
- maintaining appropriate asset information for planning and reporting purposes; and
- continuously improving asset management capability, systems and practices.

The Policy also identifies the need to maintain and renew Council's existing assets in a manner acceptable to Council and the community in terms of safety, access, quality, environmental impact, community needs and Council's ability to fund the works.

3.6 Legislative and Regulatory Context

The management of Water and Sewerage assets is influenced by relevant legislation, regulations, standards and Council policies. These requirements support safe, compliant and financially responsible management of water supply and sewerage services to the community.

The following table identifies key legislation, standards and frameworks relevant to the water and sewerage assets:

Table 3.2: Legislative Requirements

Legislation / Regulation / Standard	Relevance to Open Space & Recreation

Local Government Act 2009 (Qld)	Establishes Council's role, responsibilities and governance obligations for local government service delivery, asset stewardship, sustainable development and effective service delivery Mandates that local governments develop long-term asset management plans covering a minimum period of 10 years. These plans should outline strategies for managing infrastructure assets effectively.
Local Government Regulation 2012 (Qld)	Provides requirements relevant to financial management, asset management, budgeting, procurement and reporting.
Water Supply (Safety and Reliability) Act 2008	Support public health through Directorate compliance with the Drinking Water Quality Management Plan and associated legislative requirements to ensure the safe, reliable, affordable and compliant supply of drinking water for human consumption
Environmental Protection Act 1994 (Qld) and Environmental Protection Regulation 2019	The Act classifies sewage treatment as an Environmentally Relevant Activity (ERA 63) The Environmental Protection Regulation defines sewage treatment activities, including sewage treatment works and certain sewage pumping station Supports management of environmental risks associated with sewerage, stormwater interaction, construction activities and site management
Environmental Protection and Biodiversity Conservation Act (C'wealth) 1999	Aims to protect Australia's environment and biodiversity.
Planning Act 2016 (Qld)	Governs land use planning and development assessment processes Ensures that projects align with local planning schemes and policies
Work Health and Safety Act 2011 (Qld)	Establishes duties to manage health and safety risks associated with Council workplaces, public facilities, maintenance activities, construction works and operational activities. Sets out roles and responsibilities to ensure the health, safety and welfare of persons at work
Building Act 1975 (Qld), Building Regulation 2021 and National Construction Code	Relevant where Water & Sewerage assets include built structures and related facilities requiring building compliance.
Environmental Protection Act 1994 (Qld)	Supports management of environmental risks associated with sewerage, stormwater interaction, construction activities and site management Sets out guidelines for land use planning and promotes sharing of responsibilities between various levels of government in the state
Australian Accounting Standards	Inform asset recognition, valuation, depreciation and financial reporting requirements for Water & Sewerage assets The Australian Accounting Standards consisting of AASB13, AASB 16, AASB116 define the financial accounting requirements related to assets The Australian Accounting Standards Section 27 (AAS27) requires that assets be valued, and reported in the annual accounts, which also includes depreciation value (i.e. how fast are these assets wearing out)
Relevant Australian Standards and industry guidelines	Provide technical guidance for the design, construction, inspection, maintenance and renewal of relevant assets

Civil Liability Act 2002	Manage negligence, elements of a claim, duty of care, standard of care and causation and to address the requirements of sections 42 and 45.
Australian Drinking Water Guidelines	Provides guidance to water regulators and suppliers on monitoring and managing drinking water quality.
Plumbing and Drainage Act (Qld) 2002	Provides a legislative framework for plumbing and drainage.

4.0 LEVELS OF SERVICE

Levels of service define the standards and performance targets that infrastructure assets are expected to meet to ensure they provide reliable, safe, and efficient services to the community.

4.1 Customer Research and Expectations

The latest version of Customer Service Standards for Water and Sewerage Scheme was adopted by Council at the December 2025 Ordinary Council Meeting.

Future revisions of the AM Plan will incorporate customer consultation on service levels and costs of providing the service. This will assist the Council and stakeholders in matching the levels of service required, service risks and consequences with the customer's ability and willingness to pay for the service. Since council currently has no specific research on customer expectations, this will be investigated for future updates of the AM Plan and has been identified as an action within the Improvement Plan (refer Section 9.4).

4.2 Customer Values

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

Customer Values indicate:

what aspects of the service is important to the customer,

whether they see value in what is currently provided and

the likely trend over time based on the current budget provision

Table 4.1: Customer Values

Service Objective:

Customer Values	Customer Satisfaction Measure	Current Feedback	Expected Trend Based on Planned Budget
Assets are well maintained and fit for purpose	Number of customer service requests. Number of outages	Not currently recorded	Expected to increase over the medium terms due to lack of renewal funding for existing asset class.
Safety and Functionality	Number of customer service complaints.	Not currently recorded	Generally expected to remain steady in the short term. Medium term would expect increase in complaints due to maintenance not aligning with expected needs.
Clear and responsive communications in response to customer feedback	Regular Surveys	Not currently recorded	Expected to increase due to likely increase in overall customer service requests with the same staff resource.

Commentary:
Please note that, as council does not currently conduct regular customer satisfaction surveys, the primary proxy for measuring customer satisfaction is the number of customer service requests received.

At this stage, a low volume of service requests is interpreted as an indication that the community is generally satisfied with the services. This will be investigated for future updates of the AM Plan and has been identified as an action within the Improvement Plan.

4.3 Customer Levels of Service

The Customer Levels of Service are considered in terms of:

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

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

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

In Table 4.2 under each of the service measures types (Condition, Function, Capacity/Use) there is a summary of the performance measure being used, the current performance, and the expected performance based on the current budget allocation.

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

Table 4.2: Customer Level of Service Measures

Type of Measure	*Level of Service*	*Performance Measure*	*Current Performance*	*Expected Trend Based on Planned Budget*
Condition	Condition of water assets	Condition assessment undertaken periodically or as part of the valuation process mandated for local government	Percentage of assets rated as "Fair" or higher is 40.4%. This is determined by the condition summary with the respective valuation (refer Table 4.3 on the next page and the discussion in section 6.1.3).	With long-term budget constraints, asset conditions are likely to deteriorate unless maintenance standards and strategic renewal budget are increased.
	Confidence levels		Medium (a large portion of existing asset class have been inspected, however more remains to be done)	Medium (Professional Judgement supported by extensive data)
Function	Assets are functional and fit-for-purpose in terms of providing relevant services to the community	Customer service requests or social media feedback	Number of customer service requests are low. Overall, anecdotal and social media feedback has been generally positive, with only occasional instances of negative comments.	If funding is not sufficiently allocated for asset replacement, the number of assets reaching end of life and therefore requiring increased maintenance and renewal is expected to rise significantly over the long term (more than five years).
	Confidence levels		Medium (Professional judgement supported by limited data from customer service requests)	Medium (Professional judgement supported by limited data from customer service requests)
Capacity	Water assets can meet community demand	Observation of utilisation during a typical day and during functions /tourism-related events	Current utilisation of water assets is below full capacity for Quilpie while utilisation at Eromanga is close to capacity during summer.	Demand for additional capacity may change due to potential increase in the Shire population from the Q1000 target in the foreseeable future.
	Confidence levels		Medium (Professional judgement supported by observation of utilisation rate during functions and special events)	Medium (Professional judgement supported by observation of utilisation rate during functions and special events)

Table 4.3: Condition Summary with respective valuation

Condition rating	Description	Asset Valuation	Percentage	Accumulative Percentage
1	Excellent	$78,551	0.59%	0.59%
2	Good	$714,243	5.33%	5.91%
3	Fair	$4,622,345	34.48%	40.40%
4	Poor	$788,090	5.88%	46.28%
5	Very Poor	$1,230,255	9.18%	55.46%
0	Not Rated	$5,970,499	44.54%*	100.00%
	Total	$13,403,983	100.0%	100.0%

*Majority of unrated assets are below ground assets.

4.4 Technical Levels of Service

Technical Levels of Service – To deliver on the customer values, and impact they have on Customer Levels of Service, are operational or technical measures of performance. These technical measures relate to the lifecycle activities (see Section 5) and allocation of resources to best achieve the desired customer outcomes and demonstrate effective performance.

Service and asset managers plan, implement and control technical service levels to influence the service outcomes.[4]

Table 4.4 shows the lifecycle activities related to the current 10 year planned budget, and the forecast costs recommended in this AM Plan.

Table 4.4: Technical Levels of Service

Lifecycle Activity	Purpose of Activity	Activity Measure	Current Performance*	Recommended Performance **
TECHNICAL LEVELS OF SERVICE				
Acquisition	Upgrade of Sommerfield Water Main	Current Year Capital Project	Current Year Capital Project	Current Year Capital Project
		Budget	*$ 249,957*	*$249,957*
Operations/ Maintenance	Reactive repairs for asset network	Complaints	Upon request	Shift to more proactive maintenance regime.
	Safety and Compliance Inspections	Frequency	Yearly	*Yearly*
		Budget	*$596,000*	*650,000*
Renewal	Bring assets from failure or near failure to functional capacity	Renewal of expiring assets	Some budgeted Renewals	Full Renewal of Expiring Assets
		Budget	*$ 541,114 (1 year only)*	*260,000*
Disposal	Reduce Network Size	No current plans to dispose of water assets	No current plans to dispose of water assets	No current plans to dispose of water assets
		Budget	$0	$0

Note: * Current activities related to planned budget.

** Expected performance related to forecast lifecycle costs.

[4] IPWEA, 2015, IIMM, p 2|28.

Commentary:

Table 4.4 highlights a significant gap between the funds required to sustainably manage and renew the water assets and the funds currently available in our budget. Over the 10-year planning period, the forecast lifecycle costs necessary to maintain the desired levels of service for council water infrastructure.

This funding gap is not unique to Quilpie Shire Council; it is a common challenge for regional and remote councils with aging asset portfolios spread over a large geographical area and limited revenue bases. Factors contributing to the funding gap include:

- Increasing maintenance and renewal needs as assets age
- Rising costs of materials, labour, and compliance
- Limited growth in council revenue streams
- Competing priorities across council services

If the funding gap is not addressed, several risks will impact both council operations and the community:

- **Asset Deterioration leading to Increased Safety and Compliance Risks:**
  Assets will progressively fall below acceptable condition standards as maintenance and renewal are deferred. This increases the likelihood of unexpected failures and higher future costs. Deferred maintenance can also lead to safety hazards, non-compliance with legislation, and increased risk of injury or liability for council.
- **Reduced Levels of Service leading to Increased Community Dissatisfaction:**
  As asset conditions decline, the quality, safety, and functionality of council assets will diminish. This may result in more frequent closures, restrictions on use, or reduced amenity for users. As service levels decline, community satisfaction and trust in Council's ability to manage public assets may also decrease.
- **Higher Long-Term Costs:**
  Delaying renewals and major maintenance tends to escalate future costs, as minor issues become major failures requiring more expensive interventions.

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

5.0 FUTURE DEMAND

Future demand refers to the anticipated need for infrastructure services driven by factors such as population movement, economic development, technological advancements, and changing environmental or community expectations.

5.1 Demand Drivers

A demand driver refers to the factors or trends that influence the need for infrastructure services and capacity. The factors influencing future demand e created by:

Population changes

Changes in customer expectations and preference

Economic development

Demand drivers help predict future infrastructure needs and guide planning and investment decisions.

5.2 Demand Forecasts

The current position and projections for demand drivers that may impact future service delivery and use of assets have been identified and documented in Table 5.1.

5.3 Impacts and Demand Management Plan

The impact of demand drivers that may affect future service delivery and use of assets are shown in Table 5.1.

The impact on service delivery will be managed through a combination of managing and upgrading existing assets and the provision of new assets to meet demand. Demand management practices can include non-asset solutions, insuring against risks and managing failures.

Opportunities identified to manage demand are shown in Table 5.1. Further opportunities will be developed in future revisions of this AM Plan.

Table 5.1: Demand Management Plan

Demand driver	Current position	Projection	Impact on services	Demand Management Plan
Population	709 as of 30 June 2023 (ABS data)	A future population increase to 1,000 is a focus for the Shire	Increase in population, although not significant, may put pressure on some of Council's assets.	Assess current utilisation of existing Council's assets If population projection is expected to increase, allocate some budget to investigate upgrades of the water infrastructure assets to adequately support increased demand.
Customer expectations	Lack of affordable and suitable housing types, which will also impact on employment intake	Increased migration away from the Shire to other larger towns with better facilities	Increased pressure on Council to properly functioning infrastructure	Allocate future funding for Council to be a housing developer and look at funding opportunities from State or Federal governments

Demand driver	Current position	Projection	Impact on services	Demand Management Plan
Economic Drivers	Lack of interest from developers to provide house and land packages, due to remoteness, despite interest from community	This situation is expected to persist in the near future	Increased pressure on Council to provide reliable water services to support housing investment	Allocate future funding for Council to be a housing developer and look at funding opportunities from State or Federal governments.

5.4 Asset Programs to meet Demand

The new assets required to meet demand may be acquired, donated or constructed. Additional assets are discussed in Section 6.4.

Acquiring new assets will commit Quilpie Shire Council to ongoing operations, maintenance and renewal costs, and depreciation expenses for the period that the service provided from the assets is required. These future costs and expenses are identified and considered in developing the long-term financial plan.

5.5 Climate Change Adaptation

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

How climate change impacts on assets will vary depending on the location and the type of services provided, as will the way in which we respond and manage those impacts.[5]

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

Risk and opportunities identified to date are shown in Table 5.2.

Table 5.2 Managing the Impact of Climate Change on Assets and Services

Climate change risk	Projection	Impact on services	Climate Change Management Plan
Rainfall patterns due to climate change	More frequent and severe rainfalls are anticipated in the future.	The likely increase in rainfall volatility, both in frequency and intensity, will heighten flooding risks. This will result in increased difficulty for current assets to continue their primary functions. Impacts may include increased maintenance costs and earlier renewals (shorter useful life)	Review network locations and flood impact on assets Incorporate adaptive infrastructure changes when renewing these assets where deemed appropriate. For example, relocate some services to higher levels, or incorporate flood barriers or prevention techniques where possible. Undertake climate-adjusted flood mappings to identify at-risk council assets and update flood overlays in Council Planning Scheme.

[5] IPWEA Practice Note 12.1 Climate Change Impacts on the Useful Life of Infrastructure

Temperature changes due to climate change	The operating range of temperature will increase, i.e. more extreme in its minimum and maximum temperature	Greater variability in temperature results in more extreme expansion and contraction of assets or higher exposure in more intense solar radiation. This will lead to an increased rate in their deterioration. This translates into higher maintenance costs and shorter lifespan for certain asset components (earlier renewals)	Incorporate passive cooling features (e.g. insulation, ventilation strategies, light-colour surfaces to reflect sunlight and reduce heat absorption etc) and use heat reflective materials in construction.

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

Assets will withstand the impacts of climate change.

Services can be sustained; and

Assets that can endure may potentially lower the lifecycle cost and reduce their carbon footprint.

Table 5.3 summarises opportunities to build climate change resilience into new and existing assets.

Table 5.3 Building Climate Change Resilience into New and Existing Assets

Asset Description	Climate change risk	Resilience Plan for New Assets	Resilience Plan for Existing Assets
Rainfall patterns due to climate change	More frequent and severe rainfalls are anticipated in the future. It will heighten flooding risks and put more strain on existing infrastructure.	Review flood plans and current asset capacities and vulnerabilities. Incorporate adaptive infrastructure changes when renewing assets. For example, relocate some services to higher levels, or use components that are more resilient to water exposure and/or easier to clean up after flooding.	Rainfall patterns due to climate change
Wider temperature range due to climate change	Greater variability in temperature results in more extreme expansion and contraction of some components or higher exposure in more intense solar radiation. This leads to more rapid deterioration of some exposed assets.	Incorporate more heat-resilient components when renewing them and incorporate temperature-controlled environment with solar panels providing low-cost energy. Incorporate passive cooling features (e.g. insulation, ventilation strategies, light-colour surfaces to reflect sunlight and reduce heat absorption etc) and use heat reflective materials in construction.	Wider temperature range due to climate change

The impact of climate change on new and existing assets is evolving and new opportunities will be developed in future revisions of this AM Plan.

6.0 LIFECYCLE MANAGEMENT PLAN

The lifecycle management plan details how Quilpie Shire Council plans to manage and operate the assets at the agreed levels of service (Refer to Section 3) throughout their entire lifecycle, from acquisition or creation to disposal. The goal is to maximise the value of the assets while minimising costs and risks, ensuring they continue to meet performance requirements over time.

From a financial perspective, infrastructure activities tend to be classified as being either Operating or Capital. The lifecycle activities used in the asset management and financial planning and reporting process cover:

Capital

- **Acquisition** – the activities to provide a higher level of service (e.g., widening a road, sealing an unsealed road, replacing a pipeline with a larger size) or a new service that did not exist previously (e.g. a new library).
- **Renewal** – the activities that replace or restore assets to the standard it had originally provided (e.g., road resurfacing and pavement reconstruction, pipeline replacement and building component replacement).

Operating

- **Operations** - the routine activities that keep services accessible and effective, balancing efficiency with user expectations (e.g. opening hours, cleansing, mowing grass, energy, inspections, etc.)
- **Maintenance** – the preventative and corrective actions to sustain asset functionality and minimise unexpected failures. Maintenance activities enable an asset to provide service for its planned life (e.g., road patching, unsealed road grading, building and structure repairs).
- **Disposal** – the decommissioning, removing, or repurposing of assets that are no longer cost-effective, safe, or necessary (e.g. shutting down an old water treatment plant, demolishing unsafe buildings, dismantling old bridges, etc.).

A pictorial representation of the asset lifecycle activities is shown below in Figure 6.0.



Figure 6.0: Asset Lifecycle Activities

6.1 Background Data

6.1.1 Physical parameters

The assets covered by this AM Plan are shown in Table 6.1.

They include a diverse range of Council-owned assets that serve various operational purposes. While the majority of these Shire assets are located in Quilpie, several are also situated in Adavale, Cheepie, Eromanga and Toompine. The key assets are shown as follows:

Water Bores in Adavale, Eromanga and Quilpie;

Water Pump Station in Quilpie;

Water Treatment Plant in Eromanga;

Water Mains in Adavale, Cheepie, Eromanga, Quilpie and Toompine.

Table 6.1: Assets covered by this Plan

Asset Category	Dimension	Replacement Value
Water Facilities Assets (Bores, Pump Station, Treatment Plant)	109 Assets	$6,505,115
Water Mains	32,462m in Length	$5,022,292
Workers camp and other temporary accommodation	30 Assets	$1,876,576
TOTAL		$13,403,983

The asset portfolio comprises a mix of asset types and ages with its earliest asset constructed in 1948 and the most recent one built in 2023 based on our record, reflecting varying stages of condition and maintenance needs.

The age profile of the assets included in this AM Plan are shown in Figure 6.1. Amounts are shown in real values (i.e., current values, net of inflation).

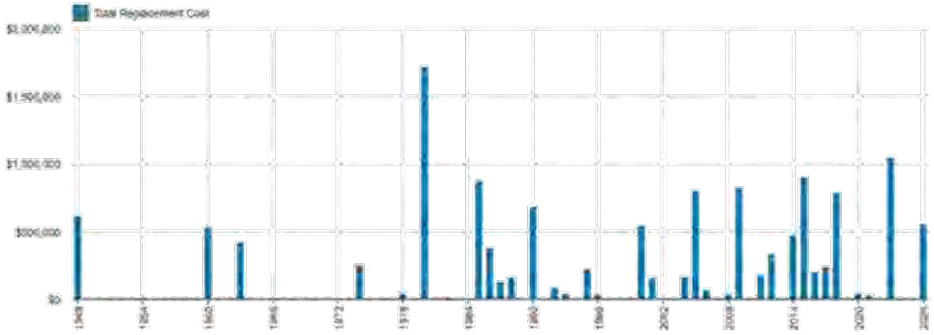


Figure 6.1: Asset Age Profile

Commentary:

In reviewing the Age Asset Profile, there is a very broad spread of asset construction over the past 50 years with larger spikes every 4 to 6 years and a notable construction spike in 1980.

Assets predating 1980 now represent only a small proportion of total asset value. This suggests either limited infrastructure development during that era—though less likely—or, more plausibly, that much of the earlier infrastructure has since been replaced with newer, modern assets.

The spread of investment over the past 50 years suggests a well spread, but aging asset portfolio, which is positive for avoiding 'spikes' in required renewals.

6.1.2 Asset capacity and performance

Assets are generally provided to meet design standards where these are available. However, there is insufficient resources to address all known deficiencies. Locations where deficiencies in service performance are known are detailed in Table 6.2.

Table 6.2: Known Service Performance Deficiencies

Location	Service Deficiency
AC Water Pipes	9.85 km (of 32.4 km) of AC pipes, more prone to brittleness and breakage ($1.7 million replacement value)

The above service deficiencies were identified from inspections undertaken in 2026 as part of the Water and Sewer valuation process where the outcomes are incorporated in the Council's Asset Register.

6.1.3 Asset condition

Condition is currently monitored by engaging a consultant to undertake condition rating assessment every four years. The current methodology used by Quilpie Shire Council is described as follows:

Undertake capacity assessments of water facilities assets

Undertake Maintenance Survey – where maintenance requirements need to be increased

Undertake Defect Survey and Defect Criticality Rating – where the work identifies which of those defect items requires immediate attention (i.e. assets with a 3 rating), and those that could be assigned to deferred maintenance, refurbishment or renewal (i.e. assets with a 1 or 2 rating).

Condition is measured using a 1 – 5 grading system[6] as detailed in Table 6.3. It is important that a consistent approach is used in reporting asset performance enabling effective decision support. A finer grading system may be used at a more specific level, however, for reporting in the AM plan results are translated to a 1 – 5 grading scale for ease of communication.

Table 6.3: Condition Grading System

Condition Grading	Description of Condition
0	**Not Assessed**: asset not condition assessed
1	**Very Good**: free of defects, only planned and/or routine maintenance required
2	**Good**: minor defects, increasing maintenance required plus planned maintenance
3	**Fair**: defects requiring regular and/or significant maintenance to reinstate service
4	**Poor**: significant defects, higher order cost intervention likely
5	**Very Poor**: physically unsound and/or beyond rehabilitation, immediate action required

The condition profile of our assets is shown in Figure 6.2 and also represented by Table 6.4 with its respective valuation.

[6] IPWEA, 2015, IIMM, Sec 2.5.4, p 2|80.

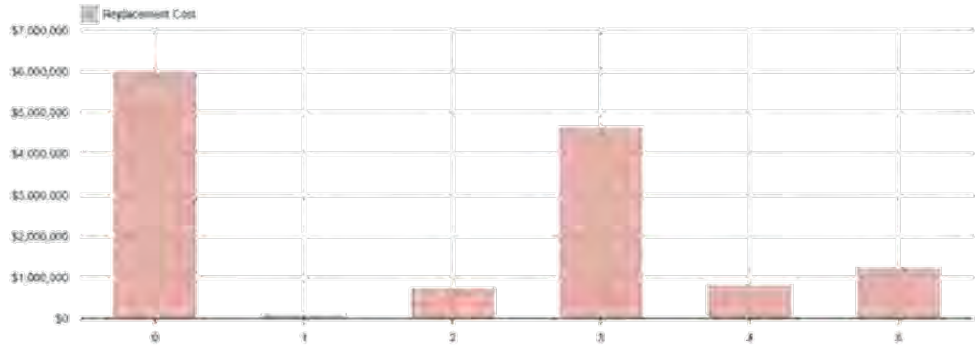


Figure 6.2: Asset Condition Profile

Table 6.4: Condition Summary with respective valuation

Condition rating	Description	Asset Valuation	Percentage	Accumulative Percentage
1	Excellent	$78,551	0.59%	0.59%
2	Good	$714,243	5.33%	5.91%
3	Fair	$4,622,345	34.48%	40.40%
4	Poor	$788,090	5.88%	46.28%
5	Very Poor	$1,230,255	9.18%	55.46%
0	Not Rated	$5,970,499	44.54%	100.00%
	Total	**$13,403,983**	**100.0%**	**100.0%**

Commentary:

It is evident from Figure 6.2 and Table 6.4, that nearly 45% of assets have not received a condition inspection. Of the remaining 55%, 40.4% are at least in Fair condition with only 9.2% falling into the Very Poor category, minimizing immediate risk of asset failure.

From a Risk Management perspective, the low proportion of Very Poor assets suggests current risk exposure is low, but ongoing monitoring is essential, especially for any critical infrastructure in this category.

To maintain the level of service, key actions by Council should be:

Undertaking condition rating survey work of the remaining assets not currently condition assessed.

In terms of medium-term capital works and renewal planning, the 15% categorised as in Poor and Very Poor conditions should be the focus of future proactive interventions which can prevent assets from reaching failure, which can impact service delivery

In terms of Maintenance Strategy, the Fair assets (34.5%) may benefit from targeted maintenance to extend their useful life and defer costly renewals

Continued investment in preventive maintenance for Good and Excellent assets will help maintain this positive distribution.

6.2 Operations and Maintenance Plan

Operations include regular activities to provide services. Examples of typical operational activities include cleaning, street sweeping, asset inspection, and utility costs.

Maintenance includes all actions necessary for retaining an asset as near as practicable to an appropriate service condition including regular ongoing day-to-day work necessary to keep assets operating. Examples of typical maintenance activities include pipe repairs, asphalt patching, and equipment repairs.

The trend in maintenance budgets are shown in Table 6.5.

Table 6.5: Maintenance Budget Trends

Year	Maintenance Budget $
2025	$777,100
2026	$596,000
2027	$ 596,000

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

Assessment and priority of reactive maintenance is typically undertaken by staff using experience and judgement. In terms of improvement plan, future planning for maintenance (and also for renewals) should be guided by the available data on asset conditions. Current budgets have further not been verified against actual expenses to assess whether budgeted repairs and maintenance works are being undertaken.

Asset hierarchy

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

At this stage, a formal asset hierarchy has not been developed for the Water and Sewerage portfolio. The current asset information has been grouped by available asset type for the purposes of this Asset Management Plan.

A future improvement action is to develop and document an appropriate asset hierarchy for Water and Sewerage portfolio. This should confirm asset categories, asset types, component structure where required, locations, ownership and reporting groupings. A clearer hierarchy will improve future asset reporting, condition assessment, lifecycle modelling, renewal forecasting, maintenance planning and financial reporting.

Summary of forecast operations and maintenance costs

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

Figure 6.3 shows the forecast operations and maintenance costs relative to the proposed operations and maintenance Planned Budget.

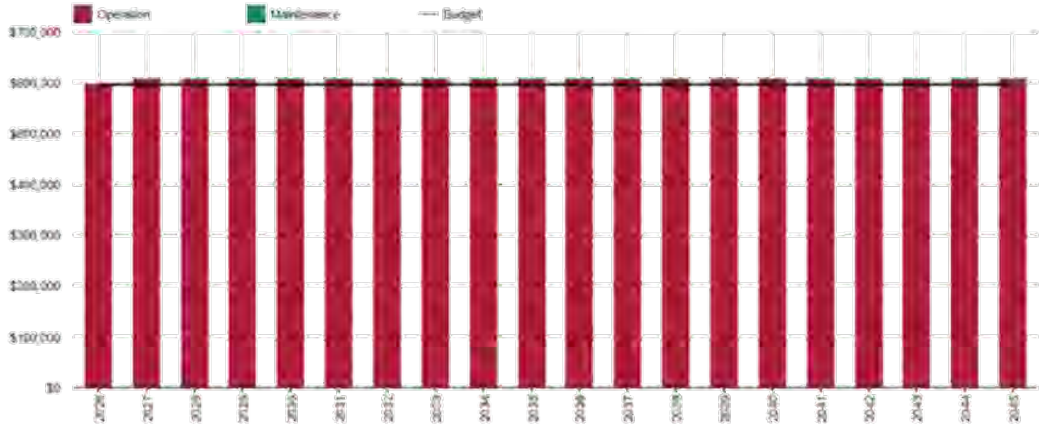


Figure 6.3: Operations and Maintenance Summary

Amounts are shown in real values (i.e., current values, net of inflation).

Commentary:

Council's current approach is to align forecast operations and maintenance (O&M) costs with the proposed O&M budget. This effectively constrains the forecast to a flat trend in real terms over the foreseeable future.

This approach is considered relatively low risk at present, as only 9.2% of Council's assets are classified in the *Very Poor* condition category—minimising the likelihood of immediate asset failure and the need for urgent reactive expenditure.

Any deferred maintenance (i.e. works that are identified for maintenance activities but unable to be completed in a particular year due to constrained budget and/or available resources) should be undertaken in the following year.

As a best practice, targeted maintenance of assets currently rated as *Fair* (34.5%) should be considered to extend their useful life and defer the need for costly renewals.

In parallel, continued investment in preventive maintenance for assets in *Good* and *Excellent* condition should be prioritised and clearly reflected in Council's Infrastructure Risk Management Plan. This proactive approach will support long-term asset sustainability, minimise lifecycle costs, and reduce the likelihood of unexpected failures.

Further expenditure data is needed from council to properly estimate future operations/maintenance costs accurately.

6.3 Renewal Plan

Renewal is major capital work which does not significantly alter the original service provided by the asset, but restores, rehabilitates, replaces or renews an existing asset to its original service potential. Work over and above restoring an asset to original service potential is considered to be an acquisition resulting in additional future operations and maintenance costs.

Assets requiring renewal are identified from one of two approaches in the Lifecycle Model.

The first method uses Asset Register data to project the renewal costs (replacement cost) and renewal timing (acquisition year plus updated useful life to determine the renewal year), or

The second method uses an alternative approach to estimate the timing and cost of forecast renewal work (i.e. condition modelling system, staff judgement, average network renewals, or other).

The typical useful lives of assets used to develop projected asset renewal forecasts are shown in Table 6.6. Asset useful lives were last reviewed in the 2026 financial year.

Table 6.6: Useful Lives of Assets

Asset (Sub)Category	Useful life
Bore Assets (Components)	15 - 80 years
Water Treatment Plant Assets (Components)	15 - 80 years
Water Pump Station Assets (Components)	15 - 70 years
Water Mains	70 - 80 years
Water Other Assets (Various)	15 - 120 years

The estimates for renewals in this AM Plan were based on the Asset Register Method.

Commentary:

The Asset Register Method was selected as the preferred approach for the lifecycle cost modelling for Quilpie Shire because it provides a detailed, asset-level basis for forecasting future renewal costs. This method allows for a more precise alignment between actual asset characteristics and lifecycle profiles.

Specifically, asset valuations conducted in 2026 remain relevant and robust, providing a fairly accurate estimation of the current market or replacement values of all water assets. These valuations are still considered reliable given the relatively stable nature of water asset construction costs in regional areas and the absence of major market fluctuations since the last valuation.

Additionally, there is a high level of confidence in the assigned useful lives of most assets in the register. The assets are reasonably well-documented, and their age, condition, and performance history provide a solid basis for lifecycle modelling. Using the asset register method ensures that renewal profiles reflect the actual age and expected remaining life of each water asset, leading to more informed financial planning and asset management decisions.

This approach supports the production of a more accurate and defensible long-term financial and asset management plan, enhancing Council's ability to maintain service levels while managing risk and budget constraints effectively.

6.3.1 Renewal ranking criteria

Asset renewal is typically undertaken to either:

Ensure the reliability of the existing infrastructure to deliver the service it was constructed to facilitate (e.g. replacing a bridge that has a 5-tonne load limit), or

To ensure the infrastructure is of sufficient quality to meet the service requirements (e.g. condition of a playground).[7]

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

Have a high consequence of failure,

Have high use and subsequent impact on users would be significant,

Have higher than expected operational or maintenance costs, and

Have potential to reduce life cycle costs by replacement with a modern equivalent asset that would provide the equivalent service.[8]

The ranking criteria used to determine priority of identified renewal proposals is detailed in Table 6.7.

[7] IPWEA, 2015, IIMM, Sec 3.4.4, p 3|91.
[8] Based on IPWEA, 2015, IIMM, Sec 3.4.5, p 3|97.

Table 6.7: Renewal Priority Ranking Criteria

Criteria	Weighting
Capacity used (utilisation)	30 (%)
Asset Importance Rating (providing critical service)	30 (%)
Functionality Rating (fit-for-purpose)	20 (%)
Costs	20 (%)
Total	**100%**

6.3.2 Summary of future renewal costs

Forecast renewal costs are projected to increase over time if the asset stock increases. The forecast costs associated with renewals are shown relative to the proposed renewal budget in Figure 6.4. A detailed summary of the forecast renewal costs is shown in Appendix D.

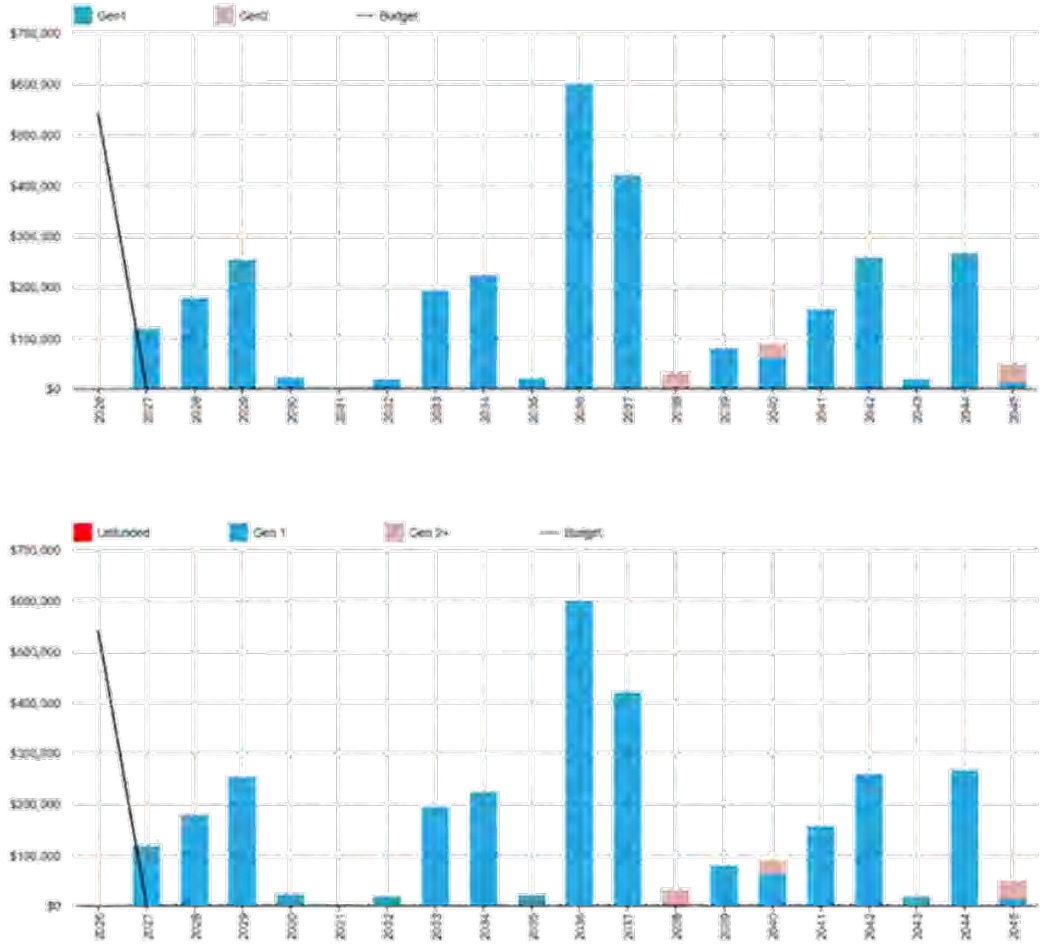


Figure 6.4: Forecast Renewal Costs

Amounts are shown in real values (i.e., current values, net of inflation).

Commentary:

The most striking feature in Figure 6.4 is the pronounced spike in forecast renewal costs in 2036. The Long-Term Financial Plan (LTFP) has not allocated funding to address these renewal projects.

Aside from the largest spike in 2036, there are other spikes in 2027-2029 and then again in 2033-2034.

To manage the risks of insufficient funding in the renewal program, it is recommended that Council undertake proactive actions such as:

- Create a Long term capital works program with budgeted allocations for renewal works.
- Implement a Prioritisation Framework:
  Develop a structured prioritisation approach to address the most critical deferred renewals first, focusing on assets vital to safety, regulatory compliance, and essential service delivery.
- Strengthen Contingency Planning:
  Establish contingency plans for the potential failure of deferred assets, including increased inspection frequency, enhanced routine maintenance, or interim mitigation measures.
- Review Funding Strategy:
  Explore options to increase the renewal budget through internal reprioritisation, external grants, or public-private partnerships. This will help address historical backlogs and accommodate forecast renewal peaks.
- Conduct Regular Annual Review and Adjustment:
  Regularly review asset condition data with associated renewal forecasts and update the risk profile to reflect evolving asset performance, potential failures, and any changes in available funding

Embedding these actions into Council's financial and risk management practices will strengthen resilience and support consistent levels of service for the community over the coming decades.

6.4 Acquisition Plan

Acquisition reflects are new assets that did not previously exist or works which will upgrade or improve an existing asset beyond its original service level. They may result from growth, demand, social or environmental needs. Assets may also be donated to Quilpie Shire Council.

Unlike many other Local Government areas in Australia, Quilpie Shire Council currently has limited plans for the acquiring new assets or undertaking major upgrades to existing facilities. This is largely due to constrained financial resources and a small population base, which make it challenging to justify significant capital investment in water infrastructure at this time. Instead, Council is focused on maintaining and renewing existing assets to ensure the continued delivery of essential services in an efficient manner.

In addition, there is no expectation that the water infrastructure portfolio will be contributed towards by external contractors through development. Despite approaches from Council, there is little interest from private companies developing new residential estates. The private companies involved in natural resource extraction industries prefer to direct their investment into larger towns (Cairns / Adelaide) and commute their staff on a fly in / fly out basis.

Acquisition of new assets is generally only possible through external funding, and to that end, Council officers are actively pursuing grant opportunities from State and Federal agencies to support future projects.

Selection criteria

Proposed acquisition of new assets, and upgrade of existing assets, are identified from various sources such as community requests, proposals identified by strategic plans or partnerships with others.

Potential upgrade and new works should be reviewed to verify that they are essential to the Shire needs. Proposed upgrade and new work analysis should also include the development of a preliminary renewal estimate to ensure that the services are sustainable over the longer term.

Verified proposals can then be ranked by priority and available funds and scheduled in future works programmes. The priority ranking criteria is detailed in Table 6.8.

Table 6.8: Acquired Assets Priority Ranking Criteria

Criteria	Weighting
Assessment of service needs	30 (%)
Suitability of site/asset and risk assessment	20 (%)
Whole-of-life costs	30 (%)
Legal and regulatory requirements	20 (%)
Total	**100%**

6.4.1 Summary of future asset acquisition costs

Quilpie Shire Council currently has limited plans for the acquiring new water infrastructure assets or undertaking major upgrades to existing facilities. The only acquisition project of note is the upgrade to the Sommerfield Road Water Mains. The forecast acquisition capital works program is shown in Appendix A.

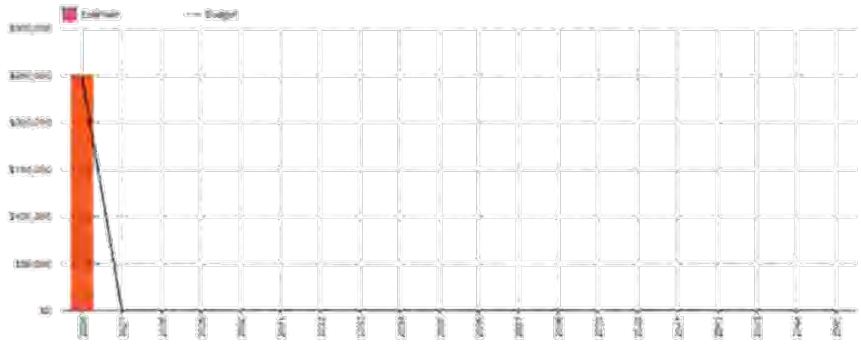


Figure 6.5: Acquisition (Constructed) Summary

Amounts are shown in real values (i.e., current values, net of inflation).

When Quilpie Shire Council commits to new assets, they must be prepared to fund future operations, maintenance and renewal costs. They must also account for future depreciation when reviewing long term sustainability. When reviewing the long-term impacts of asset acquisition, it is useful to consider the cumulative value of the acquired assets being taken on by Council.

The cumulative value of all acquisition work, including assets that are constructed and contributed shown in Figure 6.6.

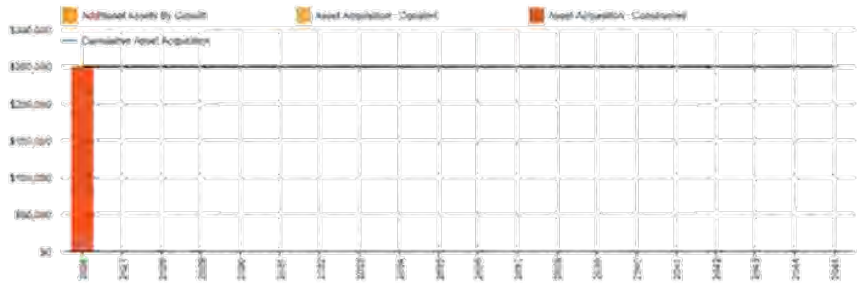


Figure 6.6: Acquisition Summary

Amounts are shown in real values (i.e., current values, net of inflation).

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

6.5 Disposal Plan

Disposal includes any activity associated with the disposal of a decommissioned asset including sale, demolition or relocation. Assets identified for possible decommissioning and disposal are shown in Table 6.9. A summary of the disposal costs and estimated reductions in annual operations and maintenance of disposing of the assets are also outlined in Table 6.9. Any costs or revenue gained from asset disposals is included in the long-term financial plan.

Table 6.9: Assets Identified for Disposal

Asset	Reason for Disposal	Timing	Disposal Costs	Operations & Maintenance Annual Savings
No asset listed for disposal	-	-	-	-

6.6 Summary of asset forecast costs

The financial projections from this asset plan are shown in Figure 6.7. These projections include forecast costs for acquisition, operation, maintenance, renewal, and disposal. These forecast costs are shown relative to the proposed budget.

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

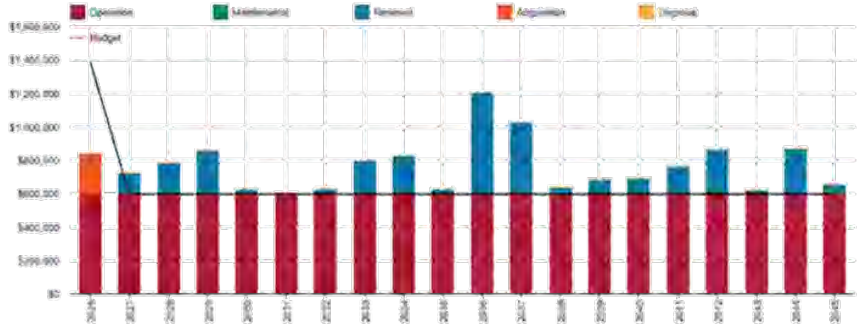


Figure 6.7: Lifecycle Summary

Amounts are shown in real values (i.e., current values, net of inflation).

Commentary:

The renewal costs in 2029 spike sharply with a total forecast cost of approximately $800 thousand, as illustrated in Figure 6.7. This is due to assets within the Eromanga Water Treatment plant being assessed in Poor or Very poor Condition. Council does not currently have a Long-Term Financial Plan (LTFP) with allocated funding for capital renewal outside of the first year of assessment and is therefore insufficient to meet the forecast renewal needs and will remain as a critical risk issue. Without project-specific details in the capital works plan, the renewals may not be deliverable unless addressed strategically.

The renewal costs vary from year to year given the longer lives and large values of many of the assets in this class. Should regular renewal funding be available, it is recommended that ongoing condition assessments are undertaken on asses to determine the exact timing of renewals or that some renewals are brought forward in order to "smooth out" the renewal delivery.

Both acquisition and disposal costs are negligible, consistent with current Council practices. As previously stated, acquisition projects depend on external funding.

In conclusion, the key dominant cost pressure comes from Renewal, which aligns with aging infrastructure reaching end-of-life phases. The budget line does not have sufficient information for accurate forecasting of renewal adequacy.

7.0 RISK MANAGEMENT PLANNING

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

Risk Management is defined in ISO 31000:2018 as: 'coordinated activities to direct and control with regard to risk'[9].

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

7.1 Critical Assets

Critical assets are defined as those which have a high consequence of failure causing significant loss or reduction of service. Critical assets have been identified and along with their typical failure mode, and the impact on service delivery, are summarised in Table 7.1. Failure modes may include physical failure, collapse or essential service interruption.

Table 7.1 Critical Assets

Critical Asset(s)	Failure Mode	Impact
Bores	Contamination or Failure	Decrease in water quality or immediate impact on water supply
Raw and Trunk water supply mains (particularly those supplying critical services)	Asset Failure or Contamination (Algae/slime)	Impact on water supply to critical services
Water Treatment Plant	Asset Component Failure	Immediate Impact on Water Supply
In-line UV disinfection units	Asset Component Failure	Decrease in water quality
Reservoirs/tanks (where contamination would immediately impact on service levels)	Contamination	Decrease in water quality
Pump Stations	Asset Component Failure	Immediate Impact on Water Supply
Control Valves	Asset Failure	Immediate Impact on Water Supply

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

7.2 Risk Assessment

The risk management process used is shown in Figure 7.2 below.

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

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

[9] ISO 31000:2009, p 2
[10] REPLACE with Reference to the Corporate or Infrastructure Risk Management Plan as the footnote

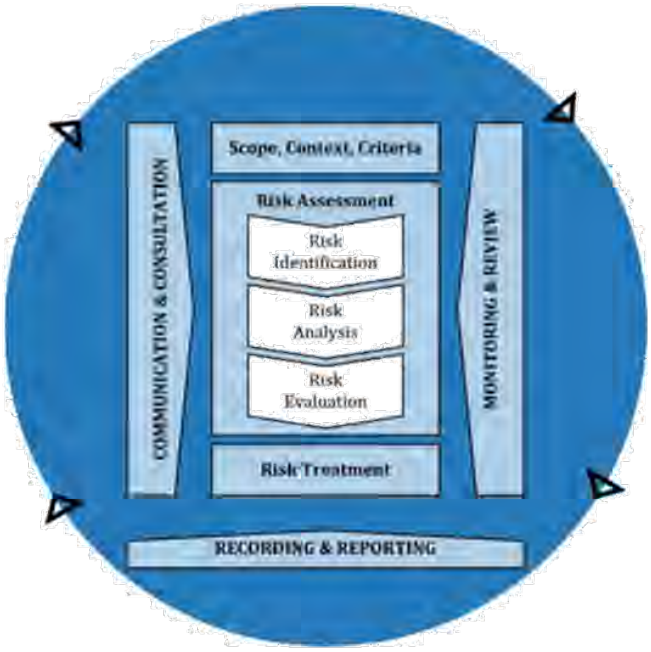


Fig 7.2 Risk Management Process – Abridged
Source: ISO 31000:2018, Figure 1, p9

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

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

Critical risks are those assessed with 'Very High' (requiring immediate corrective action) and 'High' (requiring corrective action) risk ratings identified in the Infrastructure Risk Management Plan. The residual risk and treatment costs of implementing the selected treatment plan is shown in Table 7.2. It is essential that these critical risks and costs are reported to senior management and Quilpie Shire Councillors.

[11] REPLACE with Reference to the Corporate or Infrastructure Risk Management Plan as the footnote

Table 7.2: Risks and Treatment Plans

Service or Asset at Risk	What can Happen	Risk Rating (VH, H)	Risk Treatment Plan	Residual Risk *	Treatment Costs
All council water assets	Underfunding of its maintenance and renewal. Such deficit/gap forces immediate repairs instead of long term renewal, accelerating asset deterioration.	High	Allocate at least 1% of replacement cost as per Queensland Govt guideline. Prioritise adequate funding for critical assets based on risk assessment and community impact.	Medium	$200,000
All council water assets	Critical shortage of skilled workforce. Within qualified engineers and analysts, it can lead to poor execution of preventive maintenance regime and lack of ability to interpret condition data effectively	High	Invest in structured training for Council staff to improve knowledge on asset management and adopt best practices, Or alternatively rely initially on external contractors for support	Medium	$50,000
All council water assets	Incomplete asset register or inventory and inadequate condition data. This runs the risk of inaccurate lifecycle forecast and budget requests.	High	Undertake condition assessment every 3 to 4 years and capture detailed asset information in the asset register. Implement an affordable AMIS to support monitoring.	Medium	$100,000
Loss of long serving staff with historic knowledge of the organisation, system and community	Loss of knowledge base that is not easily replaced	High	Succession planning Documentation of existing processes, standard operating procedures and knowledge	Low	$ 50,000

Note * The residual risk is the risk remaining after the selected risk treatment plan is implemented.
Please see commentary regarding treatment costs in the next page.

Commentary:

At this stage, aside from the underfunding of asset renewals, the additional costs identified under the Risk Treatment Plan have not been incorporated into the current version of the Asset Management Plan (AMP). However, these costs will be formally raised for consideration at the next Budget Meeting. Should Council accept the proposed treatment measures and associated costs, they will be included in the revised AMP and reflected in the Budget for the following financial year.

This process represents a natural progression as Council advances in its Asset Management Maturity. As we continue to align risk management, asset planning, and financial sustainability, this integration of risk-based budgeting via an iterative process will ensure more informed decision-making and enhance Council's ability to provide consistent levels of service while managing future liabilities effectively.

7.3 Infrastructure Resilience Approach

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

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

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

7.4 Service and Risk Trade-Offs

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

7.4.1 What we cannot do

We currently do not allocate sufficient budget for the planning period to sustain services at the proposed standard including the provision of new assets.

These include:

- Maintenance and/or renewal of Council's existing Water Bore Assets
- Maintenance and/or renewal of Council's existing Pump Station Assets
- Maintenance and/or renewal of Council's existing Water Treatment Plant Assets
- Maintenance and/or renewal of Council's existing Water Mains Assets

7.4.2 Service trade-off

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

- Reduced asset functionality, potentially impacting events, programs, and community services
- Increased likelihood of asset failures restricting services
- Declining customer satisfaction and reduced community confidence in Council's ability to maintain public infrastructure since they are ratepayers and are expecting a reasonable level of service

7.4.3 Risk trade-off

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

- Increased Safety and Compliance Risks – higher occurrence of failure and non-compliance to the governing legislations and regulations
- Service Level and Community Risks – deteriorating asset conditions affect asset functionality and failure lowering public satisfaction with Council services
- Financial Risks – escalating future maintenance costs as minor issues worsen due to reduced maintenance due to lack of budget.

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

8.0 FINANCIAL SUMMARY

This section contains the financial and valuation forecasts resulting from the information presented in the previous sections of this plan. Forecasts will be improved as the discussion on sustainable levels of service, risk and cost matures in line with the financial strategy.

8.1 Financial Sustainability and Projections

8.1.1 Sustainability of service delivery

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

Asset Renewal Funding Ratio (planned renewal budget for the next 10 years / forecast renewal outlays for the next 10 years identified as warranted in the AM Plan), and

Lifecycle Funding Ratio (planned lifecycle budget for the next 10 years / forecast lifecycle outlays for the next 10 years identified as warranted in the AM Plan).

Asset Renewal Funding Ratio

Asset Renewal Funding Ratio[12] 52.9%

The Asset Renewal Funding Ratio illustrates that over the next 10 years, we expect to have 52.9% of the funds required for the optimal renewal of assets.

The forecast renewal works along with the planned renewal budget, and the cumulative shortfall where one exists, is illustrated in Appendix D.

Lifecycle Funding Ratio – 10-year financial planning period

This AM Plan identifies the forecast operations, maintenance and renewal costs required to provide the levels of service to the community over a 10-year period. This provides input into the 10-year long-term financial plan (LTFP) aimed at providing the required services in a sustainable manner.

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

The forecast operations, maintenance and renewal costs over the 10 year planning period is $733,259 average per year.

The 10-year LTFP is $675,107 on average per year, giving a 10 year funding shortfall of -$58,152 per year. This indicates that 92.07% of the forecast costs needed to provide the services documented in this AM Plan are accommodated in the proposed budget. Note, these calculations exclude depreciation and the acquisition of new and upgrade of existing assets.

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

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

Table 8.1 shows the forecast costs (outlays) required for consideration in the 10 year long-term financial plan (LTFP).

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

For the first ten years of the Long-Term Financial Plan (LTFP), the forecast lifecycle costs required to maintain the current levels of service are insufficiently funded. This alignment indicates that immediate adjustments are needed to either the service levels outlined in the Asset Management Plan (AMP) or the financial projections within the LTFP. Currently there is no long term budget for the renewal of Waster Assets. As a result, further engagement is needed with the community or key stakeholders regarding trade-offs between service performance, cost, and risk.

Forecast costs are shown in current year dollar values.

[12] AIFMM, 2015, Version 1.0, Financial Sustainability Indicator 3, Sec 2.6, p 9.

Table 8.1: Forecast Costs (Outlays) for the Long-Term Financial Plan

Year	Acquisition	Operation	Maintenance	Renewal	Disposal
2026	249,957	596,000	0	0	0
2027	0	607,123	0	117,524	0
2028	0	607,123	0	177,633	0
2029	0	607,123	0	253,820	0
2030	0	607,123	0	21,010	0
2031	0	607,123	0	0	0
2032	0	607,123	0	17,589	0
2033	0	607,123	0	191,885	0
2034	0	607,123	0	222,631	0
2035	0	607,123	0	20,430	0
2036	0	607,123	0	53,847	0
2037	0	607,123	0	419,835	0
2038	0	607,123	0	31,106	0
2039	0	607,123	0	621,277	0
2040	0	607,123	0	87,138	0
2041	0	607,123	0	155,877	0
2042	0	607,123	0	270,764	0
2043	0	607,123	0	16,800	0
2044	0	607,123	0	265,098	0
2045	0	607,123	0	47,697	0

8.2 Valuation Forecasts

The best available estimate of the value of assets included in this AM Plan are shown below. The assets are valued at Fair Value principles at cost to replace service capacity, according to Australian Accounting Standards (including AASB13):

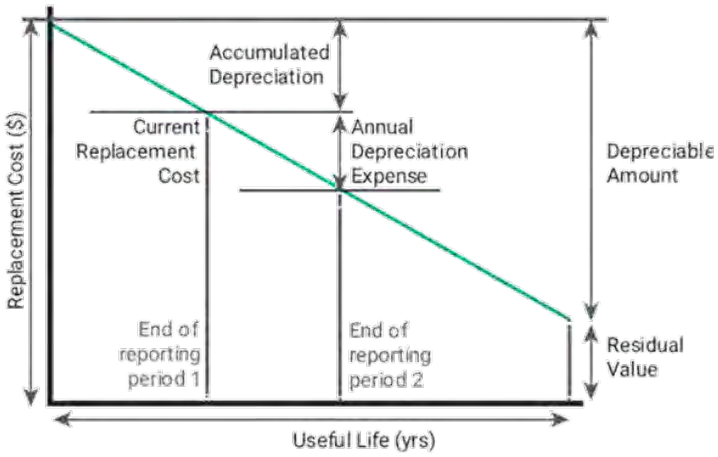


Figure 8.1: Valuation Terminology

Replacement Cost (Gross)	$13,403,993
Depreciable Amount	$13,403,993

Current Replacement Cost[13]	$7,174,132
Annual Depreciation Expense	$275,355

Asset values are forecast to increase as additional assets are expected to be added (although not confirmed at the time of writing this AM Plan) to the service through acquisition funded by external grants.

Acquiring new assets will add to existing operations, maintenance, future renewal, and depreciation expenses.

Commentary:

The total Replacement Cost (Gross) of Council's Water portfolio is currently estimated at $13.4 million.

The Current Replacement Cost, which represents the written-down value of the assets after accounting for accumulated depreciation, is $7.17 million. This indicates that a significant portion of the asset base has already consumed a considerable part of its useful life.

The Annual Depreciation Expense is approximately $275 thousand, reflecting the ongoing consumption of asset value in providing services to the community. This figure is a critical input into both the Long-Term Financial Plan (LTFP) and the Asset Management Plan (AMP), ensuring adequate funding is set aside for future renewal needs.

Asset values are expected to rise over time as Council acquires new assets, primarily through successful State and Federal grant applications. These may include proposed developments such as new residential units and community infrastructure (e.g., a museum), which, while beneficial for the community, will inevitably lead to increased operational, maintenance, and renewal obligations in the future. This will also contribute to a gradual rise in depreciation costs, impacting long-term financial sustainability.

It is essential that the financial impacts of these additional assets are fully accounted for in future iterations of the AMP and LTFP. Council must not only prepare for initial acquisition through external funding but also allocate sufficient funding not only for the full lifecycle costs of these assets to avoid future funding shortfalls or service-level compromises.

Furthermore, careful consideration must be given to whole-of-life cost planning and risk assessment, ensuring that new acquisitions do not inadvertently increase long-term liabilities or compromise the ability to sustain core service levels.

[13] Also reported as Written Down Value, Carrying or Net Book Value.

9.0 ASSUMPTIONS AND IMPROVEMENT PLANNING

9.1 Data and Information Sources

9.1.1 Accounting and financial data sources

This AM Plan utilises accounting and financial data sourced from the 2026 Valuation Report for Water and Sewer Assets, the Long Term Financial Plan (LTFP) as well as annual budget from recent years.

9.2 Key Assumptions

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

Key assumptions made in this AM Plan are:

- Asset valuations performed in 2026 still provide a fairly accurate estimation of the current market or replacement values of all water assets
- Assumptions made on the basis of "reasonable endeavour" using professional judgement regarding existing and planned budget expenditures for various activities (acquisition, operations, maintenance, renewals)
- Assumptions made on useful lives of selected assets with missing information by deriving from similar subcategories (benchmarking)

Assets requiring renewal are identified from either the Asset Register or an Alternative method.

- The timing of capital renewals based on the asset register is applied by adding the useful life to the year of acquisition or year of last renewal,
- Alternatively, an estimate of renewal lifecycle costs is projected from external condition modelling systems and may be supplemented with, or based on, expert knowledge. When doing so, the forecast remaining useful life in the asset register should be adjusted where necessary.

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

9.3 Forecast Reliability and Confidence

The forecast demands, costs, planned budgets, and valuation projections in this AM Plan are based on the best available data. For effective asset management and financial planning and reporting, it is critical that the information is reliable and up to date. Data confidence is classified on an A to E level scale in accordance with the guidance provided in the International Infrastructure Management Manual. [14]

Table 9.1: Data Confidence Grading System

Confidence Grade	Description
A. Very High	Data based on sound records, procedures, investigations and analysis, documented properly and agreed as the best method of assessment. Dataset is complete and estimated to be accurate ± 2%
B. High	Data based on sound records, procedures, investigations and analysis, documented properly but has minor shortcomings, for example some of the data is old, some documentation is missing and/or reliance is placed on unconfirmed reports or some extrapolation. Dataset is complete and estimated to be accurate ± 10%
C. Medium	Data based on sound records, procedures, investigations and analysis which is incomplete or unsupported, or extrapolated from a limited sample for which grade A or B data are available. Dataset is substantially complete but up to 50% is extrapolated data and accuracy estimated ± 25%

[14] IPWEA, 2015, IIMM, Table 2.4.6, p 2|71.

Confidence Grade	Description
D. Low	Data is based on unconfirmed verbal reports and/or cursory inspections and analysis. Dataset may not be fully complete, and most data is estimated or extrapolated. Accuracy ± 40%
E. Very Low	None or very little data held.

The estimated confidence level for and reliability of data used in this AM Plan is shown in Table 8.3.2.

Table 9.2: Data Confidence Assessment for Data used in AM Plan

Data	Confidence Assessment	Comment
Demand drivers	Medium (C)	Based on professional judgement and available data sources
Growth projections	High (B)	Based on ABS Census data
Acquisition forecast	High (B)	Based on Council current practice
Operation forecast	Low (D)	Based on 2 years of budgets only
Maintenance forecast	Low (D)	Based on 2 years of budgets only
Renewal forecast - Asset values	High (B)	Based on 2026 valuation report
- Asset useful lives	High (B)	Based on 2026 valuation report
- Condition modelling	Medium (C)	Based on 2026 Condition Assessment which require an update and additional assets for completeness
Disposal forecast	Very High (A)	Based on Council current practice where there is no foreseeable plan to dispose any water asset owned by Council

The estimated confidence level for and reliability of data used in this AM Plan is considered to be High.

9.4 Improvement Plan

It is important that we recognise gaps in the planning process that require improvement to ensure effective asset management and informed decision making. The improvement plan generated from this AM Plan is shown in Table 9.3.

Table 9.3: Improvement Plan

Task No.	Task	Responsibility	Resources Required	Timeline
1	Develop 10 year capital works plans for budgetary council approval	Director Infrastructure Services, Counsellors	Staff time	12 months (FY26/27)
2	Develop an inspection program for condition assessing remaining assets from the revaluation	Director, Infrastructure Services	Staff time / specialist consultants	12 months (FY26/27)
3	Update the asset register (e.g. latest condition, missing information such as useful life or year of acquisition), include componentized elements as well as add any unregistered assets	Manager, Finance and Administration	Staff time / specialist consultants	12 months (FY26/27)

Task No.	Task	Responsibility	Resources Required	Timeline
4	Undertake customer satisfaction survey	Director, Community Services	Staff time	12 months (FY26/27)
5	Establish contingency plans for the potential failure of deferred assets, including increased inspection frequency, enhanced routine maintenance, or interim mitigation measures	Director, Infrastructure Services	Staff time	12 months (FY26/27)
6	Develop a prioritisation strategy for unfunded asset renewals	Director, Infrastructure Services	Staff time	12 months (FY26/27)
7	Explore options to increase the renewal budget through external grants or public-private partnerships	Director, Infrastructure Services	Staff time	Ongoing
8	Develop an asset management steering group	Director Infrastructure Services, Counsellors	Staff time	12 months (FY26/27)
9	Implement an affordable AMIS to support monitoring	Manager, IT; Director, Infrastructure Services	Staff time / specialist consultants	24 months (FY27/28)
10	Invest in structured training for Council staff to improve knowledge on asset management and adopt best practices	Manager, Human Resources; Director, Infrastructure Services	Staff time / specialist consultants	24 months (FY27/28)
11	Documentation of existing processes, standard operating procedures and knowledge	Director, Infrastructure Services	Staff time	24 months (FY27/28)
12	Stocktake of critical spares, and emergency contact information for suppliers or critical systems	Director, Infrastructure Services	Staff time	12 months (FY26/27)
13	Succession planning to replace long serving staff who are due for retirement	Manager, Human Resources; Director, Infrastructure Services	Staff time	36 months (FY28/29)

9.5 Monitoring and Review Procedures

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

The AM Plan will be reviewed and updated annually to ensure it represents the current service level, asset values, forecast operations, maintenance, renewals, acquisition and asset disposal costs and planned budgets. These forecast costs and proposed budget are incorporated into the Long-Term Financial Plan or will be incorporated into the Long-Term Financial Plan once completed.

The AM Plan has a maximum life of 4 years and is due for complete revision and updating within the four year cycle of each Council election.

9.6 Performance Measures

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

The degree to which the required forecast costs identified in this AM Plan are incorporated into the long-term financial plan,

The degree to which the 1 to 5-year detailed works programs, budgets, business plans and corporate structures consider the 'global' works program trends provided by the AM Plan,

The degree to which the existing and projected service levels and service consequences, risks and residual risks are incorporated into the Strategic Planning documents and associated plans,

The Asset Renewal Funding Ratio achieving the Organisational target (this target is often 90 – 110%).

10.0 REFERENCES

IPWEA, 'International Infrastructure Management Manual', Institute of Public Works Engineering Australasia, Sydney, https://www.ipwea.org/resourcesnew/bookshop/iimm

IPWEA, 'NAMS+ - A Toolkit for Asset Management Planning', Institute of Public Works Engineering Australasia, Sydney, https://www.ipwea.org/resourcesnew/namsplus

IPWEA, 2024 'International Infrastructure Financial Management Manual', Institute of Public Works Engineering Australasia, Sydney, https://www.ipwea.org/resourcesnew/bookshop/iifmm

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IPWEA, 2012, Practice Note 6 Long-Term Financial Planning, Institute of Public Works Engineering Australasia, Sydney, https://www.ipwea.org/publications/ipweabookshop/practicenotes/pn6

IPWEA, 2014, Practice Note 8 – Levels of Service & Community Engagement, Institute of Public Works Engineering Australasia, Sydney, https://www.ipwea.org/publications/ipweabookshop/practicenotes/pn8

ISO, 2024, ISO 55000:2024 Asset Management – Vocabulary, overview, and principles

ISO, 2018, ISO 31000:2018 Risk management – Guidelines

'Strategic Plan 20XX – 20XX',

'Annual Plan and Budget'.

11.0 APPENDICES

Appendix A Acquisition Forecast

A.1 – Acquisition Forecast Assumptions and Source

Quilpie Shire Council currently has limited plans for the acquiring new water infrastructure assets or undertaking major upgrades to existing facilities. Data has been derived from the capital works budgets.

A.2 – Acquisition Project Summary

The only acquisition project of note is the upgrade to the Sommerfield Road Water Mains planned for the 25/26 financial year.

A.3 – Acquisition Forecast Summary

Table A3 - Acquisition Forecast Summary

Year	Constructed (Council)	Donated (State government or developers)	Growth
2026	249,957	0	0
2027	0	0	0
2028	0	0	0
2029	0	0	0
2030	0	0	0
2031	0	0	0
2032	0	0	0
2033	0	0	0
2034	0	0	0
2035	0	0	0
2036	0	0	0
2037	0	0	0
2038	0	0	0
2039	0	0	0
2040	0	0	0
2041	0	0	0
2042	0	0	0
2043	0	0	0
2044	0	0	0
2045	0	0	0

Appendix B Operation Forecast

B.1 – Operation Forecast Assumptions and Source

Council's current approach in the forecast assumption is to align forecast operations and maintenance (O&M) costs with the proposed O&M budget, effectively resulting in a flat expenditure trend in real terms over the foreseeable future.

This strategy is considered low risk at this stage, as only 9.4% of Council's assets are classified as being in Very Poor condition—significantly reducing the likelihood of immediate asset failure and unplanned reactive maintenance.

In terms of source, this assessment requires additional verification as the only data is from the current year budgets.

B.2 – Operation Forecast Summary

Table B2 - Operation Forecast Summary

Year	Operation Forecast	Additional Operation Forecast	Total Operation Forecast
2026	596,000	11,123	596,000
2027	596,000	0	607,123
2028	596,000	0	607,123
2029	596,000	0	607,123
2030	596,000	0	607,123
2031	596,000	0	607,123
2032	596,000	0	607,123
2033	596,000	0	607,123
2034	596,000	0	607,123
2035	596,000	0	607,123
2036	596,000	0	607,123
2037	596,000	0	607,123
2038	596,000	0	607,123
2039	596,000	0	607,123
2040	596,000	0	607,123
2041	596,000	0	607,123
2042	596,000	0	607,123
2043	596,000	0	607,123
2044	596,000	0	607,123
2045	596,000	0	607,123

Appendix C Maintenance Forecast

C.1 – Maintenance Forecast Assumptions and Source

Council's current approach in the forecast assumption is to align forecast operations and maintenance (O&M) costs with the proposed O&M budget, effectively resulting in a flat expenditure trend in real terms over the foreseeable future.

Currently expenditure is not split between operations and maintenance. All operational expenditure has been placed in the Operations budgets.

A recommended future improvement is to split expenditure between operations and maintenance.

C.2 – Maintenance Forecast Summary

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Table C2 - Maintenance Forecast Summary

Year	Maintenance Forecast	Additional Maintenance Forecast	Total Maintenance Forecast
2026	0	0	0
2027	0	0	0
2028	0	0	0
2029	0	0	0
2030	0	0	0
2031	0	0	0
2032	0	0	0
2033	0	0	0
2034	0	0	0
2035	0	0	0
2036	0	0	0
2037	0	0	0
2038	0	0	0
2039	0	0	0
2040	0	0	0
2041	0	0	0
2042	0	0	0
2043	0	0	0
2044	0	0	0
2045	0	0	0

Appendix D Renewal Forecast Summary

D.1 – Renewal Forecast Assumptions and Source

The Asset Register Method was used to provide a detailed, asset-level basis for forecasting future renewal costs. Specifically, asset valuations conducted in 2026 remain relevant and robust, providing a fairly accurate estimation of the current market or replacement values of all water assets.

Additionally, there is a high level of confidence in the assigned useful lives of most assets in the register. The assets are reasonably well-documented, and their age, condition, and performance history provide a solid basis for lifecycle modelling.

This approach supports the production of a more accurate and defensible long-term financial and asset management plan, enhancing Council's ability to maintain service levels while managing risk and budget constraints effectively.

D.2 – Renewal Project Summary

The project titles included in the lifecycle forecast, with overdue renewals, are included here.

Asset	Remaining useful lives	Renewal due date	Replacement Costs
(Individual assets not identified)			

D.3 – Renewal Forecast Summary

Table D3 - Renewal Forecast Summary

Year	Renewal Forecast	Renewal Budget
2026	0	541,114
2027	117,524	0
2028	177,633	0
2029	253,820	0
2030	21,010	0
2031	0	0
2032	17,589	0
2033	191,885	0
2034	222,631	0
2035	20,430	0
2036	53,847	0
2037	419,835	0
2038	31,106	0
2039	621,277	0
2040	87,138	0
2041	155,877	0
2042	270,764	0
2043	16,800	0
2044	265,098	0
2045	47,697	0

D.4 – Renewal Plan

Using the Asset Register Method, please find the first ten-year's list of asset records from the 'Forecast Renewal Report' sourced from the NAMS+ Report function.

Asset ID	Asset Description	Date OC	Condition	Useful Life	Remaining Life Years	Current Replacement Value	Renewal Year
WAT-E-BORE1-PUMP	Bore - Mech - B1 Submersible Pump	29/03/2009	5	15	0.75	$17,017.00	2027
WAT-E-BORE2-PUMP	Bore - Mech - B2 Submersible Pump	29/03/2009	5	15	0.75	$17,017.00	2027
WAT-E-BORE2-TELE	Bore - Elec - B2 Telemetry	28/06/2016	5	15	0.75	$23,559.44	2027
WAT-Q-WPS01-MOTO	WPS - Mech - WPS Pumpset Motor	29/06/2014	5	15	0.75	$11,061.05	2027
WAT-Q-WPS01-PMP1	WPS - Mech - WPS Pumpset Pump	29/06/2014	5	15	0.75	$5,955.95	2027
WAT-Q-WPS01-VSD	WPS - Mech - WPS Pumpset VSD	29/06/2014	5	15	0.75	$8,371.24	2027
WAT-E-BORE6-ACTU	Bore - PW - B6 Actuator	28/06/2008	5	20	1.00	$12,856.72	2027
WAT-E-BORE6-SOLA	Bore - Elec - B6 Solar Panel	28/06/2016	5	25	1.25	$7,547.43	2028
WAT-Q-WPS01-SWIT	WPS - Elec - WPS Switchboard	28/06/2008	5	25	1.25	$14,138.97	2028
WAT-E-WST02-TNK3	Cvl - Storage Tank 3 - 22 kl poly tank	28/06/2004	5	30	1.50	$18,882.50	2028
WAT-E-WST02-TNK4	Cvl - Storage Tank 4 - 22 kl poly tank	28/06/2004	5	30	1.50	$18,882.50	2028
WAT-Q-WPS01-STRU	WPS - Cvl - WPS Structure	28/06/2000	5	30	1.50	$82,537.45	2028
WAT-A-WST01-FENC	Cvl - Fence - 390m x 1800 high	28/12/1985	5	32	1.60	$57,330.00	2028
WAT-E-BORE6-SOFT	Bore - Chem - B6 Water Softening Unit	28/06/2012	5	60	3.00	$12,885.69	2029
WAT-E-WST01-MISC	Cvl - Miscellaneous - PW and Petrol Pump	29/06/1978	5	60	3.00	$33,075.76	2029
WTP-E-FCP-TANK	Cvl - WTP FCP Tank	29/06/1995	5	60	3.00	$207,857.50	2029
WAT-Q-WPS01-PIPE	WPS - PW - WPS Pipework	28/06/2000	5	70	3.50	$21,009.53	2030
WAT-E-WST01-TNK2	Cvl - Storage - 5 kl poly	28/06/2001	4	30	6.00	$6,711.25	2032
WAT-A-BORE1-FENC	Bore - Civil - B2 Fence	29/12/1995	4	32	6.40	$2,058.00	2033
WAT-E-BORE6-FENC	Bore - Civil - B6 Fence	29/12/1995	4	32	6.40	$8,820.00	2033
WAT-Q-MNS-019	Water - 150 AC - GISID 185	30/06/1986		70	7.00	$5,606.32	2033
WAT-Q-MNS-020	Water - 150 AC - GISID 186	30/06/1963		70	7.00	$16,487.15	2033
WAT-Q-MNS-021	Water - 100 AC - GISID 9	30/06/1963		70	7.00	$9,038.08	2033
WAT-Q-MNS-022	Water - 150 AC - GISID 8	30/06/1963		70	7.00	$39,432.37	2033
WAT-Q-MNS-024	Water - 150 AC - GISID 5	30/06/1985		70	7.00	$5,008.63	2033
WAT-Q-MNS-025	Water - 150 AC - GISID 4	30/06/1963		70	7.00	$18,154.56	2033
WAT-Q-MNS-026	Water - 150 AC - GISID 7	30/06/1963		70	7.00	$5,567.15	2033
WAT-Q-MNS-027	Water - 150 AC - GISID 6	30/06/1963		70	7.00	$39,695.92	2033
WAT-Q-MNS-028	Water - 150 AC - GISID 1	30/06/1963		70	7.00	$7,640.84	2033

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Asset ID	Asset Description	Date OC	Condition	Useful Life	Remaining Life Years	Current Replacement Value	Renewal Year
WAT-Q-MNS-029	Water - 150 AC - GISID 3	30/06/1963		70	7.00	$5,930.57	2033
WAT-Q-MNS-030	Water - 150 AC - GISID 2	30/06/1963		70	7.00	$39,323.19	2033
TEMP3	Yanmar Disel Pump		3	15	7.50	$5,955.95	2034
WAT-A-BORE1-ACTU	Bore - PW - B2 Actuator	28/06/2004	3	15	7.50	$12,856.72	2034
WAT-C-WPS01-PMP1	WPS - Mech - WPS Pump	29/03/2009	3	15	7.50	$9,151.16	2034
WAT-E-BORE1-FLOW	Bore - Elec - B1 Flowmeter	28/06/2016	3	15	7.50	$7,572.68	2034
WAT-E-BORE1-TELE	Bore - Elec - B1 Telemetry	28/06/2016	3	15	7.50	$23,559.44	2034
WAT-E-BORE2-FLOW	Bore - Elec - B2 Flowmeter	28/06/2016	3	15	7.50	$7,572.68	2034
WAT-E-BORE3-FLOW	Bore - Elec - B3 Flowmeter	28/06/2016	3	15	7.50	$7,572.68	2034
WAT-E-BORE3-PUMP	Bore - Mech - B3 Submersible Pump	29/03/2009	3	15	7.50	$17,017.00	2034
WAT-E-BORE3-TELE	Bore - Elec - B3 Telemetry	28/06/2016	3	15	7.50	$23,559.44	2034
WAT-E-BORE4-FLOW	Bore - Elec - B4 Flowmeter	28/06/2016	3	15	7.50	$7,572.68	2034
WAT-E-BORE4-PUMP	Bore - Mech - B4 Submersible Pump	29/03/2009	3	15	7.50	$17,017.00	2034
WAT-E-BORE4-TELE	Bore - Elec - B4 Telemetry	28/06/2016	3	15	7.50	$23,559.44	2034
WAT-E-BORE5-PUMP	Bore - Mech - B5 Submersible Pump	29/03/2009	3	15	7.50	$17,017.00	2034
WAT-E-BORE7-PUMP	Bore - Mech - B7 Pump	29/06/2014	3	15	7.50	$12,012.00	2034
WAT-T-WPS01-PMP1	WPS - Mech - WPS Pump	29/03/2009	3	15	7.50	$9,151.16	2034
WTP-E-FCP-MOTO1	Mech - WTP FCP Pump No 1 Motor	30/03/2015	3	15	7.50	$2,342.26	2034
WTP-E-FCP-MOTO2	Mech - WTP FCP Pump No 2 Motor	30/03/2015	3	15	7.50	$2,342.26	2034
WTP-E-FCP-PUMP1	Mech - WTP FCP Pump No 1 Pump	30/03/2015	3	15	7.50	$8,400.00	2034
WTP-E-FCP-PUMP2	Mech - WTP FCP Pump No 2 Pump	30/03/2015	3	15	7.50	$8,400.00	2034
WAT-Q-BORE2-ACTU	Bore - PW - B2 Actuator	28/06/2012	3	18	9.00	$12,856.72	2034
WAT-Q-BORE2-FLOW	Bore - Elec - B2 Flowmeter	28/06/2012	3	18	9.00	$7,572.68	2035
WAT-E-BORE5-ACTU	Bore - PW - B5 Actuator	28/06/2012	3	20	10.00	$12,856.72	2036
WTP-E-ELECT-GEN	Mech - WTP Gen Set	28/09/2009	3	20	10.00	$40,989.70	2036

Appendix E Disposal Summary

E.1 – Disposal Forecast Assumptions and Source
No asset listed for disposal, at the time of preparing this AMP.

E.2 – Disposal Project Summary
Although no assets are currently listed for disposal, a review of useful lives and condition assessments will be undertaken as part of the Asset Management Improvement Plan. This review may identify assets that are no longer fit-for-purpose or economically viable to retain.

Any such assets will be presented for further discussion at the Executive Management level, with recommendations to be subsequently considered and endorsed by Council. Outcomes of this process will be incorporated into the next iteration of the Asset Management Plan.

E.3 – Disposal Forecast Summary

Table E3 – Disposal Activity Summary

Year	Disposal Forecast	Disposal Budget
2026	0	0
2027	0	0
2028	0	0
2029	0	0
2030	0	0
2031	0	0
2032	0	0
2033	0	0
2034	0	0
2035	0	0
2036	0	0
2037	0	0
2038	0	0
2039	0	0
2040	0	0
2041	0	0
2042	0	0
2043	0	0
2044	0	0
2045	0	0

Appendix F Budget Summary by Lifecycle Activity

In terms of the Planned Budget estimates, the current council practice is as follows:

- Acquisition costs are based on future projects that can be funded by the State or Federal government
- The proposed operations and maintenance (O&M) budget are aligned with the forecast (O&M) costs, through budget amendment, if necessary
- The renewal budget is planned based on the Long-Term Financial Plan.
- There are no plans to dispose any Council asset.

Table F1 – Budget Summary by Lifecycle Activity

Year	Acquisition	Operation	Maintenance	Renewal	Disposal	Total
2026	249,957	596,000	0	541,114	0	1,387,071
2027	0	596,000	0	0	0	596,000
2028	0	596,000	0	0	0	596,000
2029	0	596,000	0	0	0	596,000
2030	0	596,000	0	0	0	596,000
2031	0	596,000	0	0	0	596,000
2032	0	596,000	0	0	0	596,000
2033	0	596,000	0	0	0	596,000
2034	0	596,000	0	0	0	596,000
2035	0	596,000	0	0	0	596,000
2036	0	596,000	0	0	0	596,000
2037	0	596,000	0	0	0	596,000
2038	0	596,000	0	0	0	596,000
2039	0	596,000	0	0	0	596,000
2040	0	596,000	0	0	0	596,000
2041	0	596,000	0	0	0	596,000
2042	0	596,000	0	0	0	596,000
2043	0	596,000	0	0	0	596,000
2044	0	596,000	0	0	0	596,000
2045	0	596,000	0	0	0	596,000

5.2 ASSET MANAGEMENT PLAN (AMP) - SEWERAGE INFRASTRUCTURE (2026)

IX: 280106

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Attachments: 1. Asset Management Plan - Sewerage Infrastructure (2026)

KEY OUTCOME

Key Outcome:	2.	Essential Infrastructure and Regulated Services
Key Initiative:	2.2	Sewerage (Reticulation, treatment and disposal)
Key Outcome:	6.	Healthcare
Key Initiative:	6.2	Community health and wellbeing
Key Outcome:	9.	Finances and Resources
Key Initiative:	9.3	Financial planning
Key Outcome:	10.	Effective Leadership
Key Initiative:	10.1	Advocacy

EXECUTIVE SUMMARY

Following the 2026 asset revaluation, the Director Infrastructure Services reviewed Council's Asset Management Plan (AMP) for Sewerage Infrastructure. The review responds to s 104(5)(a)(ii) of the *Local Government Act 2009* (Qld) and Resolution QSC293-12-24 of 17 December 2024. It draws on the revaluation and condition assessment completed in 2026, which provided an updated asset inventory, condition data, replacement costs and useful life information.

The revised AMP sets an evidence-based framework for managing, maintaining and renewing Council's sewerage infrastructure assets over the long term. It aligns with Council's Long-Term Financial Plan and supports informed decision-making, financial sustainability and advocacy for external funding.

This report recommends that Council adopt the revised AMP as part of its ongoing commitment to sustainable asset management and legislative compliance.

RECOMMENDATION

1. That Council:

   (a) adopts the Asset Management Plan – Sewerage Infrastructure (2026).

BACKGROUND

Section 104(5)(a)(ii) of the *Local Government Act 2009* (Qld) requires Council's financial management system to include a long-term asset management plan. Section 167 of the *Local Government Regulation 2012* (Qld) requires Council to prepare and adopt a long-term asset management plan covering a period of 10 years or more, and s 168(c) requires the plan to be part of, and consistent with, the long-term financial forecast. These plans help Council meet the challenges of asset, financial and community sustainability.

At its meeting on 17 December 2024, Council adopted the updated Asset Management Strategy and the Asset Management Plans for each asset class (Resolution QSC293-12-24).

RESOLUTION NO: (QSC293-12-24)

Moved: Cr Roger Volz
Seconded: Cr Tony Lander

That Council adopt the updated Asset Management Plans as follows:-

a) Asset Management Strategy
b) Asset Management Plan – Transport Services (Roads)
c) Asset Management Plan – Water Infrastructure
d) Asset Management Plan – Sewerage Infrastructure
e) Asset management Plan – Building & Other Structures
f) Asset Management Plan – Plant & Equipment
g) Asset Management Plan – Other Infrastructure

5/0

Figure 1 Extract from Council Meeting Minutes - Resolution QSC293-12-24 (December 2024)

The report to that meeting recommended that "the asset management plans should have a minor review every year to ensure that it still aligns with the long-term financial forecast and a major review every 5 to 10 years to ensure that all the technical data is correct" and noted that "it is planned to have major review of the technical data be undertaken during 2025".

REPORT

In March 2026, Council appointed Shepherd Services to undertake a comprehensive revaluation of Council-owned water and sewerage infrastructure for financial reporting as at 30 June 2026. Shepherd Services prepared the valuation in accordance with Australian Accounting Standards, including AASB 13 and AASB 2022-10, and included an asset condition assessment in its inspection program.

The revaluation gives Council a strong and accurate financial baseline for its sewerage infrastructure assets, which the AMP uses to plan ahead. The valuation process collected substantial information about these assets, including:

- asset identification;
- componentisation;
- replacement costs;
- useful lives;
- remaining useful lives;
- depreciation;
- asset condition information

The Director Infrastructure Services prepared the revised AMP with the Director Corporate Services and Deputy Director Corporate Services, using the work Shepherd Services had already completed. Shepherd Services has capability in both sewerage asset accounting and asset management.

Preparing the AMP straight after the 2026 revaluation lets Council use current asset data and valuations to develop an evidence-based lifecycle management and renewal strategy. The AMP links the condition, service requirements and remaining useful lives of Council's sewerage infrastructure to future capital investment, and informs Council's Long-Term Financial Plan.

Quilpie Shire has a small rate base, a large geographic area and constrained capital resources. The revised AMP helps Council show which sewerage assets need priority investment, including through advocacy for external funding, and which warrant a different lifecycle, utilisation or renewal strategy. This makes the AMP a practical tool for decision-making and financial sustainability.

OPTIONS

Option 1 (Recommended)

1. That Council:
    (a) adopts the Asset Management Plan – Sewerage Infrastructure (2026).

Option 2

1. That Council:
    (a) does not adopt the Asset Management Plan – Sewerage Infrastructure (2026); and
    (b) retains the Asset Management Plan – Sewerage Infrastructure adopted on 17 December 2024 (Resolution QSC293-12-24).

CONSULTATION (Internal/External)

Director Corporate Services

Deputy Director Corporate Services

Infrastructure Services directorate

INTERESTED PARTIES

Council officers, community members and visitors

Note: The identification of interested parties is provided on a best endeavours basis by Council Officers and may not be exhaustive.

LEGISLATION / LEGAL IMPLICATIONS

To ensure it is financially sustainable, s 104(1) of the *Local Government Act 2009* (Qld) requires Council to establish a system of financial management that complies with subsections (5) to (7). Under s 104(2), Council is financially sustainable if it can maintain its financial capital and infrastructure capital over the long term. Section 104(5)(a)(ii) requires that system to include a long-term asset management plan.

Section 167 of the *Local Government Regulation 2012* (Qld) requires Council to prepare and adopt a long-term asset management plan covering a period of 10 years or more. Section 168 requires the plan to provide strategies for the sustainable management of Council's assets and infrastructure, state the estimated capital expenditure for renewing, upgrading and extending the assets over the plan period, and be part of, and consistent with, the long-term financial forecast.

The revised AMP is Council's long-term asset management plan for its sewerage infrastructure. It sets a lifecycle management and renewal strategy for these assets, based on the 2026 revaluation and condition assessment, and identifies future maintenance, renewal, upgrade and replacement requirements. It links to the 10-year renewal forecast in Council's Long-Term Financial Plan. Adopting the revised AMP keeps this financial planning document current and supports Council to maintain its infrastructure capital over the long term.

POLICY IMPLICATIONS

Corporate Plan 2026–2031

The revised AMP supports four outcomes in Council's Corporate Plan 2026–2031.

Outcome 2, Essential Infrastructure and Regulated Services, commits Council to provide essential infrastructure and regulated services "that are well planned and managed". Under initiative 2.2, Sewerage (reticulation, treatment and disposal), the AMP sets a lifecycle management and renewal strategy for Council's sewerage infrastructure, based on the 2026 revaluation and condition assessment.

Outcome 6, Healthcare, includes initiative 6.2, Community health and wellbeing. The AMP guides the maintenance and renewal of the assets that collect, treat and dispose of sewage, which protects community health.

Outcome 9, Finances and Resources, commits Council to "manage our finances and other council resources responsibly". Under initiative 9.3, Financial planning, the AMP links sewerage renewal needs to the Long-Term Financial Plan and helps Council identify any funding gap.

Outcome 10, Effective Leadership, includes initiative 10.1, Advocacy. The AMP gives Council evidence of asset need to support its advocacy for external funding.

G.01 Asset Management Policy

Council's Asset Management Policy (Resolution QSC 147-07-24) commits Council to the "preparation and review of detailed asset management plans for all major classes of assets", using these plans to help determine expenditure priorities. The revised AMP is Council's detailed asset management plan for its sewerage infrastructure, and adopting it meets this commitment.

The AMP applies three of the Policy's principles:

- "Asset Management will be integrated with corporate, financial, business and budgetary planning": the AMP links to the Corporate Plan outcomes above and to Council's Long-Term Financial Plan
- "Informed decision making, incorporating a life cycle approach to Asset Management": the AMP sets a lifecycle management and renewal strategy based on the 2026 revaluation and condition assessment
- "Establishing accountability and responsibility for asset condition, use and performance": the AMP aims to deliver clearer asset ownership and accountability.

Under the Policy, Council's role is to "approve the Asset Management Plan and monitor its outcomes". This report asks Council to exercise that role.

FINANCIAL AND RESOURCE IMPLICATIONS

The revised AMP gives Council a better understanding of the current condition, remaining useful life, lifecycle requirements and future renewal needs of its sewerage infrastructure assets. The AMP identifies future maintenance, renewal, upgrade and replacement requirements that Council can include in its annual budget and Long-Term Financial Plan as appropriate.

Adopting the AMP does not commit Council to the expenditure in the long-term forecasts. Instead, it provides an evidence-based framework to inform future investment decisions and the prioritisation of available funds. The AMP may also strengthen Council's ability to demonstrate asset need when applying for external grants and other funding.

The AMP will also help Council identify any gap between the investment needed to sustainably manage its sewerage infrastructure and the funding currently available.

Implementing the AMP will need ongoing staff resources to maintain the sewerage asset register, undertake periodic condition assessments, monitor asset performance, review lifecycle requirements and update renewal forecasts.

Council may periodically need specialist resources for specialist assessments. Council will manage these requirements through its existing operational planning, procurement and budget processes.

Council will review the AMP periodically to keep asset management activity proportionate to the value, risk and criticality of its sewerage infrastructure. The leadership team will periodically review service levels and future sewerage service requirements.

ASSET MANAGEMENT IMPLICATIONS

Adopting the revised AMP will establish a more consistent lifecycle management framework for Council's sewerage infrastructure assets. It will strengthen the links between asset condition, service requirements, risk, maintenance, renewal and long-term financial planning. The AMP aims to deliver:

- clearer asset ownership and accountability
- a more reliable and current water asset register
- improved understanding of asset condition and remaining useful life
- identification of critical sewerage infrastructure assets and components
- defined maintenance and renewal strategies
- better identification and management of asset-related risks
- improved understanding of service levels and community expectations
- a prioritised renewal program.

RISK MANAGEMENT IMPLICATIONS

Council will manage risks in accordance with G.11 Enterprise risk management policy and G.11-A Risk Management Framework. The revised AMP is expected to move Council from a largely reactive approach to a risk-based, planned approach to managing its building asset portfolio.

Risk Name & Description	Current Controls	Impacts	Risk Assessment			Risk Treatment
			Likelihood	Consequence	Risk Rating	
Sewerage asset failure	Maintenance schedules and inspections	Loss of Sewerage asset functionality and potentially significant repair costs	Unlikely	Major	High	Prioritise critical defects and renewal works; undertake planned inspections
Deferred maintenance	Annual maintenance budget	Increased cost due to inflation or accelerated deterioration	Possible	Moderate	High	Establish preventative maintenance priorities; monitor maintenance backlog
Inadequate renewal funding	10-year renewal forecast via LTFP	Assets deteriorate beyond acceptable service levels and future costs increase	Possible	Moderate	High	Regularly validate asset data, condition, useful life, components and replacement costs

HUMAN RIGHTS CONSIDERATION

In accordance with s 58 of the *Human Rights Act 2019* (Qld), Council identified the human rights relevant to this decision and considered whether adopting the revised AMP is compatible with them.

Adopting the AMP is a strategic planning decision. It does not commit expenditure, change any water service or impose any obligation on individuals. Council will consider human rights separately when it makes decisions on projects, service changes or budget allocations arising from the AMP.

Council identified the following human rights as relevant to the decision:

- recognition and equality before the law (s 15), because the AMP applies a consistent, condition-based approach to prioritising sewerage infrastructure across the Shire
- right to life (s 16), because the AMP guides the maintenance and renewal of assets that supply drinking water to the community.

The decision does not limit any human right and is therefore compatible with human rights.



SEWER INFRASTRUCTURE ASSET MANAGEMENT PLAN

Quilpie Shire Council

Document Control	**Asset Management Plan** – Asset Register Method				
Document ID :					
Rev No	**Date**	**Revision Details**	**Author**	**Reviewer**	**Approver**
V1.0	17/09/2026	First Draft	NW	EL	
V1.1	24/09/2026	Minor updates	NW	EL	PM

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1.0 EXECUTIVE SUMMARY

Our community relies on a diverse portfolio of infrastructure assets, including Sewer Infrastructure, valued at approximately $12,619,027

The Asset Management Plan (AM Plan) provides a strategic framework for managing our community's infrastructure assets, ensuring they remain safe, reliable, and capable of meeting current and future demands.

1.1 Purpose of the Plan

The AM Plan aims to:

- Provide a systematic approach to asset management.
- Address critical risks associated with aging infrastructure and limited funding.
- Ensure infrastructure supports the community's social, economic, and environmental goals.

This AM Plan details information about Sewer infrastructure assets with key actions required to maintain agreed service levels, optimise lifecycle costs, and support long-term financial sustainability in the most cost-effective manner while outlining associated risks.

The plan defines the services, how they are provided and what funds are required to provide the services over the 20 year planning period. The AM Plan expenditure forecasts inform the Long-Term Financial Plan which typically considers a 10-year planning period.

1.2 Asset Description

The Sewer Infrastructure assets network comprises:

Component	Facilities	Asset Count	Total Valuation Dimension	Measurement Unit	Current Replacement Value
Sewer Facilities	7	77	2,348	various	$6,045,271.95
Sewer Other Assets		5	5	Quantity	$30,267.54
Sewer Nodes		184	184	Quantity	$958,251.76
Sewer Pipes		226	16,100	Length (m)	$5,585,235.77
			18,636.63		**$12,619,027.02**

The above infrastructure assets have replacement value estimated at $12,619,027.

1.3 Levels of Service

This plan covers the infrastructure assets that provide Sewer related services.

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

The main service consequences of the planned budget due to insufficient amounts allocated are:

- Asset conditions will likely deteriorate due to insufficient budget amount allocated for renewal
- Consequently, this leads to increased safety hazards and lower compliance to related regulations, resulting in higher liability risks to Council
- Declining asset conditions can affect supply of services, leading to closures or reduced functionality and lowering public satisfaction with Council services
- Delays in renewals and/or maintenance result in more costly repairs over time as minor issues worsen.

1.4 Future Demand

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

- Population changes
- Demographic shifts
- Changes in customer expectations and preference

- Economic development
- Regulatory requirements in the future
- Changes in technology

Strategies to manage these demands are discussed in Section 4.0.

1.5 Lifecycle Management Plan

How we plan to manage and operate the assets at the agreed levels of service throughout their lifecycle is contingent on 10-year Long-Term Financial Plan (LTFP).

Furthermore, when Quilpie Shire Council commits to the upgrade of existing and acquisition of new assets, future operations, maintenance and renewal costs including depreciation will increase.

1.5.1 What does it Cost?

The lifecycle costs necessary to provide the services covered by this AM Plan include operations, maintenance, renewal and upgrade of existing assets, and the acquisition of new assets to meet demand. Disposal of assets is also considered.

When lifecycle costs are prepared for a minimum 10-year planning period, they can be used to inform the 10-year LTFP. The first 10-year lifecycle forecast is estimated to cost $10,121,115 or $1,012,112 on average per year.

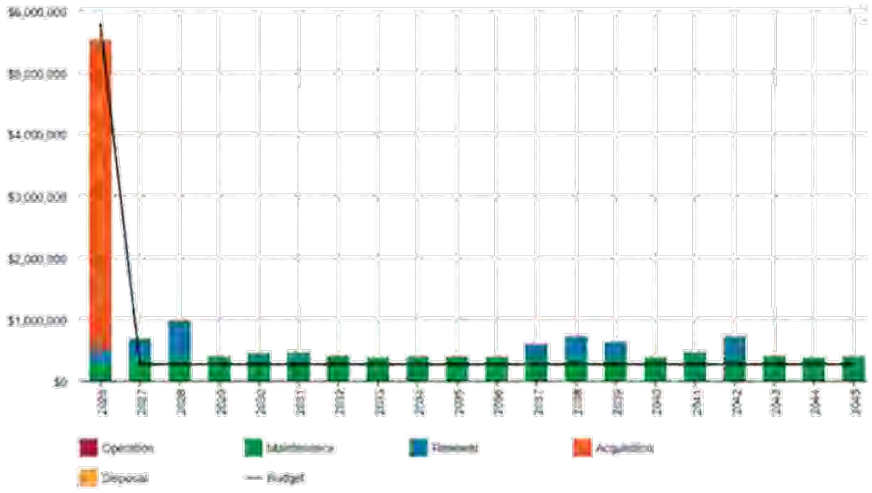
Depreciation is excluded from these cost estimates.

1.5.2 What we will do

The funding made available in the first 10-years' of the LTFP is $8,297,541 or $829,754 on average per year which is approximately 81.98% of the cost to undertake the lifecycle activities.

The reality is, only what is funded in the LTFP can be provided. Informed decision making depends on the AM Plan emphasising the consequences of planned budgets on the service levels provided and communicating the residual risks. It is important to ensure the organisation is delivering the services in a financially sustainable manner.

The 10-year LTFP results in a shortfall of -$1,82,357 on average per year of the forecast lifecycle costs required to provide services. This is shown in the figure below. The LTFP, on average, for the first 10 years is in-sufficient to provide services. This is shown in the figure below.



Forecast Lifecycle Costs and Planned Budgets

Amounts are shown in real values (i.e., current values, net of inflation).

We plan to provide Sewer-related services for the following:

- Operation, maintenance, renewal and acquisition of Council Sewer pump stations, treatment plants and pipe networks to meet service levels set by Quilpie Shire Council in annual budgets.

1.5.3 What we cannot do

We currently do not allocate enough budget for the planning period to sustain services at the proposed standard including the provision of new assets. The future works and services that cannot be provided under present funding levels are:

- Maintenance and Renewal of Council's existing Pump Station Assets
- Maintenance and Renewal of Council's existing Treatment Plant Assets
- Maintenance and Renewal of Council's existing Sewer pipe network

1.6 Risk Management

The planned budget is insufficient to continue to manage risks in the short term (first ten years) and in the medium term (Year 11 to 20).

The main risk consequences are:

- Increased Safety and Compliance Risks – higher occurrence of failure and non-compliance to the governing legislations and regulations
- Service Level and Community Risks – deteriorating asset conditions affect asset functionality and service delivery, leading to potential reduced capacity and lowering public satisfaction with Council services
- Financial Risks – escalating future maintenance costs as minor issues worsen due to reduced maintenance due to lack of budget.

Strategies and actions to manage these risks are discussed in Section 6.0.

1.7 Financial Summary

Providing financially sustainable and affordable services from infrastructure requires the careful management of service levels, costs and risks.

The 10-year LTFP is $913,112 on average per year giving a 10 year funding shortfall of $83,357 per year. This indicates that 90.87% of the forecast costs needed to provide the services documented in this AM Plan are accommodated in the LTFP.

Asset values are forecast to increase as additional assets are acquired, primarily through future success from grant submissions to both State and Federal Governments.

While new assets are beneficial for the community, it will inevitably lead to increased operational, maintenance, and renewal obligations in the future. This will also contribute to a gradual rise in depreciation costs, impacting long-term financial sustainability.

It is essential that the financial impacts of these additional assets are fully accounted for in future iterations of the AMP and LTFP.

Council must not only prepare for initial acquisition through external funding but also allocate sufficient funding not only for the full lifecycle costs of these assets to avoid future funding shortfalls or service-level compromises.

1.8 Monitoring and Improvement Program

Key assumptions made in this AM Plan are:

- Asset valuations performed as at 30 June 2026 provide an accurate estimation of the replacement values of all Sewer assets
- Assumptions made on the basis of "reasonable endeavour" using professional judgement regarding existing and planned budget expenditures for various activities (acquisition, operations, maintenance, renewals)
- Assumptions made on useful lives of selected assets with missing information by deriving from similar subcategories (benchmarking)

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

This AM Plan is based on a highly reliable level of confidence information, based on the most recent asset valuation (2026). The asset register method was selected for lifecycle modelling as it offers a reliable, asset-specific basis for forecasting long-term renewal and maintenance needs. This approach enables more precise financial planning and ensures alignment with actual asset conditions, supporting informed decision-making and effective risk and budget management.

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

No.	Major Actions and Tasks	Benefits
1	Develop 10 year capital works plans for budgetary council approval	Assist with long term financial planning and ensure adequate funds for future needs
2	Develop an inspection program for condition assessing remaining assets from the revaluation	Improves accuracy of renewal forecasts, ensures timely intervention, and reduces risk of unexpected asset failure
3	Update the asset register (e.g. latest condition, missing information such as useful life or year of acquisition), include componentised elements as well as add any unregistered assets	Enhances data accuracy for better planning, supports lifecycle costing, and ensures no assets are overlooked in renewal programs
4	Undertake customer satisfaction surveys	Captures community feedback to align service levels with user expectations and helps identify priority areas for improvement
5	Establish contingency plans for the potential failure of deferred assets, including increased inspection frequency, enhanced routine maintenance, or interim mitigation measures	Reduces service disruption risks, enhances preparedness, and ensures continuity of critical services
6	Develop a prioritisation strategy for unfunded asset renewals	Focuses limited resources on the most critical needs, improves decision-making transparency, and supports risk-based investments
7	Explore options to increase the renewal budget through external grants or public-private partnerships	Helps address funding gaps, accelerates renewal delivery, and reduces long-term liability
8	Develop an asset management steering group	Leads improvements in asset management practices
9	Implement an affordable AMIS to support monitoring	Improves data management, enables proactive asset planning, and enhances reporting capability

No.	Major Actions and Tasks	Benefits
10	Invest in structured training for Council staff to improve knowledge on asset management and adopt best practices	Builds internal capability, supports continuous improvement, and helps embed a culture of asset management
11	Documentation of existing processes, standard operating procedures and knowledge	Preserves institutional knowledge, improves consistency, and facilitates onboarding and auditing process
12	Stocktake of critical spares, and emergency contact information for suppliers or critical systems	Ensure rapid response and recovery to critical failures
13	Succession planning to replace long serving staff who are due for retirement	Ensures business continuity, reduces reliance on certain individuals, and supports a smooth transition of skills and knowledge

The AM Plan will be reviewed and updated annually to ensure it represents the current service level, asset values, forecast operations, maintenance, renewals, acquisition and asset disposal costs and planned budgets. These forecast costs and proposed budget are incorporated into the Long-Term Financial Plan or will be incorporated into the Long-Term Financial Plan once completed.

The AM Plan has a maximum life of 4 years and is due for complete revision and updating within the four year cycle of each Council election.

2.0 INTRODUCTION

2.1 Background

Quilpie Shire Council is located in South West Queensland and covers approximately 67,415 square kilometres, an area comparable in size to the State of Tasmania. The Shire includes the communities of Quilpie, Eromanga, Adavale, Cheepie and Toompine and is characterised by its remote location, dispersed population, strong community identity and significant agricultural, tourism and resource-based industries.



Council plays a critical role in delivering and maintaining infrastructure and community services across the region. Due to the geographic scale of the Shire and the remoteness of many facilities, Council's water and sewerage assets are essential to supporting local government operations, community wellbeing, recreation, emergency response, tourism, economic activity

This AM Plan communicates the actions and necessary funds required to sustainably deliver services through the careful management of assets for the foreseeable future. It is to be read with the Quilpie Shire Council planning documents. This should include the Asset Management Policy and Strategy, where developed, along with the following planning documents:

- Quilpie Shire Council Corporate Plan 2026–2031;
- Council's Asset Management Policy 2024;
- Council's Asset Management Strategy 2024;
- Council's Long Term Financial Planning (LTFP); and
- Annual Budget processes

Council's Corporate Plan recognises the importance of providing well-planned, managed and affordable infrastructure to support community wellbeing, economic development, recreation, tourism and quality of life across the Shire. The Operational Plan further recognises the role of asset management planning in supporting sustainable service delivery and long-term financial sustainability.

Council's Asset Management Policy recognises that infrastructure assets are fundamental to service delivery and that effective asset management is essential to achieving strategic, financial and operational sustainability.

Quilpie Shire Council is desirous of improving and achieving a core level of asset management maturity within the next five years. This AM Plan has been prepared to inform the Long-Term Financial Plan. It is recognized that further versions of this document may be required to bring the Long-Term Financial Plan and the projections in this document into alignment.

The infrastructure assets covered by this AM Plan include a diverse range of Council-owned water assets that serve water related needs throughout the Quilpie Shire. The key assets are shown as follows:

- Water Bores in Adavale, Eromanga and Quilpie,
- Water Pump station in Quilpie
- Water Treatment Plant in Eromanga
- Water Mains in Adavale, Eromanga and Quilpie

The asset portfolio comprises a mix of asset types, materials and ages, reflecting varying stages of condition and maintenance needs.

The infrastructure assets included in this plan have a total replacement value of $13,403,983.

2.2 Principles, Goals and Objectives of Asset Management

The principles of asset management as per the International Standards for asset management are:

- **Value**: asset management focuses on the value assets provide to the organization over time.
- **Alignment**: asset management aligns financial, technical and operational decisions with the organizational objectives, promoting vertical and horizontal coordination.
- **Leadership**: leadership and sustained commitment at all levels are crucial for successful asset management.[1]

Our goal for managing infrastructure assets is to deliver the defined level of service (as amended from time to time) in the most cost effective manner for present and future consumers.

The key objectives of infrastructure asset management as defined by the International Infrastructure Management Manual are:

- Defining levels of service and monitoring performance,
- Managing the impact of growth through demand management and infrastructure investment,
- Taking a lifecycle approach to developing cost-effective management strategies for the long-term that meet the defined level of service,
- Identifying, assessing and appropriately controlling risks, and
- Linking to a Long-Term Financial Plan which accommodates the required expenditure and how it will be funded.[2]

Key elements of the planning framework are:

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

Other references to the outcomes and benefits, principles and objectives of asset management can be found in:

- ISO 55000:2024 Asset Management – Vocabulary, overview, and principles
- International Infrastructure Management Manual[3]

A road map for preparing an AM Plan is shown in the following page.

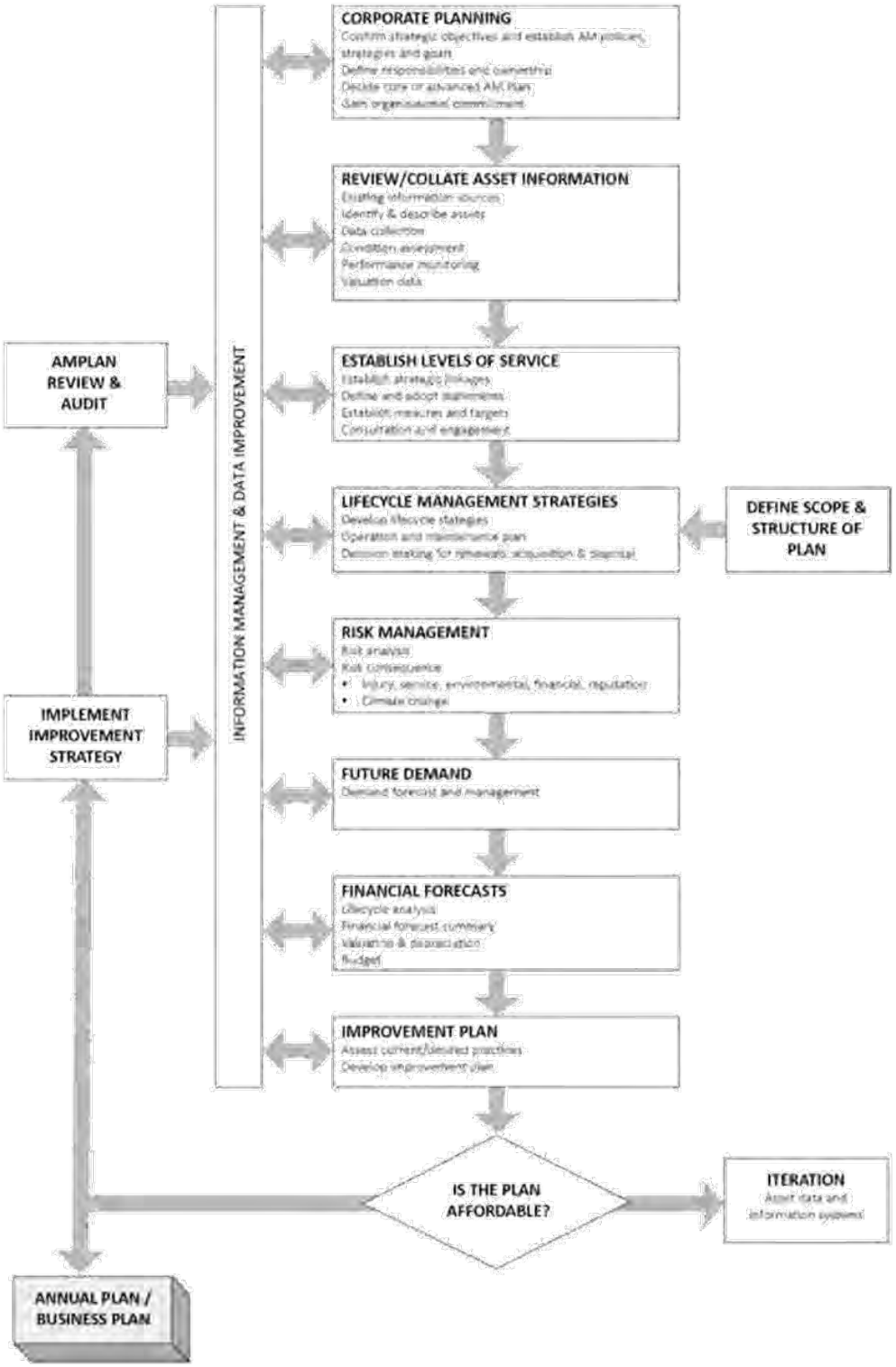
[1] ISO 55000:2024 Asset Management – Vocabulary, overview, and principles

[2] IPWEA International Infrastructure Management Manual (IIMM), Sec 1.2.1

[3] IPWEA International Infrastructure Management Manual (IIMM), Sec 2.1

Road Map for preparing an Asset Management Plan

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



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2.3 Key Stakeholders

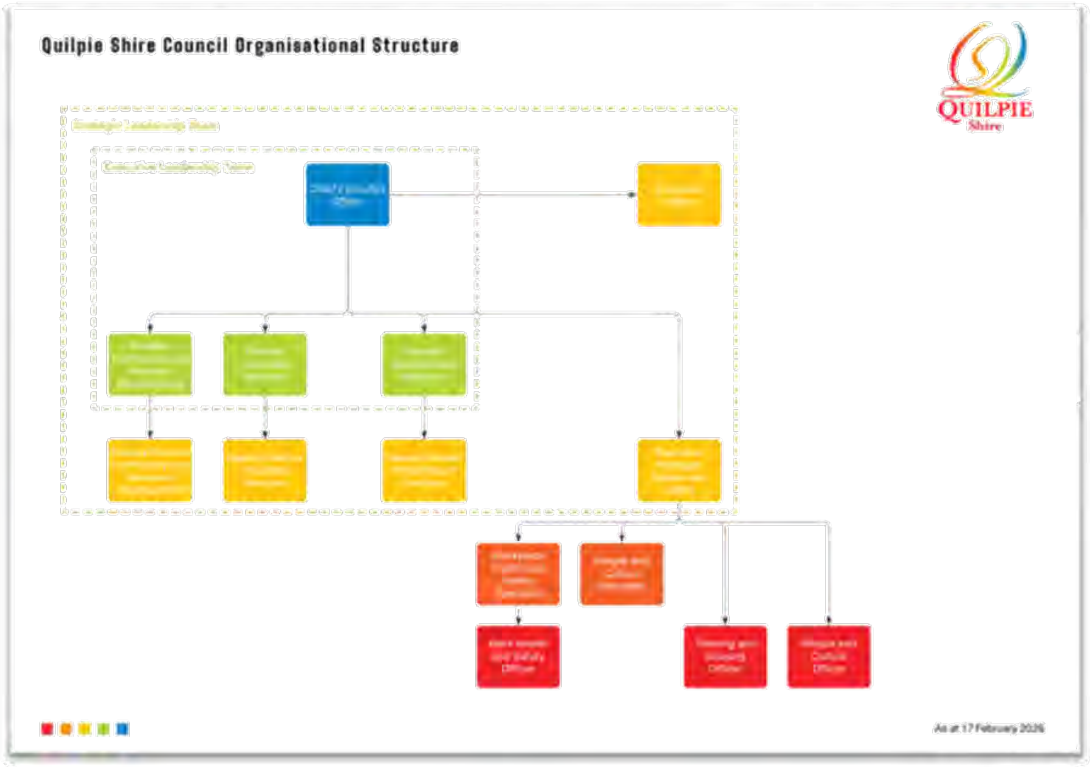
Key stakeholders in the preparation and implementation of this AM Plan are shown in Table 2.1.

Table 2.1: Key Stakeholders in the AM Plan

Key Stakeholder	Role in Asset Management Plan
Quilpie Shire Councillors	Represent needs of community/shareholders, Allocate resources to meet planning objectives in providing services while managing risks, Ensure service sustainable. Approval of the AMP; and Approval of the allocation of resources
Chief Executive Officer (CEO)	▪ ▪ Overall responsibility for developing an asset management policy, plans and procedures and reporting on the status and effectiveness of the asset management within Council ▪ Allocate resources to meet the organisation objectives in providing services while managing risks ▪ Ensuring the organisation is financially sustainable ▪ Ensure funds are invested appropriately to ensure best value for money is delivered to the community
Director, Infrastructure Services	Lead responsibility for the planning, management and delivery of the Water and Sewerage infrastructure Maintain the currency of the Asset Management Plan (the plan) and oversees asset planning, maintenance, renewal and capital works Ensures operational requirements, risks and renewal priorities are reflected in the AMP ▪ Management of customer relationships and liaison regarding Levels of Service, plus the interpretation of the future needs and any changes required
Director, Corporate Services	Responsible for maintaining the Asset Register including financial asset information such as acquisition costs, useful life and depreciation, asset revaluations and capitalisation records. Coordinates the Long-Term Financial Plan (LTFP) and annual budget process in collaboration with the Director, Infrastructure Services on infrastructure renewal program ▪ Supports financial sustainability, governance and customer service functions
Director, Community and Business Development	Provides input into community needs ▪ Supports community engagement, undertake customer surveys and assists in identifying changing service expectations and future requirements
Deputy Director, Infrastructure Services	Responsible for the operational and maintenance activities for service, repair and presentation of the water and sewerage assets Adherence to specified servicing and maintenance schedules and implementing preventative maintenance techniques ▪ Coordination and allocation of program and reactive maintenance, including regular inspections and record keeping.

Key Stakeholder	Role in Asset Management Plan
Works and Operations staff	Provide local knowledge on all the assets. Verify the size, location and condition of assets. ▪ Help inform the maintenance standards deployed and the ability to meet technical and customer levels of service
External stakeholders	Department of Local Government, Water and Volunteers Department of the Environment, Tourism, Science and Innovation Local residents and businesses Tourist and Visitors (as occasional users, particularly during tourist season in winter months) Neighbouring Shires Federal and State Government authorities and agencies Emergency services including Royal Flying Doctors Service ▪ Utility providers (e.g. Telstra, NBN, Ergon Power)

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



3.0 STRATEGIC ALIGNMENT

3.1 Council Planning Context

This Asset Management Plan has been prepared to support Quilpie Shire Council's documented planning and reporting arrangements, including the Corporate Plan, Operational Plan, Annual Budget, 10-Year Financial Plan, Annual Report and Asset Management Policy.

Council's planning framework shows the relationship between the Corporate Plan, community input, 10-Year Financial Plan, Annual Budget, Asset Management Plan, Operational Plan, service delivery, sustainability, progress reporting and the Annual Report.

In this context, this AMP supports informed decision-making by documenting the current asset portfolio, service levels, condition, lifecycle planning considerations, risk information, forecast renewal demand and funding requirements for Council's Water and Sewerage assets. It also identifies key improvement actions to strengthen asset management practices and support future operational planning, improve data quality and support sustainable investment decisions over time and long-term financial decision-making.

3.2 Corporate Plan

Council's Corporate Plan 2026–2031 identifies four priority areas:

Well planned, managed and affordable infrastructure ready for growth;

Guided development and investment to grow our communities;

Community access to services and facilities for health and wellbeing, lifelong learning and connection; and

Collaborative and accountable government.

This Asset Management Plan contributes to the Corporate Plan by supporting:

improved understanding of Council's Water and Sewerage asset base;

planned, affordable and risk-based maintenance and renewal decisions;

improved alignment between community service needs and asset investment;

ongoing provision of safe and functional water and sewerage services;

transparent decision-making on levels of service, risk and cost;

improved asset data, lifecycle planning and renewal forecasting; and

better integration between asset planning, financial planning and service delivery.

The Quilpie Shire Council Corporate Plan 2026–2031 identifies the following priorities, strategic directions and outcome statements relevant to the management of Sewerage assets.

Table 3.1: Alignment – Corporate Plan and Sewerage Assets

Corporate Plan Priority / Theme	Strategic Direction	Outcome
Well planned, managed and affordable infrastructure ready for growth	Land and housing	Contribute to the availability, quality and mix of land and housing options to support liveability for current residents and in readiness for growth.
	Essential infrastructure and regulated services	Provide essential infrastructure and regulated services that are well planned and managed, with capacity to meet current and future demands.

Corporate Plan Priority / Theme	Strategic Direction	Outcome
	Transport	Plan and deliver safe and resilient transport networks that maintain and strengthen Shire connections
Guided development and investment attraction to grow our communities	Development	Guide development, support liveability and contribute to a flourishing economy through planned towns, community spaces and managed growth.
	Strategic partnerships and local investment attraction	Build strategic partnerships to attract the funding and investment needed for strong and growing communities.
Community access to services and facilities for health and wellbeing, lifelong learning and connection	Healthcare	Advocate for, and promote, the healthcare needs of our communities across residents' lifespan, from the very young to those later in life.
	Community services and facilities	Provide and advocate for community services and facilities that build and retain connections, enhance liveability or meet priority needs.
	Teamwork	Through strong teamwork, provide a safe, healthy, positive and productive workplace where our people can confidently fulfill responsibilities, continue to improve and have the opportunity to flourish.
Collaborative and accountable government	Financial and resource management	Manage our finances and resources responsibly, continuing to build Council's capacity to meet the needs of Shire communities now and in the future.
	Leadership	Provide effective leadership for Council and our communities through inclusive community consultation, informed decision-making and open, clear and timely communication.

3.3 Operational Plan

The Operational Plan 2026–2027 sets out the action areas to deliver the strategic goals identified in Council's Corporate Plan. The Operational Plan shows that Asset Management Plans form part of Council's broader planning arrangements alongside the Corporate Plan, community input, 10-Year Financial Plan, Annual Budget, Operational Plan, service delivery, sustainability, progress reporting and the Annual Report.

This AMP Plan supports the Operational Plan by identifying asset condition, renewal needs, lifecycle requirements, risks and improvement actions that can inform future maintenance programs, capital works planning and budget development.

3.4 Annual Report and Financial Planning

This Asset Management Plan supports Council's financial planning and reporting by identifying the future renewal demand, lifecycle cost implications and improvement actions associated with the water and sewerage portfolio.

The Asset Management Policy requires asset management to be integrated with Council's corporate, financial, business and budgetary planning. It also identifies the importance of whole-of-life costing, informed decision-making, maintenance and renewal planning, and keeping asset information up to date for both technical and financial purposes.

Where long-term operating and capital expenditure forecasts are not currently available for the water and sewerage portfolio, this should be identified as an improvement action within this AMP.

3.5 Asset Management Policy

Quilpie Shire Council's Asset Management Policy provides the overarching direction for the planning, management, operation, maintenance, renewal and disposal of Council assets.

The Policy recognises that assets are important to the local community and fundamental to Council's overall service delivery. It also recognises that planning and responsibility for assets requires strong Councillor and executive oversight to support strategic asset management, financial management and sustainability.

The Policy applies to all Council-owned and operated assets and associated services, regardless of how they were acquired.

Key principles identified within the Policy include:

- adopting a whole-of-life approach to asset management;
- aligning asset management practices with service delivery needs;
- supporting risk-based and financially sustainable decision-making;
- maintaining appropriate asset information for planning and reporting purposes; and
- continuously improving asset management capability, systems and practices.

The Policy also identifies the need to maintain and renew Council's existing assets in a manner acceptable to Council and the community in terms of safety, access, quality, environmental impact, community needs and Council's ability to fund the works.

3.6 Legislative and Regulatory Context

The management of Water and Sewerage assets is influenced by relevant legislation, regulations, standards and Council policies. These requirements support safe, compliant and financially responsible management of water supply and sewerage services to the community.

The following table identifies key legislation, standards and frameworks relevant to the water and sewerage assets:

Table 3.2: Legislative Requirements

Legislation / Regulation / Standard	Relevance to Sewerage Infrastructure

Local Government Act 2009 (Qld)	Establishes Council's role, responsibilities and governance obligations for local government service delivery, asset stewardship, sustainable development and effective service delivery Mandates that local governments develop long-term asset management plans covering a minimum period of 10 years. These plans should outline strategies for managing infrastructure assets effectively.
Local Government Regulation 2012 (Qld)	Provides requirements relevant to financial management, asset management, budgeting, procurement and reporting.
Environmental Protection Act 1994 (Qld) and Environmental Protection Regulation 2019	The Act classifies sewage treatment as an Environmentally Relevant Activity (ERA 63) The Environmental Protection Regulation defines sewage treatment activities, including sewage treatment works and certain sewage pumping station Supports management of environmental risks associated with sewerage, stormwater interaction, construction activities and site management
Environmental Protection and Biodiversity Conservation Act (C'wealth) 1999	Aims to protect Australia's environment and biodiversity.
Planning Act 2016 (Qld)	Governs land use planning and development assessment processes Ensures that projects align with local planning schemes and policies
Work Health and Safety Act 2011 (Qld)	Establishes duties to manage health and safety risks associated with Council workplaces, public facilities, maintenance activities, construction works and operational activities. Sets out roles and responsibilities to ensure the health, safety and welfare of persons at work
Building Act 1975 (Qld), Building Regulation 2021 and National Construction Code	Relevant where Water & Sewerage assets include built structures and related facilities requiring building compliance.
Environmental Protection Act 1994 (Qld)	Supports management of environmental risks associated with sewerage, stormwater interaction, construction activities and site management Sets out guidelines for land use planning and promotes sharing of responsibilities between various levels of government in the state
Australian Accounting Standards	Inform asset recognition, valuation, depreciation and financial reporting requirements for Water & Sewerage assets The Australian Accounting Standards consisting of AASB13, AASB 16, AASB116 define the financial accounting requirements related to assets The Australian Accounting Standards Section 27 (AAS27) requires that assets be valued, and reported in the annual accounts, which also includes depreciation value (i.e. how fast are these assets wearing out)
Relevant Australian Standards and industry guidelines	Provide technical guidance for the design, construction, inspection, maintenance and renewal of relevant assets
Civil Liability Act 2002	Manage negligence, elements of a claim, duty of care, standard of care and causation and to address the requirements of sections 42 and 45.

Plumbing and Drainage Act (Qld) 2002	Provides a legislative framework for plumbing and drainage.

4.0 LEVELS OF SERVICE

Levels of service define the standards and performance targets that infrastructure assets are expected to meet to ensure they provide reliable, safe, and efficient services to the community.

4.1 Customer Research and Expectations

This AM Plan is prepared to facilitate consultation prior to adoption of Sewer-related levels of service by the Quilpie Shire Councillors at an Ordinary Council Meeting. Future revisions of the AM Plan will incorporate customer consultation on service levels and costs of providing the service. This will assist the Council and stakeholders in matching the levels of service required, service risks and consequences with the customer's ability and willingness to pay for the service.

We currently have no research on customer expectations. This will be investigated for future updates of the AM Plan and has been identified as an action within the Improvement Plan (refer Section 9.4).

4.2 Customer Values

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

Customer Values indicate:

what aspects of the service is important to the customer,

whether they see value in what is currently provided and

the likely trend over time based on the current budget provision

Table 4.1: Customer Values

Service Objective:

Customer Values	Customer Satisfaction Measure	Current Feedback	Expected Trend Based on Planned Budget
Assets are well maintained and fit for purpose	Number of customer service requests. Number of outages	Not currently recorded	Expected to increase over the medium terms due to lack of renewal funding for existing asset class.
Safety and Functionality	Number of customer service complaints.	Not currently recorded	Generally expected to remain steady in the short term. Medium term would expect increase in complaints due to maintenance not aligning with expected needs.
Clear and responsive communications in response to customer feedback	Regular Surveys	Not currently recorded	Expected to increase due to likely increase in overall customer service requests with the same staff resource.

Commentary:
Please note that, as our council does not currently conduct regular customer satisfaction surveys, our primary proxy for measuring customer satisfaction is the number of customer service requests received.

At this stage, we interpret a low volume of service requests as an indication that the community is generally satisfied with our services. This will be investigated for future updates of the AM Plan and has been identified as an action within the Improvement Plan.

4.3 Customer Levels of Service

The Customer Levels of Service are considered in terms of:

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

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

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

In Table 4.2 under each of the service measures types (Condition, Function, Capacity/Use) there is a summary of the performance measure being used, the current performance, and the expected performance based on the current budget allocation.

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

Table 4.2: Customer Level of Service Measures

Type of Measure	*Level of Service*	*Performance Measure*	*Current Performance*	*Expected Trend Based on Planned Budget*
Condition	Condition of Sewer assets	Condition assessment undertaken periodically or as part of the valuation process mandated for local government	Percentage of assets rated as "Fair" or higher is 72.6%. This is determined by the condition summary with the respective valuation (refer Table 3.5 in the next page and the discussion in section 5.1.3).	With long-term budget constraints, asset conditions are likely to deteriorate unless maintenance standards and strategic renewal budget are increased.
	Confidence levels		Medium (a large portion of existing asset class have been inspected, however more remains to be done)	Medium (Professional Judgement supported by extensive data)
Function	Assets are functional and fit-for-purpose in terms of providing relevant services to the community	Customer service requests or social media feedback	Number of customer service requests are low. Overall, anecdotal and social media feedback has been generally positive, with only occasional instances of negative comments.	If funding is not sufficiently allocated for asset replacement, the number of assets reaching end of life and therefore requiring increased maintenance and renewal is expected to rise significantly over the long term (more than five years).
	Confidence levels		Medium (Professional judgement supported by limited data from customer service requests)	Medium (Professional judgement supported by limited data from customer service requests)
Capacity	Sewer assets can meet community demand	Observation of utilisation during a typical day and during functions /tourism-related events	Current utilisation of Sewer assets is at or below full capacity.	Demand for additional capacity expected to remain static as the population in the Shire is likely to be stable with no significant growth in the foreseeable future.
	Confidence levels		Medium (Professional judgement supported by observation of utilisation rate during functions and special events)	Medium (Professional judgement supported by observation of utilisation rate during functions and special events)

Table 4.3: Condition Summary with respective valuation

Condition rating	Description	Asset Valuation	Percentage	Accumulative Percentage
1	Excellent	$1,920,571	15.22%	15.22%
2	Good	$2,043,277	16.19%	31.41%
3	Fair	$5,196,976	41.18%	72.60%
4	Poor	$704,622	5.58%	78.18%
5	Very Poor	$752,384	5.96%	84.14%
0	Not Rated	$2,001,198	15.86%	100.00%
	Total	$12,619,027		

4.4 Technical Levels of Service

Technical Levels of Service – To deliver on the customer values, and impact they have on Customer Levels of Service, are operational or technical measures of performance. These technical measures relate to the lifecycle activities (see Section 5) and allocation of resources to best achieve the desired customer outcomes and demonstrate effective performance.

Service and asset managers plan, implement and control technical service levels to influence the service outcomes.[4]

Table 3.6 shows the lifecycle activities related to the current 10 year planned budget, and the forecast costs recommended in this AM Plan.

Table 4.4: Technical Levels of Service

Lifecycle Activity	Purpose of Activity	Activity Measure	Current Performance*	Recommended Performance **
TECHNICAL LEVELS OF SERVICE				
Acquisition	Replacement Sewer Treatment Plant - Quilpie	Current Year Capital Project	Current Year Capital Project	Current Year Capital Project
		Budget	*$ 5,000,000*	*$5,000,000*
Operations/ Maintenance	Reactive repairs for asset network	Complaints	Upon request	Shift to more proactive maintenance regime.
	Safety and Compliance Inspections	Frequency	Yearly	*Yearly*
		Budget	*$277,000*	*350,000*
Renewal	Bring assets from failure or near failure to functional capacity	Renewal of expiring assets	No budgeted Renewals	Full Renewal of Expiring Assets
		Budget	*$ 0*	*90,000*
Disposal	Reduce Network Size	No current plans to dispose of Sewer assets	No current plans to dispose of Sewer assets	No current plans to dispose of Sewer assets
		Budget	$0	$0

Note: * Current activities related to planned budget.

** Expected performance related to forecast lifecycle costs.

[4] IPWEA, 2015, IIMM, p 2|28.

Commentary:

Table 4.4 highlights a significant gap between the funds required to sustainably manage and renew the sewer assets and the funds currently available in our budget. Over the 10-year planning period, the forecast lifecycle costs necessary to maintain the desired levels of service for council sewer assets.

This funding gap is not unique to Quilpie Shire Council; it is a common challenge for regional and remote councils with aging asset portfolios spread over a large geographical area and limited revenue bases. Factors contributing to the funding gap include:

- Increasing maintenance and renewal needs as assets age
- Rising costs of materials, labour, and compliance
- Limited growth in council revenue streams
- Competing priorities across council services

If the funding gap is not addressed, several risks will impact both council operations and the community:

- **Asset Deterioration leading to Increased Safety and Compliance Risks:**
  Assets will progressively fall below acceptable condition standards as maintenance and renewal are deferred. This increases the likelihood of unexpected failures and higher future costs. Deferred maintenance can also lead to safety hazards, non-compliance with legislation, and increased risk of injury or liability for council.
- **Reduced Levels of Service leading to Increased Community Dissatisfaction:**
  As asset conditions decline, the quality, safety, and functionality of council assets will diminish. This may result in more frequent closures, restrictions on use, or reduced amenity for users. As service levels decline, community satisfaction and trust in Council's ability to manage public assets may also decrease.
- **Higher Long-Term Costs:**
  Delaying renewals and major maintenance tends to escalate future costs, as minor issues become major failures requiring more expensive interventions.

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

5.0 FUTURE DEMAND

Future demand refers to the anticipated need for infrastructure services driven by factors such as population movement, economic development, technological advancements, and changing environmental or community expectations.

5.1 Demand Drivers

A demand driver refers to the factors or trends that influence the need for infrastructure services and capacity. The factors influencing future demand e created by:

Population changes

Changes in customer expectations and preference

Economic development

Demand drivers help predict future infrastructure needs and guide planning and investment decisions.

5.2 Demand Forecasts

The current position and projections for demand drivers that may impact future service delivery and use of assets have been identified and documented in Table 5.1.

5.3 Impacts and Demand Management Plan

The impact of demand drivers that may affect future service delivery and use of assets are shown in Table 5.1.

The impact on service delivery will be managed through a combination of managing and upgrading existing assets and the provision of new assets to meet demand. Demand management practices can include non-asset solutions, insuring against risks and managing failures.

Opportunities identified to manage demand are shown in Table 5.1. Further opportunities will be developed in future revisions of this AM Plan.

Table 5.1: Demand Management Plan

Demand driver	Current position	Projection	Impact on services	Demand Management Plan
Population	709 as of 30 June 2023 (ABS data)	A future population increase to 1,000 is a focus for the Shire	Increase in population, although not significant, may put pressure on some of Council's assets.	Assess current utilisation of existing Council's assets If population projection is expected to increase, allocate some budget to investigate upgrades of the Sewer infrastructure assets to adequately support increased demand.
Customer expectations	Lack of affordable and suitable housing types, which will also impact on employment intake	Increased migration away from the Shire to other larger towns with better facilities	Increased pressure on Council to properly functioning infrastructure	Allocate future funding for Council to be a housing developer and look at funding opportunities from State or Federal governments

Demand driver	Current position	Projection	Impact on services	Demand Management Plan
Economic Drivers	Lack of interest from developers to provide house and land packages, due to remoteness, despite interest from community	This situation is expected to persist in the near future	Increased pressure on Council to provide reliable Sewer services to support housing investment	Allocate future funding for Council to be a housing developer and look at funding opportunities from State or Federal governments.

5.4 Asset Programs to meet Demand

The new assets required to meet demand may be acquired, donated or constructed. Additional assets are discussed in Section 6.4.

Acquiring new assets will commit Quilpie Shire Council to ongoing operations, maintenance and renewal costs, and depreciation expenses for the period that the service provided from the assets is required. These future costs and expenses are identified and considered in developing the long-term financial plan.

5.5 Climate Change Adaptation

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

How climate change impacts on assets will vary depending on the location and the type of services provided, as will the way in which we respond and manage those impacts.[5]

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

Risk and opportunities identified to date are shown in Table 5.2.

Table 5.2 Managing the Impact of Climate Change on Assets and Services

Climate change risk	Projection	Impact on services	Climate Change Management Plan
Rainfall patterns due to climate change	More frequent and severe rainfalls are anticipated in the future.	The likely increase in rainfall volatility, both in frequency and intensity, will heighten flooding risks. This will result in increased difficulty for current assets to continue their primary functions. Impacts may include increased maintenance costs and earlier renewals (shorter useful life)	Review network locations and flood impact on assets Incorporate adaptive infrastructure changes when renewing these assets where deemed appropriate. For example, relocate some services to higher levels, or incorporate flood barriers or prevention techniques where possible. Undertake climate-adjusted flood mappings to identify at-risk council assets and update flood overlays in Council Planning Scheme.

[5] IPWEA Practice Note 12.1 Climate Change Impacts on the Useful Life of Infrastructure

Temperature changes due to climate change	The operating range of temperature will increase, i.e. more extreme in its minimum and maximum temperature	Greater variability in temperature results in more extreme expansion and contraction of assets or higher exposure in more intense solar radiation. This will lead to an increased rate in their deterioration. This translates into higher maintenance costs and shorter lifespan for certain asset components (earlier renewals)	Incorporate passive cooling features (e.g. insulation, ventilation strategies, light-colour surfaces to reflect sunlight and reduce heat absorption etc) and use heat reflective materials in construction.

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

Assets will withstand the impacts of climate change.

Services can be sustained; and

Assets that can endure may potentially lower the lifecycle cost and reduce their carbon footprint.

Table 4.5.2 summarises opportunities to build climate change resilience into new and existing assets.

Table 5.3 Building Climate Change Resilience into New and Existing Assets

Asset Description	Climate change risk	Resilience Plan for New Assets	Resilience Plan for Existing Assets
Rainfall patterns due to climate change	More frequent and severe rainfalls are anticipated in the future. It will heighten flooding risks and put more strain on existing infrastructure.	Review flood plans and current asset capacities and vulnerabilities. Incorporate adaptive infrastructure changes when renewing assets. For example, relocate some services to higher levels, or use components that are more resilient to Sewer exposure and/or easier to clean up after flooding.	Rainfall patterns due to climate change

Wider temperature range due to climate change	Greater variability in temperature results in more extreme expansion and contraction of some components or higher exposure in more intense solar radiation. This leads to more rapid deterioration of some exposed assets.	Incorporate more heat-resilient components when renewing them and incorporate temperature-controlled environment with solar panels providing low-cost energy. Incorporate passive cooling features (e.g. insulation, ventilation strategies, light-colour surfaces to reflect sunlight and reduce heat absorption etc) and use heat reflective materials in construction.	Wider temperature range due to climate change

The impact of climate change on new and existing assets is evolving and new opportunities will be developed in future revisions of this AM Plan.

6.0 LIFECYCLE MANAGEMENT PLAN

The lifecycle management plan details how Quilpie Shire Council plans to manage and operate the assets at the agreed levels of service (Refer to Section 3) throughout their entire lifecycle, from acquisition or creation to disposal. The goal is to maximise the value of the assets while minimising costs and risks, ensuring they continue to meet performance requirements over time.

From a financial perspective, infrastructure activities tend to be classified as being either Operating or Capital. The lifecycle activities used in the asset management and financial planning and reporting process cover:

Capital

- **Acquisition** – the activities to provide a higher level of service (e.g., widening a road, sealing an unsealed road, replacing a pipeline with a larger size) or a new service that did not exist previously (e.g. a new library).
- **Renewal** – the activities that replace or restore assets to the standard it had originally provided (e.g., road resurfacing and pavement reconstruction, pipeline replacement and building component replacement).

Operating

- **Operations** - the routine activities that keep services accessible and effective, balancing efficiency with user expectations (e.g. opening hours, cleansing, mowing grass, energy, inspections, etc.)
- **Maintenance** – the preventative and corrective actions to sustain asset functionality and minimise unexpected failures. Maintenance activities enable an asset to provide service for its planned life (e.g., road patching, unsealed road grading, building and structure repairs).
- **Disposal** – the decommissioning, removing, or repurposing of assets that are no longer cost-effective, safe, or necessary (e.g. shutting down an old Sewer treatment plant, demolishing unsafe buildings, dismantling old bridges, etc.).

A pictorial representation of the asset lifecycle activities is shown below in Figure 5.0.



Figure 5.0: Asset Lifecycle Activities

6.1 Background Data

6.1.1 Physical parameters

The assets covered by this AM Plan are shown in Table 6.1.

They include a diverse range of Council-owned assets that serve various operational purposes. While the majority of these Shire assets are located in Quilpie, several are also situated in Eromanga. The key assets are shown as follows:

Sewer Pump Stations in Eromanga and Quilpie;

Sewer Treatment Plants in Eromanga and Quilpie;

Sewer Mains and Nodes in Eromanga and Quilpie.

Table 6.1: Assets covered by this Plan

Asset Category	Dimension	Replacement Value
Sewer Facilities Assets (Pump Stations & Treatment Plants)	77 Assets	$6,045,272
Sewer Mains	16,100m in Length	$5,585,236
Sewer Nodes	184 Assets	$958,252
Other Sewer Assets (Tanks and Septic Systems)	5 Assets	$30,268
TOTAL		$12,619,027

The asset portfolio comprises a mix of asset types and ages with its earliest asset constructed in 1948 and the most recent one built in 2020 based on our record, reflecting varying stages of condition and maintenance needs.

The age profile of the assets included in this AM Plan are shown in Figure 6.1. Amounts are shown in real values (i.e., current values, net of inflation).

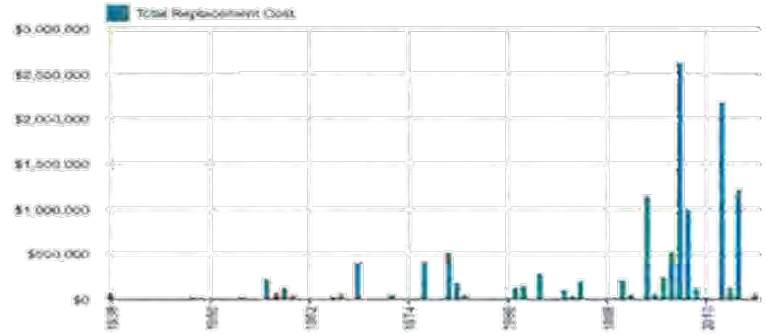


Figure 6.1: Asset Age Profile

Commentary:

In reviewing the Age Asset Profile, there is a very broad spread of asset construction overall but a large relatively recent surge since 2000.

Assets predating 2000 now represent only a small proportion of total asset value. This suggests either limited infrastructure development during that era—though less likely—or, more plausibly, that much of the earlier infrastructure has since been replaced with newer, modern assets.

The spread of construction dates suggests the largest number of assets are relatively recent and may prompt 'spikes' in required renewals in later time periods.

6.1.2 Asset capacity and performance

Assets are generally provided to meet design standards where these are available. However, there is insufficient resources to address all known deficiencies. Locations where deficiencies in service performance are known are detailed in Table 6.2.

Table 6.2: Known Service Performance Deficiencies

Location	Service Deficiency
Quilpie Sewage Treatment Plan	This 86-year-old facility is at the end of its useful life and needs to be replaced. its effluent quality did not meet mandated standards.
Sewage Pumping Stations	SPS1 generator does not come on when power goes out no auto switch over and control panel is outdated has multi-smart controller and xylem no longer make multi smarts or Probes all pump stations except SPS 2 run off 10 point probes which are no longer being made by Xylem.

The above service deficiencies were identified from inspections undertaken in 2026 as part of the Sewer and Sewer valuation process where the outcomes are incorporated in the Council's Asset Register.

6.1.3 Asset condition

Condition is currently monitored by engaging a consultant to undertake condition rating assessment every four years. The current methodology used by Quilpie Shire Council is described as follows:

Undertake capacity assessments of Sewer facilities assets

Undertake Maintenance Survey – where maintenance requirements need to be increased

Undertake Defect Survey and Defect Criticality Rating – where the work identifies which of those defect items requires immediate attention (i.e. assets with a 3 rating), and those that could be assigned to deferred maintenance, refurbishment or renewal (i.e. assets with a 1 or 2 rating).

Condition is measured using a 1 – 5 grading system[6] as detailed in Table 6.3. It is important that a consistent approach is used in reporting asset performance enabling effective decision support. A finer grading system may be used at a more specific level, however, for reporting in the AM plan results are translated to a 1 – 5 grading scale for ease of communication.

Table 6.3: Condition Grading System

Condition Grading	Description of Condition
0	**Not Assessed**: asset not condition assessed
1	**Very Good**: free of defects, only planned and/or routine maintenance required
2	**Good**: minor defects, increasing maintenance required plus planned maintenance
3	**Fair**: defects requiring regular and/or significant maintenance to reinstate service
4	**Poor**: significant defects, higher order cost intervention likely
5	**Very Poor**: physically unsound and/or beyond rehabilitation, immediate action required

The condition profile of our assets is shown in Figure 6.2 and also represented by Table 6.4 with its respective valuation.

[6] IPWEA, 2015, IIMM, Sec 2.5.4, p 2|80.

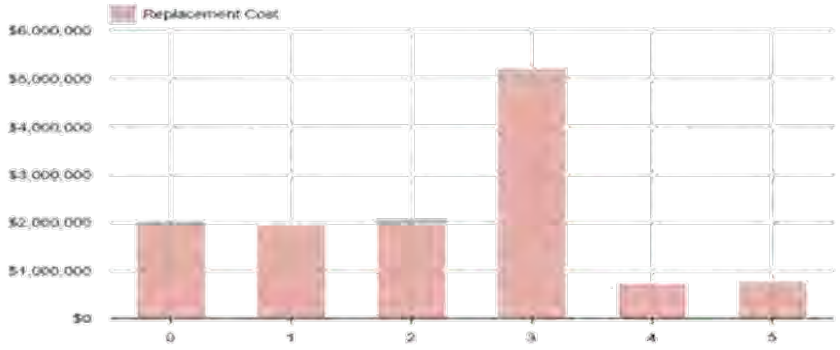


Figure 6.2: Asset Condition Profile

Table 6.4: Condition Summary with respective valuation

Condition rating	Description	Asset Valuation	Percentage	Accumulative Percentage
1	Excellent	$1,920,571	15.22%	15.22%
2	Good	$2,043,277	16.19%	31.41%
3	Fair	$5,196,976	41.18%	72.60%
4	Poor	$704,622	5.58%	78.18%
5	Very Poor	$752,384	5.96%	84.14%
0	Not Rated	$2,001,198	15.86%	100.00%
	Total	**$12,619,027**		

Commentary:

It is evident from Figure 6.2 and Table 6.4, that just over 15% of assets have not received a condition inspection. Of the remaining 85%, 72.6% are at least in Fair condition with only 5.96% falling into the Very Poor category, minimizing immediate risk of asset failure.

From a Risk Management perspective, the low proportion of Very Poor assets suggests current risk exposure is low, but ongoing monitoring is essential, especially for any critical infrastructure in this category.

To maintain the level of service, key actions by Council should be:

Undertaking condition rating survey work of the remaining assets not currently condition assessed.

In terms of medium-term capital works and renewal planning, the 12% categorised as in Poor and Very Poor conditions should be the focus of future proactive interventions which can prevent assets from reaching failure, which can impact service delivery

In terms of Maintenance Strategy, the Fair assets (41.2%) may benefit from targeted maintenance to extend their useful life and defer costly renewals

Continued investment in preventive maintenance for Good and Excellent assets will help maintain this positive distribution.

6.2 Operations and Maintenance Plan

Operations include regular activities to provide services. Examples of typical operational activities include cleaning, street sweeping, asset inspection, and utility costs.

Maintenance includes all actions necessary for retaining an asset as near as practicable to an appropriate service condition including regular ongoing day-to-day work necessary to keep assets operating. Examples of typical maintenance activities include pipe repairs, asphalt patching, and equipment repairs.

The trend in maintenance budgets are shown in Table 6.5.

Table 6.5: Maintenance Budget Trends

Year	Maintenance Budget $
2025	$220,000
2026	$277,000
2027	$277,000

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

Assessment and priority of reactive maintenance is typically undertaken by staff using experience and judgement. In terms of improvement plan, future planning for maintenance (and also for renewals) should be guided by the available data on asset conditions. Current budgets have further not been verified against actual expenses to assess whether budgeted repairs and maintenance works are being undertaken.

Asset hierarchy

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

At this stage, a formal asset hierarchy has not been developed for the Water and Sewerage portfolio. The current asset information has been grouped by available asset type for the purposes of this Asset Management Plan.

A future improvement action is to develop and document an appropriate asset hierarchy for Water and Sewerage portfolio. This should confirm asset categories, asset types, component structure where required, locations, ownership and reporting groupings. A clearer hierarchy will improve future asset reporting, condition assessment, lifecycle modelling, renewal forecasting, maintenance planning and financial reporting.

Summary of forecast operations and maintenance costs

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

Figure 6.3 shows the forecast operations and maintenance costs relative to the proposed operations and maintenance Planned Budget.

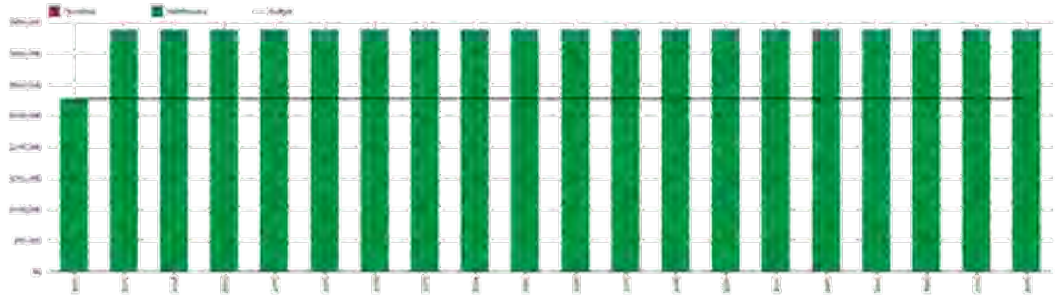


Figure 6.3: Operations and Maintenance Summary

Amounts are shown in real values (i.e., current values, net of inflation).

Commentary:

Council's current approach is to align forecast operations and maintenance (O&M) costs with the proposed O&M budget. This effectively constrains the forecast to a flat trend in real terms over the foreseeable future.

This approach is considered relatively low risk at present, as only 5.96% of Council's assets are classified in the *Very Poor* condition category—minimising the likelihood of immediate asset failure and the need for urgent reactive expenditure.

Any deferred maintenance (i.e. works that are identified for maintenance activities but unable to be completed in a particular year due to constrained budget and/or available resources) should be undertaken in the following year.

As a best practice, targeted maintenance of assets currently rated as *Fair* (41.18%) should be considered to extend their useful life and defer the need for costly renewals.

In parallel, continued investment in preventive maintenance for assets in *Good* and *Excellent* condition should be prioritised and clearly reflected in Council's Infrastructure Risk Management Plan. This proactive approach will support long-term asset sustainability, minimise lifecycle costs, and reduce the likelihood of unexpected failures.

Further expenditure data is needed from council to properly estimate future operations/maintenance costs accurately.

6.3 Renewal Plan

Renewal is major capital work which does not significantly alter the original service provided by the asset, but restores, rehabilitates, replaces or renews an existing asset to its original service potential. Work over and above restoring an asset to original service potential is considered to be an acquisition resulting in additional future operations and maintenance costs.

Assets requiring renewal are identified from one of two approaches in the Lifecycle Model.

The first method uses Asset Register data to project the renewal costs (replacement cost) and renewal timing (acquisition year plus updated useful life to determine the renewal year), or

The second method uses an alternative approach to estimate the timing and cost of forecast renewal work (i.e. condition modelling system, staff judgement, average network renewals, or other).

The typical useful lives of assets used to develop projected asset renewal forecasts are shown in Table 6.6. Asset useful lives were last reviewed in the 2026 financial year.

Table 6.6: Useful Lives of Assets

Asset (Sub)Category	Useful life
Sewer Treatment Plant Assets (Components)	15 - 80 years
Sewer Pump Station Assets (Components)	15 - 70 years
Sewer Mains	70 - 80 years
Sewer Other Assets (Various)	15 - 120 years

The estimates for renewals in this AM Plan were based on the Asset Register Method.

Commentary:

The Asset Register Method was selected as the preferred approach for the lifecycle cost modelling for Quilpie Shire because it provides a detailed, asset-level basis for forecasting future renewal costs. This method allows for a more precise alignment between actual asset characteristics and lifecycle profiles.

Specifically, asset valuations conducted in 2026 remain relevant and robust, providing a fairly accurate estimation of the current market or replacement values of all sewer assets. These valuations are still considered reliable given the relatively stable nature of sewer asset construction costs in regional areas and the absence of major market fluctuations since the last valuation.

Additionally, there is a high level of confidence in the assigned useful lives of most assets in the register. The assets are reasonably well-documented, and their age, condition, and performance history provide a solid basis for lifecycle modelling. Using the asset register method ensures that renewal profiles reflect the actual age and expected remaining life of each sewer asset, leading to more informed financial planning and asset management decisions.

It is noted that several of the assets due for renewal according to their lifecycle have condition score that would indicate they have been more recently renewed than the date of construction indicates. Council should review the relevance of each asset coming due for renewal and update asset registers to reflect renewal and replacement work.

This approach supports the production of a more accurate and defensible long-term financial and asset management plan, enhancing Council's ability to maintain service levels while managing risk and budget constraints effectively.

6.3.1 Renewal ranking criteria

Asset renewal is typically undertaken to either:

Ensure the reliability of the existing infrastructure to deliver the service it was constructed to facilitate (e.g. replacing a bridge that has a 5-tonne load limit), or

To ensure the infrastructure is of sufficient quality to meet the service requirements (e.g. condition of a playground).[7]

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

Have a high consequence of failure,

Have high use and subsequent impact on users would be significant,

Have higher than expected operational or maintenance costs, and

Have potential to reduce life cycle costs by replacement with a modern equivalent asset that would provide the equivalent service.[8]

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

[7] IPWEA, 2015, IIMM, Sec 3.4.4, p 3|91.
[8] Based on IPWEA, 2015, IIMM, Sec 3.4.5, p 3|97.

Table 6.7: Renewal Priority Ranking Criteria

Criteria	Weighting
Capacity used (utilisation)	30 (%)
Asset Importance Rating (providing critical service)	30 (%)
Functionality Rating (fit-for-purpose)	20 (%)
Costs	20 (%)
Total	**100%**

6.3.2 Summary of future renewal costs

Forecast renewal costs are projected to increase over time if the asset stock increases. The forecast costs associated with renewals are shown relative to the proposed renewal budget in Figure 5.3.2. A detailed summary of the forecast renewal costs is shown in Appendix D.

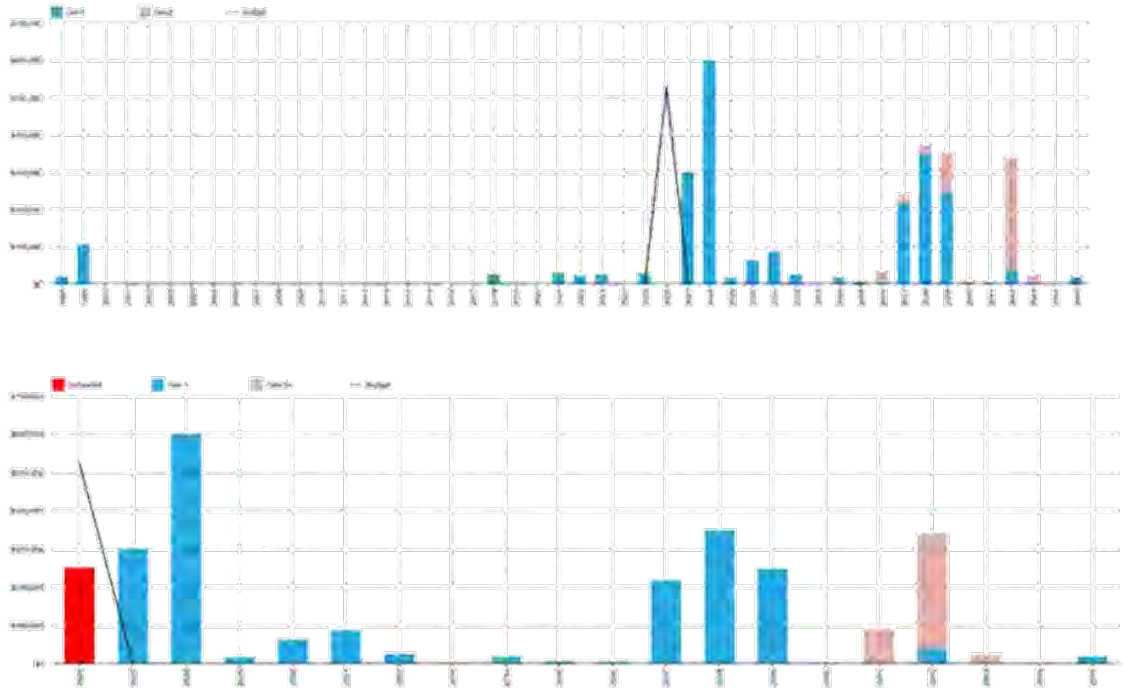


Figure 6.4: Forecast Renewal Costs

Amounts are shown in real values (i.e., current values, net of inflation).

Commentary:

The most striking feature in Figure 6.4 is the pronounced spike in forecast renewal costs in 2028. The Long-Term Financial Plan (LTFP) has not allocated funding to address these renewal projects. Please refer to Appendix D4 where the first few items represent the renewal backlog, with their remaining life shown as 'negative'. This essentially contributed to the renewal amounts in 2026.

Beyond 2029, there are further spikes around 2038 and then again in 2042 where a number of assets are due for a second renewal (Gen 2).

To manage the risks of insufficient funding in the renewal program, it is recommended that Council undertake proactive actions such as:

Create a Long term capital works program with budgeted allocations for renewal works.

Implement a Prioritisation Framework:
Develop a structured prioritisation approach to address the most critical deferred renewals first, focusing on assets vital to safety, regulatory compliance, and essential service delivery.

Strengthen Contingency Planning:
Establish contingency plans for the potential failure of deferred assets, including increased inspection frequency, enhanced routine maintenance, or interim mitigation measures.

Review Funding Strategy:
Explore options to increase the renewal budget through internal reprioritisation, external grants, or public-private partnerships. This will help address historical backlogs and accommodate forecast renewal peaks.

Conduct Regular Annual Review and Adjustment:
Regularly review asset condition data with associated renewal forecasts and update the risk profile to reflect evolving asset performance, potential failures, and any changes in available funding

Embedding these actions into Council's financial and risk management practices will strengthen resilience and support consistent levels of service for the community over the coming decades.

6.4 Acquisition Plan

Acquisition reflects are new assets that did not previously exist or works which will upgrade or improve an existing asset beyond its original service level. They may result from growth, demand, social or environmental needs. Assets may also be donated to Quilpie Shire Council.

Unlike many other Local Government areas in Australia, Quilpie Shire Council currently has limited plans for the acquiring new assets or undertaking major upgrades to existing facilities. This is largely due to constrained financial resources and a small population base, which make it challenging to justify significant capital investment in Sewer infrastructure at this time. Instead, Council is focused on maintaining and renewing existing assets to ensure the continued delivery of essential services in an efficient manner.

In addition, there is no expectation that the Sewer infrastructure portfolio will be contributed towards by external contractors through development. Despite approaches from Council, there is little interest from private companies developing new residential estates. The private companies involved in natural resource extraction industries prefer to direct their investment into larger towns (Cairns / Adelaide) and commute their staff on a fly in / fly out basis.

Acquisition of new assets is generally only possible through external funding, and to that end, Council officers are actively pursuing grant opportunities from State and Federal agencies to support future projects.

The only acquisition currently budgeted for is a replacement Sewer Treatment Plant for Quilpie in 2026

Selection criteria

Proposed acquisition of new assets, and upgrade of existing assets, are identified from various sources such as community requests, proposals identified by strategic plans or partnerships with others.

Potential upgrade and new works should be reviewed to verify that they are essential to the Shire needs. Proposed upgrade and new work analysis should also include the development of a preliminary renewal estimate to ensure that the services are sustainable over the longer term.

Verified proposals can then be ranked by priority and available funds and scheduled in future works programmes. The priority ranking criteria is detailed in Table 5.4.1.

Table 6.8: Acquired Assets Priority Ranking Criteria

Criteria	Weighting
Assessment of service needs	30 (%)
Suitability of site/asset and risk assessment	20 (%)

Whole-of-life costs	30 (%)
Legal and regulatory requirements	20 (%)
Total	**100%**

6.4.1 Summary of future asset acquisition costs

Quilpie Shire Council currently has limited plans for the acquiring new Sewer infrastructure assets or undertaking major upgrades to existing facilities. The only acquisition project of note is the replacement ofr the sewer treatment plant in Quilpie. The forecast acquisition capital works program is shown in Appendix A.

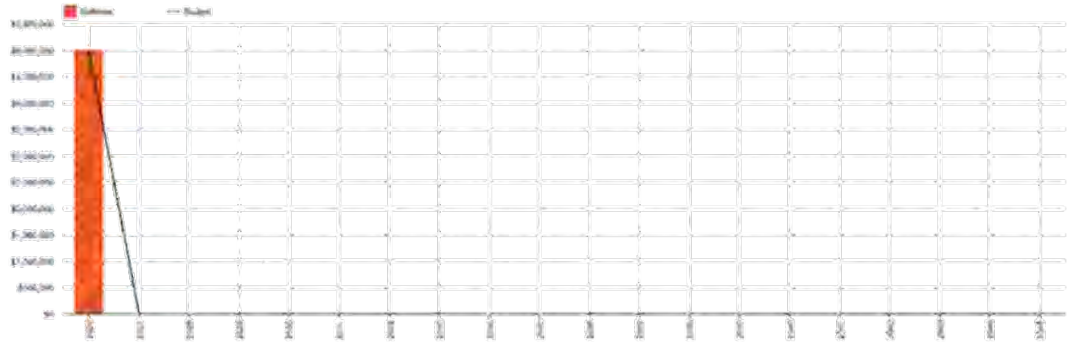


Figure 6.5: Acquisition (Constructed) Summary

Amounts are shown in real values (i.e., current values, net of inflation).

When Quilpie Shire Council commits to new assets, they must be prepared to fund future operations, maintenance and renewal costs. They must also account for future depreciation when reviewing long term sustainability. When reviewing the long-term impacts of asset acquisition, it is useful to consider the cumulative value of the acquired assets being taken on by Council.

The cumulative value of all acquisition work, including assets that are constructed and contributed shown in Figure 5.4.2.

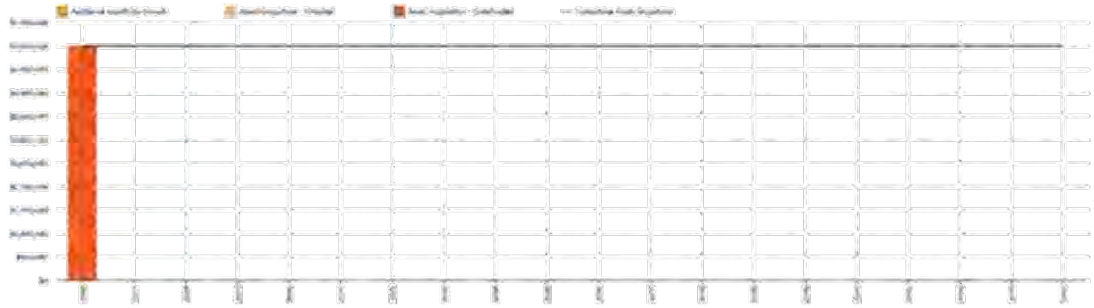


Figure 6.6: Acquisition Summary

Amounts are shown in real values (i.e., current values, net of inflation).

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

6.5 Disposal Plan

Disposal includes any activity associated with the disposal of a decommissioned asset including sale, demolition or relocation. Assets identified for possible decommissioning and disposal are shown in Table 6.9. A summary of the disposal costs and estimated reductions in annual operations and maintenance of disposing of the assets are also outlined in Table 6.9. Any costs or revenue gained from asset disposals is included in the long-term financial plan.

Table 6.9: Assets Identified for Disposal

Asset	Reason for Disposal	Timing	Disposal Costs	Operations & Maintenance Annual Savings
No asset listed for disposal	-	-	-	-

6.6 Summary of asset forecast costs

The financial projections from this asset plan are shown in Figure 6.7. These projections include forecast costs for acquisition, operation, maintenance, renewal, and disposal. These forecast costs are shown relative to the proposed budget.

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

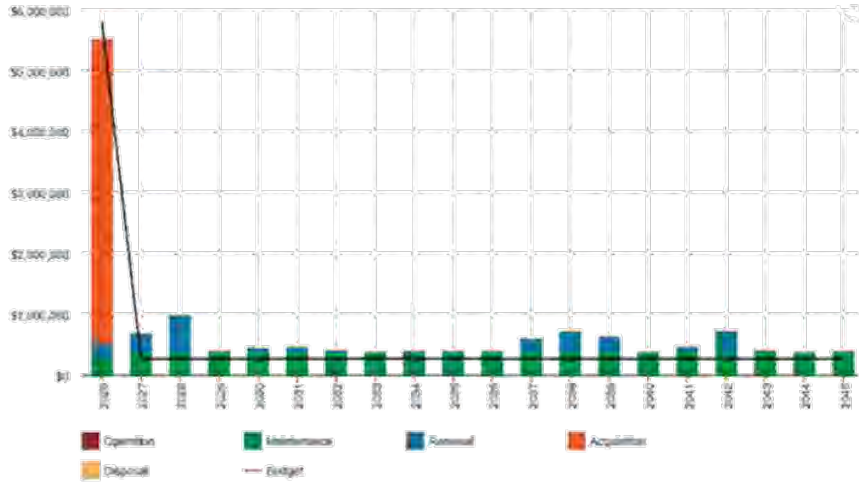


Figure 6.7: Lifecycle Summary

Amounts are shown in real values (i.e., current values, net of inflation).

Commentary:

The renewal costs in 2028 spike sharply then again in 2037 – 2039 and 2042. This is due to the 2026 revaluation inspections identifying assets in Poor or Very poor Condition. Council does not currently have a Long-Term Financial Plan (LTFP) with allocated funding for capital renewal outside of the first year of assessment and is therefore insufficient to meet the forecast renewal needs and will remain as a critical risk issue. Without project-specific details in the capital works plan, the renewals may not be deliverable unless addressed strategically.

The renewal costs vary from year to year given the longer lives and large values of many of the assets in this class. Should regular renewal funding be available, it is recommended that ongoing condition assessments are undertaken on asses to determine the exact timing of renewals or that some renewals are brought forward in order to "smooth out" the renewal delivery.

Aside from the Quilpie Treatment Plant project, both acquisition and disposal costs are negligible, consistent with current Council practices. As previously stated, acquisition projects depend on external funding.

In conclusion, the key dominant cost pressure comes from Renewal, which aligns with aging infrastructure reaching end-of-life phases. The budget line does not have sufficient information for accurate forecasting of renewal adequacy.

7.0 RISK MANAGEMENT PLANNING

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

Risk Management is defined in ISO 31000:2018 as: 'coordinated activities to direct and control with regard to risk'[9].

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

7.1 Critical Assets

Critical assets are defined as those which have a high consequence of failure causing significant loss or reduction of service. Critical assets have been identified and along with their typical failure mode, and the impact on service delivery, are summarised in Table 7.1. Failure modes may include physical failure, collapse or essential service interruption.

Table 7.1 Critical Assets

Critical Asset(s)	Failure Mode	Impact
Sewer Mains	Asset Failure	Impact on treatment
Treatment Plants	Asset Component Failure	Impact on Sewer Treatment services
Pump Stations	Asset Component Failure	Impact on Sewer Treatment services

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

7.2 Risk Assessment

The risk management process used is shown in Figure 7.2 below.

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

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

[9] ISO 31000:2009, p 2

[10] REPLACE with Reference to the Corporate or Infrastructure Risk Management Plan as the footnote

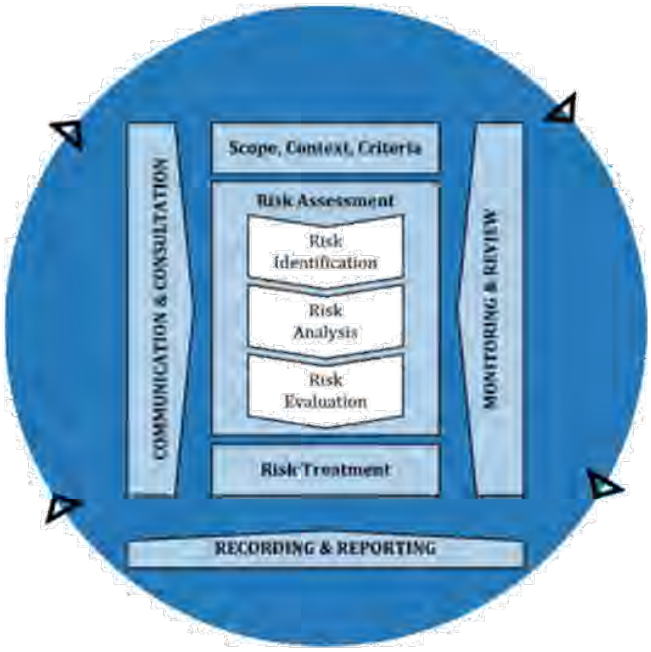


Fig 7.2 Risk Management Process – Abridged
Source: ISO 31000:2018, Figure 1, p9

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

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

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

[11] REPLACE with Reference to the Corporate or Infrastructure Risk Management Plan as the footnote

Table 7.2: Risks and Treatment Plans

Service or Asset at Risk	What can Happen	Risk Rating (VH, H)	Risk Treatment Plan	Residual Risk *	Treatment Costs
All council Sewer assets	Underfunding of its maintenance and renewal. Such deficit/gap forces immediate repairs instead of long term renewal, accelerating asset deterioration.	High	Allocate at least 1% of replacement cost as per Queensland Govt guideline. Prioritise adequate funding for critical assets based on risk assessment and community impact.	Medium	$120,000
All council Sewer assets	Critical shortage of skilled workforce. Within qualified engineers and analysts, it can lead to poor execution of preventive maintenance regime and lack of ability to interpret condition data effectively	High	Invest in structured training for Council staff to improve knowledge on asset management and adopt best practices, Or alternatively rely initially on external contractors for support	Medium	$50,000
All council Sewer assets	Incomplete asset register or inventory and inadequate condition data. This runs the risk of inaccurate lifecycle forecast and budget requests.	High	Undertake condition assessment every 3 to 4 years and capture detailed asset information in the asset register. Implement an affordable AMIS to support monitoring.	Medium	$100,000
Loss of long serving staff with historic knowledge of the organisation, system and community	Loss of knowledge base that is not easily replaced	High	Succession planning Documentation of existing processes, standard operating procedures and knowledge	Low	$ 50,000

Note * The residual risk is the risk remaining after the selected risk treatment plan is implemented.
Please see commentary regarding treatment costs in the next page.

Commentary:

At this stage, aside from the underfunding of asset renewals, the additional costs identified under the Risk Treatment Plan have not been incorporated into the current version of the Asset Management Plan (AMP). However, these costs will be formally raised for consideration at the next Budget Meeting. Should Council accept the proposed treatment measures and associated costs, they will be included in the revised AMP and reflected in the Budget for the following financial year.

This process represents a natural progression as Council advances in its Asset Management Maturity. As we continue to align risk management, asset planning, and financial sustainability, this integration of risk-based budgeting via an iterative process will ensure more informed decision-making and enhance Council's ability to provide consistent levels of service while managing future liabilities effectively.

7.3 Infrastructure Resilience Approach

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

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

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

7.4 Service and Risk Trade-Offs

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

7.4.1 What we cannot do

We currently do not allocate sufficient budget for the planning period to sustain services at the proposed standard including the provision of new assets.

These include:

Maintenance and/or renewal of Council's existing Pump Station Assets

Maintenance and/or renewal of Council's existing Sewer Treatment Plant Assets

Maintenance and/or renewal of Council's existing Sewer Mains Assets

7.4.2 Service trade-off

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

Reduced asset functionality, potentially impacting events, programs, and community services

Increased likelihood of asset failures restricting services

Declining customer satisfaction and reduced community confidence in Council's ability to maintain public infrastructure since they are ratepayers and are expecting a reasonable level of service

7.4.3 Risk trade-off

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

Increased Safety and Compliance Risks – higher occurrence of failure and non-compliance to the governing legislations and regulations

Service Level and Community Risks – deteriorating asset conditions affect asset functionality and failure lowering public satisfaction with Council services

Financial Risks – escalating future maintenance costs as minor issues worsen due to reduced maintenance due to lack of budget.

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

8.0 FINANCIAL SUMMARY

This section contains the financial and valuation forecasts resulting from the information presented in the previous sections of this plan. Forecasts will be improved as the discussion on sustainable levels of service, risk and cost matures in line with the financial strategy.

8.1 Financial Sustainability and Projections

8.1.1 Sustainability of service delivery

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

Asset Renewal Funding Ratio (planned renewal budget for the next 10 years / forecast renewal outlays for the next 10 years identified as warranted in the AM Plan), and

Lifecycle Funding Ratio (planned lifecycle budget for the next 10 years / forecast lifecycle outlays for the next 10 years identified as warranted in the AM Plan).

Asset Renewal Funding Ratio

Asset Renewal Funding Ratio[12] 38.76%

The Asset Renewal Funding Ratio illustrates that over the next 10 years, we expect to have 38.76% of the funds required for the optimal renewal of assets.

The forecast renewal works along with the planned renewal budget, and the cumulative shortfall where one exists, is illustrated in Appendix D.

Lifecycle Funding Ratio – 10-year financial planning period

This AM Plan identifies the forecast operations, maintenance and renewal costs required to provide the levels of service to the community over a 10-year period. This provides input into the 10-year long-term financial plan (LTFP) aimed at providing the required services in a sustainable manner.

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

The forecast operations, maintenance and renewal costs over the 10 year planning period is $512,112 average per year.

The 10-year LTFP is $329,754 on average per year, giving a 10 year funding shortfall of -$182,357 per year. This indicates that 64.39% of the forecast costs needed to provide the services documented in this AM Plan are accommodated in the proposed budget. Note, these calculations exclude depreciation and the acquisition of new and upgrade of existing assets.

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

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

Table 7.1.2 shows the forecast costs (outlays) required for consideration in the 10 year long-term financial plan (LTFP).

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

For the first ten years of the Long-Term Financial Plan (LTFP), the forecast lifecycle costs required to maintain the current levels of service are insufficiently funded. This alignment indicates that immediate adjustments are needed to either the service levels outlined in the Asset Management Plan (AMP) or the financial projections within the LTFP. Currently there is no long term budget for the renewal of Waster Assets. As a result, further engagement is needed with the community or key stakeholders regarding trade-offs between service performance, cost, and risk.

Forecast costs are shown in current year dollar values.

[12] AIFMM, 2015, Version 1.0, Financial Sustainability Indicator 3, Sec 2.6, p 9.

Table 8.1: Forecast Costs (Outlays) for the Long-Term Financial Plan

Year	Acquisition	Operation	Maintenance	Renewal	Disposal
2026	5,000,000	0	277,000	250,202	0
2027	0	0	387,000	299,682	0
2028	0	0	387,000	601,385	0
2029	0	0	387,000	15,624	0
2030	0	0	387,000	61,338	0
2031	0	0	387,000	86,818	0
2032	0	0	387,000	24,500	0
2033	0	0	387,000	0	0
2034	0	0	387,000	16,358	0
2035	0	0	387,000	5,208	0
2036	0	0	387,000	3,584	0
2037	0	0	387,000	217,761	0
2038	0	0	387,000	347,893	0
2039	0	0	387,000	247,777	0
2040	0	0	387,000	0	0
2041	0	0	387,000	86,730	0
2042	0	0	387,000	338,688	0
2043	0	0	387,000	22,400	0
2044	0	0	387,000	0	0
2045	0	0	387,000	15,926	0

8.2 Valuation Forecasts

The best available estimate of the value of assets included in this AM Plan are shown below. The assets are valued at Fair Value principles at cost to replace service capacity, according to Australian Accounting Standards (including AASB13):

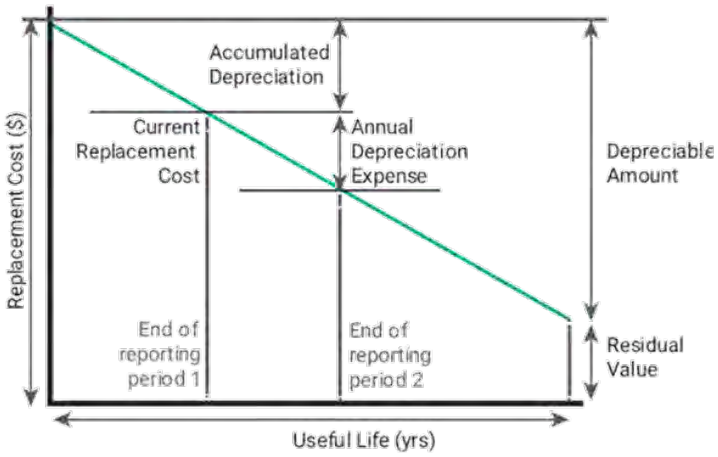


Figure 8.1: Valuation Terminology

Replacement Cost (Gross)	$12,619,027
Depreciable Amount	$12,619,027

Current Replacement Cost[13]	$8,141,418
Annual Depreciation Expense	$179,124

Asset values are forecast to increase as additional assets are expected to be added (although not confirmed at the time of writing this AM Plan) to the service through acquisition funded by external grants.

Acquiring new assets will add to existing operations, maintenance, future renewal, and depreciation expenses.

Commentary:

The total Replacement Cost (Gross) of Council's Sewer Asset portfolio is currently estimated at $12.6 million.

The Current Replacement Cost, which represents the written-down value of the assets after accounting for accumulated depreciation, is $4.5 million. This indicates that a significant portion of the asset base has already consumed a considerable part of its useful life.

The Annual Depreciation Expense is approximately $176 thousand, reflecting the ongoing consumption of asset value in providing services to the community. This figure is a critical input into both the Long-Term Financial Plan (LTFP) and the Asset Management Plan (AMP), ensuring adequate funding is set aside for future renewal needs.

Asset values are expected to rise over time as Council acquires new assets, primarily through successful State and Federal grant applications. These may include proposed developments such as new residential units and community infrastructure (e.g., a museum), which, while beneficial for the community, will inevitably lead to increased operational, maintenance, and renewal obligations in the future. This will also contribute to a gradual rise in depreciation costs, impacting long-term financial sustainability.

It is essential that the financial impacts of these additional assets are fully accounted for in future iterations of the AMP and LTFP. Council must not only prepare for initial acquisition through external funding but also allocate sufficient funding not only for the full lifecycle costs of these assets to avoid future funding shortfalls or service-level compromises.

Furthermore, careful consideration must be given to whole-of-life cost planning and risk assessment, ensuring that new acquisitions do not inadvertently increase long-term liabilities or compromise the ability to sustain core service levels.

[13] Also reported as Written Down Value, Carrying or Net Book Value.

9.0 ASSUMPTIONS AND IMPROVEMENT PLANNING

9.1 Data and Information Sources

9.1.1 Accounting and financial data sources

This AM Plan utilises accounting and financial data sourced from the 2026 Valuation Report for Sewer and Sewer Assets, the Long Term Financial Plan (LTFP) as well as annual budget from recent years.

9.2 Key Assumptions

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

Key assumptions made in this AM Plan are:

Asset valuations performed in 2026 still provide a fairly accurate estimation of the current market or replacement values of all Sewer assets

Assumptions made on the basis of "reasonable endeavour" using professional judgement regarding existing and planned budget expenditures for various activities (acquisition, operations, maintenance, renewals)

Assumptions made on useful lives of selected assets with missing information by deriving from similar subcategories (benchmarking)

Assets requiring renewal are identified from either the Asset Register or an Alternative method.

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

Alternatively, an estimate of renewal lifecycle costs is projected from external condition modelling systems and may be supplemented with, or based on, expert knowledge. When doing so, the forecast remaining useful life in the asset register should be adjusted where necessary.

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

9.3 Forecast Reliability and Confidence

The forecast demands, costs, planned budgets, and valuation projections in this AM Plan are based on the best available data. For effective asset management and financial planning and reporting, it is critical that the information is reliable and up to date. Data confidence is classified on an A to E level scale in accordance with the guidance provided in the International Infrastructure Management Manual. [14]

Table 9.1: Data Confidence Grading System

Confidence Grade	Description
A. Very High	Data based on sound records, procedures, investigations and analysis, documented properly and agreed as the best method of assessment. Dataset is complete and estimated to be accurate ± 2%
B. High	Data based on sound records, procedures, investigations and analysis, documented properly but has minor shortcomings, for example some of the data is old, some documentation is missing and/or reliance is placed on unconfirmed reports or some extrapolation. Dataset is complete and estimated to be accurate ± 10%
C. Medium	Data based on sound records, procedures, investigations and analysis which is incomplete or unsupported, or extrapolated from a limited sample for which grade A or B data are available. Dataset is substantially complete but up to 50% is extrapolated data and accuracy estimated ± 25%

[14] IPWEA, 2015, IIMM, Table 2.4.6, p 2|71.

Confidence Grade	Description
D. Low	Data is based on unconfirmed verbal reports and/or cursory inspections and analysis. Dataset may not be fully complete, and most data is estimated or extrapolated. Accuracy ± 40%
E. Very Low	None or very little data held.

The estimated confidence level for and reliability of data used in this AM Plan is shown in Table 9.2.

Table 9.2: Data Confidence Assessment for Data used in AM Plan

Data	Confidence Assessment	Comment
Demand drivers	Medium (C)	Based on professional judgement and available data sources
Growth projections	High (B)	Based on ABS Census data
Acquisition forecast	High (B)	Based on Council current practice
Operation forecast	Low (D)	Based on 2 years of budgets only
Maintenance forecast	Low (D)	Based on 2 years of budgets only
Renewal forecast - Asset values	High (B)	Based on 2026 valuation report
- Asset useful lives	High (B)	Based on 2026 valuation report
- Condition modelling	Medium (C)	Based on 2026 Condition Assessment which require an update and additional assets for completeness
Disposal forecast	Very High (A)	Based on Council current practice where there is no foreseeable plan to dispose any sewer asset owned by Council

The estimated confidence level for and reliability of data used in this AM Plan is considered to be High.

9.4 Improvement Plan

It is important that we recognise gaps in the planning process that require improvement to ensure effective asset management and informed decision making. The improvement plan generated from this AM Plan is shown in Table 9.3.

Table 9.3: Improvement Plan

Task No.	Task	Responsibility	Resources Required	Timeline
1	Develop 10 year capital works plans for budgetary council approval	Director Infrastructure Services, Counsellors	Staff time	12 months (FY26/27)
2	Develop an inspection program for condition assessing remaining assets from the revaluation	Director, Infrastructure Services	Staff time / specialist consultants	12 months (FY26/27)
3	Update the asset register (e.g. latest condition, missing information such as useful life or year of acquisition), include componentized elements as well as add any unregistered assets	Manager, Finance and Administration	Staff time / specialist consultants	12 months (FY26/27)

Task No.	Task	Responsibility	Resources Required	Timeline
4	Undertake customer satisfaction survey	Director, Community Services	Staff time	12 months (FY26/27)
5	Establish contingency plans for the potential failure of deferred assets, including increased inspection frequency, enhanced routine maintenance, or interim mitigation measures	Director, Infrastructure Services	Staff time	12 months (FY26/27)
6	Develop a prioritisation strategy for unfunded asset renewals	Director, Infrastructure Services	Staff time	12 months (FY26/27)
7	Explore options to increase the renewal budget through external grants or public-private partnerships	Director, Infrastructure Services	Staff time	Ongoing
8	Develop an asset management steering group	Director Infrastructure Services, Counsellors	Staff time	12 months (FY26/27)
9	Implement an affordable AMIS to support monitoring	Manager, IT; Director, Infrastructure Services	Staff time / specialist consultants	24 months (FY27/28)
10	Invest in structured training for Council staff to improve knowledge on asset management and adopt best practices	Manager, Human Resources; Director, Infrastructure Services	Staff time / specialist consultants	24 months (FY27/28)
11	Documentation of existing processes, standard operating procedures and knowledge	Director, Infrastructure Services	Staff time	24 months (FY27/28)
12	Stocktake of critical spares, and emergency contact information for suppliers or critical systems	Director, Infrastructure Services	Staff time	12 months (FY26/27)
13	Succession planning to replace long serving staff who are due for retirement	Manager, Human Resources; Director, Infrastructure Services	Staff time	36 months (FY28/29)

9.5 Monitoring and Review Procedures

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

The AM Plan will be reviewed and updated annually to ensure it represents the current service level, asset values, forecast operations, maintenance, renewals, acquisition and asset disposal costs and planned budgets. These forecast costs and proposed budget are incorporated into the Long-Term Financial Plan or will be incorporated into the Long-Term Financial Plan once completed.

The AM Plan has a maximum life of 4 years and is due for complete revision and updating within the four year cycle of each Council election.

9.6 Performance Measures

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

The degree to which the required forecast costs identified in this AM Plan are incorporated into the long-term financial plan,

The degree to which the 1 to 5-year detailed works programs, budgets, business plans and corporate structures consider the 'global' works program trends provided by the AM Plan,

The degree to which the existing and projected service levels and service consequences, risks and residual risks are incorporated into the Strategic Planning documents and associated plans,

The Asset Renewal Funding Ratio achieving the Organisational target (this target is often 90 – 110%).

10.0 REFERENCES

IPWEA, 'International Infrastructure Management Manual', Institute of Public Works Engineering Australasia, Sydney, https://www.ipwea.org/resourcesnew/bookshop/iimm

IPWEA, 'NAMS+ - A Toolkit for Asset Management Planning', Institute of Public Works Engineering Australasia, Sydney, https://www.ipwea.org/resourcesnew/namsplus

IPWEA, 2024 'International Infrastructure Financial Management Manual', Institute of Public Works Engineering Australasia, Sydney, https://www.ipwea.org/resourcesnew/bookshop/iifmm

IPWEA, 2018, Practice Note 12.1, 'Climate Change Impacts on the Useful Life of Assets', Institute of Public Works Engineering Australasia, Sydney, https://www.ipwea.org/resourcesnew/bookshop/pn12-1

IPWEA, 2012, Practice Note 6 Long-Term Financial Planning, Institute of Public Works Engineering Australasia, Sydney, https://www.ipwea.org/publications/ipweabookshop/practicenotes/pn6

IPWEA, 2014, Practice Note 8 – Levels of Service & Community Engagement, Institute of Public Works Engineering Australasia, Sydney, https://www.ipwea.org/publications/ipweabookshop/practicenotes/pn8

ISO, 2024, ISO 55000:2024 Asset Management – Vocabulary, overview, and principles

ISO, 2018, ISO 31000:2018 Risk management – Guidelines

'Strategic Plan 20XX – 20XX',

'Annual Plan and Budget'.

11.0 APPENDICES

Appendix A Acquisition Forecast

A.1 – Acquisition Forecast Assumptions and Source

Quilpie Shire Council currently has limited plans for the acquiring new Sewer infrastructure assets or undertaking major upgrades to existing facilities. Data has been derived from the capital works budgets.

A.2 – Acquisition Project Summary

The only acquisition project of note is the upgrade to the Sommerfield Road Sewer Mains planned for the 25/26 financial year.

A.3 – Acquisition Forecast Summary

Table A3 - Acquisition Forecast Summary

Year	Constructed (Council)	Donated (State government or developers)	Growth
2026	5,000,000	0	0
2027	0	0	0
2028	0	0	0
2029	0	0	0
2030	0	0	0
2031	0	0	0
2032	0	0	0
2033	0	0	0
2034	0	0	0
2035	0	0	0
2036	0	0	0
2037	0	0	0
2038	0	0	0
2039	0	0	0
2040	0	0	0
2041	0	0	0
2042	0	0	0
2043	0	0	0
2044	0	0	0
2045	0	0	0

Appendix B Operation Forecast

B.1 – Operation Forecast Assumptions and Source

Council's current approach in the forecast assumption is to align forecast operations and maintenance (O&M) costs with the proposed O&M budget, effectively resulting in a flat expenditure trend in real terms over the foreseeable future.

Currently expenditure is not split between operations and maintenance. All operational expenditure has been placed in the maintenance budgets.

A recommended future improvement is to split expenditure between operations and maintenance.

B.2 – Operation Forecast Summary

Table B2 - Operation Forecast Summary

Year	Operation Forecast	Additional Operation Forecast	Total Operation Forecast
2026	0	0	0
2027	0	0	0
2028	0	0	0
2029	0	0	0
2030	0	0	0
2031	0	0	0
2032	0	0	0
2033	0	0	0
2034	0	0	0
2035	0	0	0
2036	0	0	0
2037	0	0	0
2038	0	0	0
2039	0	0	0
2040	0	0	0
2041	0	0	0
2042	0	0	0
2043	0	0	0
2044	0	0	0
2045	0	0	0

Appendix C Maintenance Forecast

C.1 – Maintenance Forecast Assumptions and Source

Council's current approach in the forecast assumption is to align forecast operations and maintenance (O&M) costs with the proposed O&M budget, effectively resulting in a flat expenditure trend in real terms over the foreseeable future.

This strategy is considered low risk at this stage, as only 5.96% of Council's assets are classified as being in Very Poor condition—significantly reducing the likelihood of immediate asset failure and unplanned reactive maintenance.

In terms of source, this assessment requires additional verification as the only data is from the current year budgets.

C.2 – Maintenance Forecast Summary

Table C2 - Maintenance Forecast Summary

Year	Maintenance Forecast	Additional Maintenance Forecast	Total Maintenance Forecast
2026	277,000	110,000	277,000
2027	277,000	0	387,000
2028	277,000	0	387,000
2029	277,000	0	387,000
2030	277,000	0	387,000
2031	277,000	0	387,000
2032	277,000	0	387,000
2033	277,000	0	387,000
2034	277,000	0	387,000
2035	277,000	0	387,000
2036	277,000	0	387,000
2037	277,000	0	387,000
2038	277,000	0	387,000
2039	277,000	0	387,000
2040	277,000	0	387,000
2041	277,000	0	387,000
2042	277,000	0	387,000
2043	277,000	0	387,000
2044	277,000	0	387,000
2045	277,000	0	387,000

Appendix D Renewal Forecast Summary

D.1 – Renewal Forecast Assumptions and Source

The Asset Register Method was used to provide a detailed, asset-level basis for forecasting future renewal costs. Specifically, asset valuations conducted in 2026 remain relevant and robust, providing a fairly accurate estimation of the current market or replacement values of all sewer assets.

Additionally, there is a high level of confidence in the assigned useful lives of most assets in the register. The assets are reasonably well-documented, and their age, condition, and performance history provide a solid basis for lifecycle modelling.

This approach supports the production of a more accurate and defensible long-term financial and asset management plan, enhancing Council's ability to maintain service levels while managing risk and budget constraints effectively.

D.2 – Renewal Project Summary

The project titles included in the lifecycle forecast, with overdue renewals, are included here.

Asset	Remaining useful lives	Renewal due date	Replacement Costs
(Individual assets not identified)			

D.3 – Renewal Forecast Summary

Table D3 - Renewal Forecast Summary

Year	Renewal Forecast	Renewal Budget
2026	250,202	527,541
2027	299,682	0
2028	601,385	0
2029	15,624	0
2030	61,338	0
2031	86,818	0
2032	24,500	0
2033	0	0
2034	16,358	0
2035	5,208	0
2036	3,584	0
2037	217,761	0
2038	347,893	0
2039	247,777	0
2040	0	0
2041	86,730	0
2042	338,688	0
2043	22,400	0
2044	0	0
2045	15,926	0

D.4 – Renewal Plan

Using the Asset Register Method, please find the first ten-year's list of asset records from the 'Forecast Renewal Report' sourced from the NAMS+ Report function.

Asset ID	Asset Description	Date OC	Condition	Useful Life	Remaining Life Years	Current Replacement Value	Renewal Year
SEW-Q-MNS-049	150 VC - GISID 155	30/06/1938	1	60.00	57.00	18,358.00	2026
SEW-Q-SPS01-BLDG	Civil - SPS01 Pump house	28/09/1959	4	40.00	8.00	105,532.00	2026
SEW-Q-MNS-076	150 UPVC - GISID 66	30/06/1938	3	80.00	40.00	9,942.00	2026
SEW-Q-MNS-069	150 UPVC - GISID 68	30/06/1938	3	80.00	40.00	13,662.00	2026
SEW-E-SPS01-PUM1	Mechanical - SPS01 Pump No1	29/06/2006	3	15.00	7.50	8,400.00	2026
SEW-E-SPS01-PUM2	Mechanical - SPS01 Pump No2	29/06/2006	4	15.00	3.00	8,400.00	2026
SEW-Q-SPS02-PUM1	Mechanical - SPS02 Pump No1	29/06/2006	4	15.00	3.00	11,200.00	2026
SEW-Q-SPS01-PUM1	Mechanical - SPS01 Pump No1	29/06/2007	3	15.00	7.50	11,200.00	2026
SEW-Q-SPS01-PUM2	Mechanical - SPS01 Pump No2	29/06/2007	3	15.00	7.50	11,200.00	2026
SEW-Q-SPS02-SWIT	Electrical - SPS02 Switchboard	28/06/2008	5	15.00	0.75	24,761.00	2026
SEW-Q-SPS04-VCHA	Civil - SPS04 Valve Chamber	29/12/1995	1	30.00	28.50	10,150.00	2026
SEW-Q-SPS02-VCHA	Civil - SPS02 Valve Chamber	29/12/1995	4	30.00	6.00	8,997.00	2026
SEW-Q-SPS03-PUM1	Mechanical - SPS03 Pump No1	28/09/2010	2	15.00	11.25	8,400.00	2026
SEW-E-SPS01-TELE	Electrical - SPS01 Telemetry	28/06/2012	3	15.00	7.50	23,559.00	2027
SEW-Q-SPS01-GENS	Mechanical - SPS01 Generator	28/06/2012	3	15.00	7.50	54,165.00	2027
SEW-Q-SPS01-SWIT	Electrical - SPS01 Switchboard	28/06/2012	2	15.00	11.25	44,880.00	2027
SEW-Q-SPS01-TELE	Electrical - SPS01 Telemetry	28/06/2012	3	15.00	7.50	23,559.00	2027
SEW-Q-SPS03-SWIT	Electrical - SPS03 Switchboard	28/06/2012	3	15.00	7.50	24,761.00	2027
SEW-Q-SPS04-SWIT	Electrical - SPS04 Switchboard	28/06/2012	1	15.00	14.25	49,522.00	2027
SEW-E-SPS01-SWIT	Electrical - SPS01 Switchboard	28/06/2012	3	15.00	7.50	79,236.00	2027

Asset ID	Asset Description	Date OC	Condition	Useful Life	Remaining Life Years	Current Replacement Value	Renewal Year
SEW-Q-SPS04-PUM1	Mechanical - SPS04 Pump No1	28/06/2013	1	15.00	14.25	11,200.00	2028
SEW-Q-STP-SWITBD	Electrical - STP Switchboard	28/12/2000	3	28.00	14.00	177,887.00	2028
SEW-Q-STP-EFFPUM	Mechanical - STP Effluent Pump Station	28/06/2008	4	20.00	4.00	9,526.00	2028
SEW-Q-STP-IMHTNK	Civil - STP Imhoff tank	28/06/1968	3	60.00	30.00	181,280.00	2028
SEW-Q-SPS04-PUM2	Mechanical - SPS04 Pump No2	28/06/2013	1	15.00	14.25	11,200.00	2028
SEW-Q-STP-BAFSTR	Civil - STP Baffle Clarifier - Structure	28/06/1968	4	60.00	12.00	210,292.00	2028
SEW-Q-ACC-042	Sewer - Access Chamber - Quilpie	4/08/1949		80.00	3.10	5,208.00	2029
SEW-Q-ACC-031	Sewer - Access Chamber - Quilpie	4/08/1949		80.00	3.10	5,208.00	2029
SEW-Q-ACC-159	Sewer - Access Chamber - Quilpie	4/08/1949		80.00	3.10	5,208.00	2029
SEW-Q-STP-EFFSHE	Buildings - STP Effluent Pump Shed	29/06/1990	4	40.00	8.00	8,568.00	2030
SEW-Q-STP-CRKDIS	Earthworks - STP Discharge chan. to crk	28/06/1960	4	70.00	14.00	44,202.00	2030
SEW-Q-STP-BAFSHD	Civil - STP Baffle Clarifier - Pump shed	29/06/1990	3	40.00	20.00	8,568.00	2030
SEW-Q-SPS01-FENC	Civil - SPS01 Fence	28/12/2006	0	25.00	5.49	25,760.00	2031
SEW-Q-SPS04-TELE	Electrical - SPS04 Telemetry	28/06/2016	2	15.00	11.25	23,559.00	2031
SEW-Q-STP-BAFBRG	Misc - STP Baffle Clarifier - Bridge	28/12/2006	2	25.00	18.75	24,120.00	2031
SEW-Q-SPS04-META	Civil - SPS04 Metalwork	28/06/2001	2	30.00	22.50	13,379.00	2031
SEW-Q-STP-BAFPUM	Mech - STP Baffle Clarifier - Sludge pum	29/03/2012	5	20.00	5.75	24,500.00	2032
SEW-Q-MNS-031	150 UPVC - GISID 151	30/06/1954	5	80.00	4.00	16,358.00	2034
SEW-Q-ACC-015	Sewer - Access Chamber - Quilpie	29/06/1955		80.00	9.00	5,208.00	2035

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Appendix E Disposal Summary

E.1 – Disposal Forecast Assumptions and Source
No asset listed for disposal, at the time of preparing this AMP.

E.2 – Disposal Project Summary
Although no assets are currently listed for disposal, a review of useful lives and condition assessments will be undertaken as part of the Asset Management Improvement Plan. This review may identify assets that are no longer fit-for-purpose or economically viable to retain.

Any such assets will be presented for further discussion at the Executive Management level, with recommendations to be subsequently considered and endorsed by Council. Outcomes of this process will be incorporated into the next iteration of the Asset Management Plan.

E.3 – Disposal Forecast Summary

Table E3 – Disposal Activity Summary

Year	Disposal Forecast	Disposal Budget
2026	0	0
2027	0	0
2028	0	0
2029	0	0
2030	0	0
2031	0	0
2032	0	0
2033	0	0
2034	0	0
2035	0	0
2036	0	0
2037	0	0
2038	0	0
2039	0	0
2040	0	0
2041	0	0
2042	0	0
2043	0	0
2044	0	0
2045	0	0

Appendix F Budget Summary by Lifecycle Activity

In terms of the Planned Budget estimates, the current council practice is as follows:

- Acquisition costs are based on future projects that can be funded by the State or Federal government
- The proposed operations and maintenance (O&M) budget are aligned with the forecast (O&M) costs, through budget amendment, if necessary
- The renewal budget is planned based on the Long-Term Financial Plan.
- There are no plans to dispose any Council asset.

Table F1 – Budget Summary by Lifecycle Activity

Year	Acquisition	Operation	Maintenance	Renewal	Disposal	Total
2026	5,000,000	0	277,000	527,541	0	5,804,541
2027	0	0	277,000	0	0	277,000
2028	0	0	277,000	0	0	277,000
2029	0	0	277,000	0	0	277,000
2030	0	0	277,000	0	0	277,000
2031	0	0	277,000	0	0	277,000
2032	0	0	277,000	0	0	277,000
2033	0	0	277,000	0	0	277,000
2034	0	0	277,000	0	0	277,000
2035	0	0	277,000	0	0	277,000
2036	0	0	277,000	0	0	277,000
2037	0	0	277,000	0	0	277,000
2038	0	0	277,000	0	0	277,000
2039	0	0	277,000	0	0	277,000
2040	0	0	277,000	0	0	277,000
2041	0	0	277,000	0	0	277,000
2042	0	0	277,000	0	0	277,000
2043	0	0	277,000	0	0	277,000
2044	0	0	277,000	0	0	277,000
2045	0	0	277,000	0	0	277,000

6 COMMUNITY AND BUSINESS DEVELOPMENT

6.1 QUILPIE SMALL BUSINESS FRIENDLY COUNCIL ANNUAL REPORT AND 2026/27 SMALL BUSINESS ACTION PLAN ENDORSEMENT

IX: **280194**

Author: **Corey Richards, Deputy Director of Community and Business Development**

Authorisors: **Lisa Hamlyn, Director Community and Business Development**

Eng Lim, Acting Chief Executive Officer

Attachments:
1. **Quilpie Shire Small Business Friendly Council Annual Report 2025/26**
2. **Quilpie Shire Council Small Business Action Plan 2026/27**

KEY OUTCOME

Key Outcome:	5.	Strategic Partnerships
Key Initiative:	5.1	Economic and business development
	5.2	Tourism
	5.3	Industry partnerships (Agriculture and Resources)

EXECUTIVE SUMMARY

This report seeks Council endorsement of the *Quilpie Shire Council Small Business Friendly Program Annual Report 2025/26* and the *Quilpie Shire Council Small Business Action Plan 2026/27*, authorisation for both endorsed documents to be published on Council's website, and authorisation for the Annual Report to be submitted to the Queensland Small Business Commissioner (QSBC). The Annual Report outlines Council's 2025/26 small business support activities, including economic development and destination planning, the proposed Quilpie Shire Business Collective, the Local Business Innovation Fund and grant-writing support. The Action Plan sets out Council's 2026/27 priorities for engagement, capability building, procurement information, monitoring and reporting.

RECOMMENDATION

1. That Council:
   (a) receives and notes the Small Business Friendly Program Annual Report 2025/26.
   (b) endorses the Small Business Friendly Program Annual Report 2025/26 for submission to the Queensland Small Business Commissioner (QSBC).
   (c) endorses the Small Business Action Plan 2026/27 as Council's Small Business Friendly Program action plan.
   (d) authorises both endorsed documents to be published on Council's website and communicated through appropriate Council channels.
   (e) supports implementation of the actions contained within the Small Business Action Plan, subject to available resources and annual budget considerations.

BACKGROUND

Council participates in the Small Business Friendly Program and is required to report annually on activities undertaken to support local businesses. The Small Business Friendly Program Annual Report 2025/26 records Council's progress during the reporting period, including development of the Economic Development Plan and Destination Management Plan, the proposed Quilpie Shire Business Collective, delivery of the Local Business Innovation Fund, and implementation of grant-writing support for commercial businesses and community organisations.

The Small Business Action Plan 2026/27 establishes Council's practical priorities and actions for the next twelve (12) months, including publishing the annual action plan, strengthening engagement through the Business Collective, improving Council's understanding of the local economic environment, promoting local business outcomes, supporting capability development, providing procurement information and monitoring program performance.

Endorsement and publication of both documents will confirm Council's commitment to meeting Small Business Friendly Program membership requirements, provide a clear public framework for supporting local small and family businesses, and enable the Annual Report to be submitted to the Queensland Small Business Commissioner by the required deadline.

OPTIONS

Option 1 (Recommended)

1. That Council:
    (a) receives and notes the Small Business Friendly Program Annual Report 2025/26.
    (b) endorses the Small Business Friendly Program Annual Report 2025/26 for submission to the Queensland Small Business Commissioner (QSBC).
    (c) endorses the Small Business Action Plan 2026/27 as Council's Small Business Friendly Program action plan.
    (d) authorises both endorsed documents to be published on Council's website and communicated through appropriate Council channels.
    (e) supports implementation of the actions contained within the Small Business Action Plan, subject to available resources and annual budget considerations.

Option 2

1. That Council:
    (a) does not endorse the Small Business Friendly Program Annual Report 2025/26 or Small Business Action Plan 2026/27, and does not authorise publication or submission at this time.

CONSULTATION (Internal/External)

Queensland Small Business Commissioner / Small Business Friendly Program

Chief Executive Officer

Councillors

Local businesses and prospective members of the Quilpie Shire Business Collective

Community and Business Development team

Corporate Services, Finance, Procurement and Communications teams

INTERESTED PARTIES

Quilpie Shire Council

Queensland Small Business Commissioner

LEGAL IMPLICATIONS

Nil. Endorsement and publication of the documents supports Council's participation in the Small Business Friendly Program and does not create any additional legal obligation beyond existing governance, privacy, procurement and records management requirements.

POLICY AND LEGISLATION

Local Government Act 2009; *Local Government Regulation 2012*; Council Procurement Policy; Council Enterprise Risk Management Policy and Framework.

FINANCIAL AND RESOURCE IMPLICATIONS

Endorsement and publication of the Annual Report and Action Plan does not create immediate additional financial commitments. Implementation of actions will be managed within existing economic development, communications, procurement, grants support and Local Business Innovation Fund allocations, or considered through future annual budget processes where additional resources are required.

RISK MANAGEMENT IMPLICATIONS

Risks are managed in accordance with Council's Enterprise Risk Management Policy (G.11) and Framework (G.11-A). The principal risks are implementation capacity, stakeholder expectations and maintaining clear communication with small businesses regarding Council, State and Federal responsibilities.

Table 1 Risk register

Risk Name & Description *What could happen and why?*	**Current Controls** *Are there current controls for the risk*	**Impacts** *Impact if the risk eventuates*	**Risk Assessment**			**Risk Treatment** *Depending on risk rating - implement additional controls / mitigation strategy (to reduce risk rating)*
			Likelihood	**Consequence**	**Risk Rating**	
			Risk calculator provided for measures			
Limited capacity to implement Action Plan actions within a small remote council context	Quarterly action register, executive oversight and prioritisation through annual planning and budget processes	Delayed delivery of engagement, capability building or reporting actions	Possible	Moderate	Medium	Prioritise practical actions, use existing resources where possible and report progress quarterly
Stakeholder expectations that all Action Plan actions will be delivered immediately	Clear Council resolution, published Action Plan and communication of resource and timing parameters	Reputational risk if expectations are not managed or progress is not communicated	Possible	Moderate	Medium	Provide regular updates to Council, businesses and the Queensland Small Business Commissioner as appropriate
Publication or reporting information becomes outdated during implementation	Quarterly review cycle and annual reporting requirement	Reduced transparency or inaccurate public information about Council's small business support activities	Unlikely	Minor	Low	Maintain current website copies, update progress through quarterly reporting and prepare the next annual report by September 2027

Risk evaluation and conclusion

The primary risks associated with endorsement and publication of the Annual Report and Action Plan relate to implementation capacity, stakeholder expectations and maintaining accurate public reporting.

These risks are mitigated through prioritisation of actions, quarterly monitoring, clear communication with businesses, and use of existing Council governance and budget processes.

Overall, the risks are considered manageable and acceptable. Endorsement and publication will strengthen transparency, support continued participation in the Small Business Friendly Program and provide a practical framework for local business support.

HUMAN RIGHTS CONSIDERATION

Council has considered its obligations under the *Human Rights Act 2019* (Qld). In accordance with section 58 of the Act, Council must act compatibly with human rights and give proper consideration to relevant human rights in decision-making.

Endorsement and publication of the Annual Report and Action Plan relate to Council's strategic support for local small and family businesses, economic participation, access to information and community development. The documents do not introduce any measures that limit recognised human rights and are intended to improve transparency and access to Council support initiatives.

Endorsement and publication are considered to have a positive or neutral impact on human rights, including:

- Supporting access to business information, engagement opportunities and Council support programs
- Enhancing economic participation and local enterprise development
- Improving transparency in Council's support for the small business community

Accordingly, the proposed decision is compatible with human rights and does not give rise to any identified limitations.

Small Business Friendly Program Annual Report 2025 - 26

Member information

Details	
Organisation name:	Quilpie Shire Council
Main address:	50 Brolga Street, PO Box 57, Quilpie QLD 4480
Main email:	admin@quilpie.qld.gov.au
Main phone:	(07) 4656 0500
Main website URL:	https://quilpie.qld.gov.au/
ABN:	53 680 434 639

Authorised representatives

The nominated staff members will take on the responsibility for Small Business Friendly (SBF) activities, which includes participation in SBF meetings. They will be the primary contact for receiving program details, updates, and inquiries.

Authorised SBF representative details	
Full name:	Corey Richards
Position:	Deputy Director Community & Business Development
Email:	coreyr@quilpie.qld.gov.au
Mobile:	0439870008
SBF Proxy details	
Full name:	Justin Hancock
Position:	Chief Executive Officer
Email:	ceo@quilpie.qld.gov.au
Mobile:	0448 816 827

Report information

Details			
Report date:	24 September 2026		
Prepared by:	Corey Richards, Deputy Director Community & Business Development		
Stakeholders consulted:	Yes ☒	No ☐	
Report published:	Yes ☐	No ☒	No - pending Council endorsement
Report URL (if online):	Not yet published - pending Council endorsement will be published on Council website.		

Commitment performance

Celebrate achievements

What were the three most significant initiatives or achievements your council delivered this year to support small business? Where possible, include the outcomes or measurable impacts (for example, number of businesses supported, attendance, investment, or customer feedback).

Council's most significant contributions to small business support during the reporting period included continued economic development and tourism promotion through the development of Quilpie Shire's Economic Development and Destination Management Plans with significant SME engagement through design and inform stages. Both plans will be completed and adopted in 2026-2027 FY.

One of the focus areas for Quilpie Shire Businesses is reinvigoration of a business led group i.e. Chamber of Commerce. As a result, council has facilitated business one business engagement session and proposed Tems of Reference (TOR) for the Quilpie Shire Business Collective. Pending endorsement from the business community and adoption from Quilpie Shire Council in 2026-2027 Fy, funds and activity outcomes will be identified direct engagement with local businesses through community and business communications.

Council has also launched a funding initiative with eligibility for profit SMEs in Quilpie Shire. This program is the Local Business Innovation Fund (LBIF) which received eleven applications in round one. The fund is a 50% of the costs and has the strategic prioritisation under three funding priorities:

1. Shop front refurbishment;
2. Business accessibility; and
3. Technological advancements

The funding pool allocated $100,000 in contributing funding. To date, the program has leveraged an approved amount of $180,000 from private investment into the local business community in Quilpie Shire.

Additional SBF initiatives include Quilpie Shire engaging a retainer Grant Writing Support program for commercial businesses and Community Not for Profits in the community. This initiative has been launched to encourage external funding in the community and support development and coaching of grant writing skills in the business community. Grants have to have a value of over $30,000 to be eligible for grant writing support.

Challenges and barriers

What were the biggest challenges your council faced in supporting small business this year? Were there any barriers you were unable to overcome?

Key challenges included the small and dispersed nature of the local business base, distance from major service centres, workforce and housing pressures, digital connectivity and the administrative capacity required for small businesses to engage with government programs, procurement opportunities and grant processes. Some barriers, particularly freight costs, workforce shortages and broader market conditions, sit partly outside Council's direct control.

Council also finds challenges in engagement with small businesses in the shire, as the organisations have such lean resourcing, commitment and opportunity to work on their businesses is not always at the forefront of business operations and development in our community. Education around the importance of continual improvement and efficiencies optimisation is a challenge and something that is high priority on Quilpie Shire's small business action plan.

What do you think local small businesses would say are their biggest challenges in working with your council and in working with broader government (state and federal)?

Local small businesses may identify time, resourcing and compliance requirements as key challenges when working with Council and broader government. Clear communication, simple procurement pathways, accessible grant information, timely payment processes and practical business support are likely to remain important priorities.

Additionally, maintaining informed on changes and understanding where business responsibility finishes in local/state government engagement begins. Delineation of powers and duties is a challenge we observe in our community.

What additional support from the Small Business Friendly Program or QSBC could help your council overcome these challenges?

Additional support from the Small Business Friendly Program or QSBC could include tailored guidance for remote and rural councils, practical procurement and red-tape reduction examples, regional peer learning, templates for small business action planning and support to measure outcomes in small communities where formal data can be limited.

Procurement

Do you have a Procurement and/or Local Buy Policy?

Do you have a Small Business and/or Local Buy procurement target?

What percentage of procurement was awarded to Queensland small businesses in your council region?

All businesses operating in the shire are classified as Quilpie Shire (QS) and given every business is important to our community and local economy this is defined by weather a business is operated in our area, and does not have . Although Council does not have a Local Buy Policy it does have a Procurement Policy and an expenditure by area framework, whereby expenditure is monitored and reported monthly and annually.

Quilpie Shire doesn't have targets for small business or local buy, but instead we report local spend. Given Quilpie Shire's location, it is natural that some portion of our expenditure may be outside our shire.

Below is the breakdown of Quilpie Shire's expenditure by area in the 2025/26 Financial Year.

Expenditure By Area

Area	2025/26 YTD Total	%
Quilpie Shire	40,026,103	60.8%
South-West Queensland	1,297,818	2.0%
South-West Surrounds	468,570	0.7%
Queensland	16,225,491	24.6%
Australia	7,807,236	11.9%
International	1,085	0.00%
	$ 65,826,305	**100.0%**

Feedback

As a result of your council's participation in the Small Business Friendly Program this year, which of the following outcomes has your council experienced? (Select all that apply)

- ☒ Introduced a new initiative supporting small business
- ☒ Improved engagement with local businesses
- ☐ Improved engagement with other councils or levels of government
- ☐ Changed a policy or process that benefits small businesses
- ☐ Reduced red tape
- ☐ Improved procurement opportunities
- ☒ Developed new partnerships
- ☒ Increased executive awareness or support for small business
- ☐ Other / additional comments - provide data if applicable

Program Evaluation

We'd appreciate your feedback on your experience with the Small Business Friendly Program. Your responses will help us improve the support and services we provide to members.

Feedback	Rating				
	Very Low	Low	Moderate	High	Very High
How would you rate the overall value your council has received from participating in the Small Business Friendly Program? *Consider the support provided to small business, networking opportunities, policy improvements, and community impact.*	☐	☐	☐	☒	☐
	Very Dissatisfied	Dissatisfied	Neutral	Satisfied	Very Satisfied
How satisfied are you with the delivery of the Small Business Friendly Program?	☐	☐	☐	☒	☐
What improvements or additions would you like to see in the Small Business Friendly Program? (Free text field)	More remote-area examples, simple reporting templates, practical procurement guidance and opportunities to share lessons with other rural and outback councils would strengthen the program.				

Membership requirements

Requirements		Status			
1.	Authorised representative and proxy appointed.	Yes ☒	No ☐		
2.	Small Business Action Plan (or equivalent) implemented.	Yes ☒	No ☐	Review Date:	August 2027
3.	Participated in at least four SBF Program activities in the previous FY. E.g. Roundtable meetings, conference.	0 ☐	1-2 ☐	3-4 ☒	>4 ☐

Please complete the annual report template by 30 September 2026 and return to commissioner@qsbc.qld.gov.au

Small Business Action Plan 2026-27

Our small business community (Challenges and opportunities)	Our Small Business Friendly Commitment (Strategic priorities)	How will we get buy-in? (Engagement approach)
Challenges • Small and dispersed business base with limited time, administrative capacity and ability to work on the business rather than in the business. • Distance from major service centres, freight costs, workforce shortages, housing pressures and broader market conditions. • Digital connectivity and capability barriers affecting productivity, access to programs and business engagement. • Need for clearer communication about Council, State and Federal responsibilities, procurement pathways and grant requirements. **Opportunities** • Complete and adopt the Economic Development Plan and Destination Management Plan. • Establish the Quilpie Shire Business Collective as a practical business-led engagement forum. • Build on the Local Business Innovation Fund, which attracted 11 applications and has leveraged approved private investment. • Use grant writing support to increase external investment and build local capability for applications above $30,000.	Quilpie Shire Council will bring people together to enhance the operating environment and help small and family businesses thrive by: • Uplifting business capability through grant support, workshops, information, coaching and practical referrals. • Fostering a coordinated local business ecosystem through the Quilpie Shire Business Collective. • Promoting local business, tourism and destination development outcomes through adopted strategic plans. • Enabling small business development through the Local Business Innovation Fund, procurement information and red-tape reduction opportunities. • Working with QSBC, State agencies, local businesses and community partners to measure outcomes in a small remote community context.	• Seek Council endorsement and align the plan with Economic Development and Destination Management Plan implementation. • Use the Business Collective Terms of Reference to clarify purpose, membership, meeting regularity and shared priorities. • Communicate through Council channels, direct business emails, local media, community updates and targeted engagement sessions. • Promote early wins including LBIF outcomes, grant writing support and practical business improvements. • Report simple progress measures quarterly to maintain executive, councillor and business confidence.

What are our objectives? (Deliverables)	What will we do? (Actions)	Who is involved? (Lead and partners)	When will it be done? (Timeline)	How will we measure success? (Key performance indicators)
1. 4.1 Create and publish an annual Small Business Action Plan.	• Develop annual Small Business Action Plan; track and report progress; integrate reporting frameworks.	• D. Director Community and Business Development; CEO; Council; QSBC.	• Q1 2026–27.	• Plan endorsed, published, communicated and reviewed quarterly.
2. 2.1 Actively communicate and engage with small businesses.	• Support or establish a Chamber of Commerce style Business Collective; host business roundtables; conduct face-to-face outreach visits.	• D. Director Community and Business Development; local businesses; Councillors; QSBC.	• Q1–Q2 2026–27.	• TOR endorsed; minimum three meetings or engagement activities held; attendance, feedback and actions recorded.
3. 4.2 Develop our understanding of the economic environment.	• Collect and validate economic data; analyse sector and market indicators; use business engagement insights to finalise plans.	• D. Director Community and Business Development; consultants; local businesses; tourism operators.	• Q1–Q3 2026–27.	• Economic Development Plan and Destination Management Plan adopted; SME priorities and evidence base documented.
4. 3.1 Promote opportunities and raise the profile of small businesses.	• Deliver shopfront, accessibility and technology outcomes through LBIF; share successful case studies and promote local business stories.	• D. Director Community and Business Development, Council; funded SMEs; Corporate.	• All year; round reporting by Q4.	• Projects completed; private investment leveraged; local business outcomes promoted.
5. 1.1 Provide support and guidance to improve capabilities.	• Provide grant writing support; promote grants supporting small business planning; offer guidance and coaching for eligible applications.	• D. Director Community and Business Development Council; consultant grant writers; businesses; community organisations.	• All year.	• Enquiries, applications supported, submissions lodged and successful grants tracked.
6. 4.3 Champion small business investment and procurement.	• Develop supplier guidance; host Doing Business with Council information; confirm feasible local small business procurement reporting.	• D. Director Community and Business Development; Procurement; QSBC.	• Q2–Q4 2026–27.	• Supplier guidance issued; at least one procurement engagement activity delivered; procurement data baseline established where available.
7. 5.3 Monitor and report on our performance.	• Define KPIs; track key performance metrics; communicate progress to Council, QSBC and the business community.	• D. Director Community and Business Development; Executive; QSBC; internal teams.	• Quarterly and end-of-year.	• Quarterly action register maintained; 2026–27 annual report evidence ready by September 2027.

What do we have / need? (Resources)	How will we check progress? (Monitoring and review)	Our capability assessments? (Strengths and weaknesses)
• Human resources: Community and Business Development lead, procurement input, communications support, finance/grants support and executive oversight.	• Maintain a quarterly action register with status, issues, measures and next steps.	• Strengths: executive awareness, Council relationships, current planning projects, LBIF momentum and grant writing support.

Small Business Action Plan 2026-27

- Budget: Existing economic development, LBIF and grant writing support allocations; additional activity costs to be confirmed through annual budget processes.
- External support: QSBC templates, other council examples, State agency referrals and business participation.
- Provide quarterly updates to Executive team and Councillors and share progress updates with businesses.
- Use Business Collective feedback to adjust priorities during the year.
- Prepare an evidence-based annual SBF report for 2026–27.
- Weaknesses: limited staff capacity, limited data on local procurement and business outcomes, and difficulty engaging time-poor SMEs.
- Capability focus: simple measurement, practical communication, procurement guidance and targeted engagement.

6.2 2026 BUY LOCAL CAMPAIGN

IX: **280235**

Author: **Corey Richards, Deputy Director of Community and Business Development**

Authorisors: **Lisa Hamlyn, Director Community and Business Development**

Eng Lim, Acting Chief Executive Officer

Attachments: **Nil**

KEY OUTCOME

Key Outcome:	5.	Strategic Partnerships
Key Initiative:	5.1	Economic and business development
	5.3	Industry partnerships (Agriculture and Resources)

EXECUTIVE SUMMARY

Money spent in Quilpie Shire businesses this Christmas supports local jobs and helps keep those businesses viable. The 2026 Quilpie Buy Local Campaign rewards residents and visitors who shop locally, with $5,000.00 in Shop Local gift cards to win. Officers seek Council's endorsement of the campaign and approval of the prize pool.

The campaign will run from Monday 2 November 2026 to Wednesday 9 December 2026. Shoppers who spend $20.00 or more in a single transaction at a participating business can enter a draw for 20 gift cards, which winners can spend only at participating Shire businesses.

Council will fund the prize pool from the 2026–27 Economic Development budget. GST does not apply to the purchase of face-value gift cards, the cost is $5,000.00 both inclusive and exclusive of GST.

RECOMMENDATION

1. That Council:
   (a) endorse the 2026 Quilpie Buy Local Campaign, to run from Monday 2 November 2026 to Wednesday 9 December 2026 as set out in this report;
   (b) approve a prize pool of $5,000.00 (GST does not apply) in Shop Local gift cards, funded from the 2026–27 Economic Development budget; and
   (c) under section 257 of the *Local Government Act 2009* (Qld), delegate authority to the Chief Executive Officer to finalise and publish the campaign terms and conditions, conduct the prize draw, and make minor operational changes to the campaign that do not increase the prize pool.

BACKGROUND

Council runs the Quilpie Buy Local Campaign to encourage residents and visitors to spend with local businesses before Christmas. Local spending supports business sustainability, local jobs and the economic resilience of the Shire.

Council endorsed the 2025 campaign at its Ordinary Meeting on 28 October 2025 [QSC232-10-25]. The 2025 campaign ran from Monday 3 November 2025 to Wednesday 10 December 2025.

The 2026 campaign keeps the 2025 prize pool and entry model. It adds written terms and conditions, a witnessed random draw, a privacy collection notice and an early gift card order.

REPORT

Campaign timeline

Table 1 Campaign timeline, 2026 Quilpie Buy Local Campaign

Milestone	Date
Order Shop Local gift cards	By Friday 16 October 2026
Invite all Quilpie Shire businesses to participate	October 2026
Campaign opens	Monday 2 November 2026
Campaign closes	Wednesday 9 December 2026, 11:59 PM
Prize draw and winner notification	Friday 11 December 2026

Prizes

The prize pool consists of 20 Shop Local gift cards with a total value of $5,000.00.

Table 2 Prize pool, Quilpie Buy Local Campaign

Prize	Number	Value each	Total value
Shop Local gift card	6	$500.00	$3,000.00
Shop Local gift card	6	$200.00	$1,200.00
Shop Local gift card	8	$100.00	$800.00
Total	**20**		**$5,000.00**

Eligibility and conditions of entry

Entry is free and open to residents of, and visitors to, the Quilpie Shire. To enter, a person must:

- spend $20.00 or more in a single transaction at a participating business during the campaign period
- write their first name, last name and a phone number or email address on the receipt
- lodge the receipt in an entry box at a participating business, Council's Administration Office or the Visitor Information Centre, or upload a photo of the receipt through Council's website.

Officers will reject entries with details that are unreadable or incomplete. The terms and conditions will also:

- exclude councillors, Council employees who administer the campaign, and their immediate family members
- require entrants under 18 years of age to have the consent of a parent or guardian
- limit each entrant to one prize
- explain how officers will conduct the draw, notify winners and deal with unclaimed prizes.

Shop Local gift cards:

- are valid only at participating Quilpie Shire businesses
- must be used by the expiry date shown on the card
- must be presented at the time of purchase
- cannot be exchanged for cash
- do not give change or credit for any unused value.

Participating businesses

Officers will invite every business operating in the Quilpie Shire to take part at no cost. An open invitation gives all local businesses equal access to the campaign.

Prize draw and winner notification

An officer will draw the winning entries at random from all valid entries. An independent witness with no role in the campaign will attend the draw.

The officer will record the date, time, place, method, people present and winning entries. Officers will notify winners by phone or email within two business days of the draw.

Council will publish the first name and town of each winner only where the winner consents.

OPTIONS

Option 1 (recommended)

1. That Council:
    (a) endorse the 2026 Quilpie Buy Local Campaign, to run from Monday 2 November 2026 to Wednesday 9 December 2026 as set out in this report;
    (b) approve a prize pool of $5,000.00 (GST does not apply) in Shop Local gift cards, funded from the 2026–27 Economic Development budget; and
    (c) under section 257 of the *Local Government Act 2009* (Qld), delegate authority to the Chief Executive Officer to finalise and publish the campaign terms and conditions, conduct the prize draw, and make minor operational changes to the campaign that do not increase the prize pool.

Option 2

1. That Council:
    (a) endorse the campaign with a different prize pool or campaign period. Council would need to state the changed amount or dates in its resolution.

Option 3

1. That Council:
    (a) does not proceed with the 2026 Quilpie Buy Local Campaign and allocated funds would remain in the Economic Development budget.

CONSULTATION (Internal/External)

- Quilpie Shire businesses
- relevant Quilpie Shire Council officers.

INTERESTED PARTIES

- Quilpie Shire businesses
- Residents of, and visitors to, the Quilpie Shire

- Shop Local gift card provider -Why Leave Town
- Quilpie Shire Council

Note: The identification of interested parties is provided on a best endeavours basis by Council Officers and may not be exhaustive.

LEGISLATION / LEGAL IMPLICATIONS

Local Government Act 2009 (Qld)

Section 4(2)(a) and (c) require transparent and effective processes, decision-making in the public interest, social inclusion and meaningful community engagement. Council meets these principles by deciding the campaign in an open meeting. The campaign is open to all residents and visitors, and every Shire business may take part. Council will also publish the terms and conditions.

Section 257 allows Council to delegate a power to the Chief Executive Officer by resolution. Recommendation (c) delegates a defined and limited authority by resolution. The delegation does not allow the Chief Executive Officer to increase the prize pool.

Chapter 5B sets out how councillors must deal with a material personal interest or conflict of interest. The chapter commenced on 1 July 2026. A councillor who owns, operates or is associated with a business that may participate must consider whether they have an interest. They must deal with any interest under Chapter 5B before Council considers this item.

Charitable and Non-Profit Gaming Act 1999 (Qld)

Section 13 defines a promotional game as a game conducted to promote goods or services. Section 17 provides that a promotional game is a category 4 game, and section 21 allows any person to conduct a category 4 game. The campaign promotes the goods and services of Shire businesses, so it is a category 4 game. Council needs no permit or licence to conduct it.

Section 73 requires the person conducting a game to comply with the general gaming rules. Section 95 requires them to give prizes to winners in the prescribed way, including unclaimed prizes. Before launch, officers will check the terms and conditions against the current rules and the Office of Liquor and Gaming Regulation's guide to category 4 promotional games. The terms and conditions will set out the draw, how officers notify winners and how they deal with unclaimed prizes.

Information Privacy Act 2009 (Qld)

The Queensland Privacy Principles have applied to Council since 1 July 2025. They allow Council to collect only the personal information it reasonably needs for its functions. Council must tell people about the collection when it collects the information and must protect the information. The mandatory notification of data breach scheme has applied to local governments since 1 July 2026.

Council meets these obligations by collecting only each entrant's name and one contact detail. A collection notice will appear on the website form, entry boxes and posters. Officers will secure and regularly collect the entry boxes and restrict access to entries.

Public Records Act 2023 (Qld)

This Act requires Council to make and keep proper records of its activities. Officers will register the terms and conditions, the draw record and winner notifications in Council's records system. They will dispose of entries under the approved retention schedule.

Local Government Regulation 2012 (Qld)

Chapter 6 treats a contract worth $21,000 or more (exclusive of GST) as a medium-sized contractual arrangement, which carries quotation requirements. This threshold has applied since 12 December 2025. The $5,000.00 gift card purchase falls below it, so officers will purchase the cards under Council's Procurement Policy.

POLICY IMPLICATIONS

The campaign engages the following Council policies and plans:

- **Procurement Policy:** officers will purchase the gift cards under this policy.
- **G.11 Enterprise Risk Management Policy and G.11-A Risk Management Framework:** officers assessed the campaign risks under these documents.
- **Corporate Plan 2026–2031:** the campaign delivers Strategic Priority 5, service 5.1 Economic and business development.

FINANCIAL AND RESOURCE IMPLICATIONS

Table 3 Campaign costs, 2026-27

Item	Exclusive of GST	GST	Inclusive of GST
Shop Local gift card	$5,000.00	$00.00	$5,000.00
Card issue or administration fees			

Campaign will be funded through Job Cost: 0340-0030-0070 (Buy Local Campaign) under the Economic Development Budget.

ASSET MANAGEMENT IMPLICATIONS

Nil. The campaign does not create, acquire, renew or dispose of any Council asset.

RISK MANAGEMENT IMPLICATIONS

Council will manage risks in accordance with G.11 Enterprise risk management policy and G.11-A Risk Management Framework.

Table 4 Risk register

Risk Name & Description	Current Controls	Impacts	Risk Assessment			Risk Treatment
			Likelihood	Consequence	Risk Rating	
Gift cards arrive late, as occurred in 2024	Supplier known from 2025	Late launch or postponement	C Possible	2 Minor	Medium	Order cards by the date in Table 1 and confirm delivery before launch. Residual: D2, Low.
Low participation by residents or businesses	Engagement with businesses in October	Fewer entries and reduced local spending	D Unlikely	2 Minor	Low	Invite every business early and promote the campaign widely. Residual: D2, Low.
Loss or misuse of entrants' personal information	Collection limited to name and one contact	Harm to entrants, a notifiable data breach and damage to Council's reputation	D Unlikely	3 Moderate	Medium	Publish a collection notice, secure and regularly collect entry boxes, restrict access and dispose of entries under the retention schedule. Residual: E3, Medium.
Perceived unfairness in the draw or eligibility	Written terms and conditions	Complaints and damage to Council's reputation	D Unlikely	2 Minor	Low	Exclude councillors and campaign staff, use a witnessed random draw and keep a draw record. Residual: E2, Low.
Terms and conditions do not meet the general gaming rules	Terms and conditions reviewed in 2025	Invalid draw and exposure to a penalty under s 73	D Unlikely	2 Minor	Low	Check the terms and conditions against the current rules before launch. Residual: E2, Low.
Winners do not redeem cards before expiry	Expiry date printed on card	Reduced benefit to local businesses	C Possible	1 Insignificant	Low	Deliver prizes promptly and remind winners of the expiry date. Residual: D1, Low.

Risk Evaluation and Conclusion

The established Shop Local cards and simple entry process limit the campaign's financial and operational risks. Written terms and conditions, a witnessed draw and a collection notice address the fairness and privacy risks.

Officers assess the overall residual risk as **Low**. The handling of entrants' personal information remains a **Medium** residual risk, which the treatments in Table 7 manage.

HUMAN RIGHTS CONSIDERATION

Section 58(1) of the *Human Rights Act 2019* (Qld) makes it unlawful for a public entity to act or make a decision in a way that is not compatible with human rights. It is also unlawful, in making a decision, to fail to give proper consideration to a human right relevant to the decision.

Council identified the rights this decision engages and considered each one below.

Recognition and equality before the law (section 15)

This right protects every person's enjoyment of human rights without discrimination. The campaign is open to all residents and visitors. Eligibility depends on a qualifying purchase, not a personal attribute.

The parental consent requirement treats entrants under 18 years of age differently because of their age. This limits the right, so Council applied section 13. The requirement protects minors and supports lawful collection of their personal information. It does not stop minors from entering and excluding them altogether would be more restrictive. Council considers the limit reasonable and demonstrably justified.

Privacy and reputation (section 25)

This right protects a person's privacy from unlawful or arbitrary interference. The campaign collects entrants' names and contact details and may publish winners' names.

Council collects only the information the draw needs, gives a collection notice, secures the entries and publishes a winner's name only with consent. Council handles the information under the *Information Privacy Act 2009* (Qld), so any interference is lawful and not arbitrary. The decision is compatible with this right.

Compatibility assessment

Council's decision is compatible with human rights. The decision engages sections 15 and 25. It limits section 15 only through the parental consent requirement, which is reasonable and demonstrably justified under section 13. The decision does not engage any other human right.

7 CORPORATE SERVICES

7.1 AUDIT COMMITTEE REPORT

IX: **280210**

Author: **Sharon Frank, Director Corporate Services**

Authorisors: **Eng Lim, Acting Chief Executive Officer**

Attachments: **Nil**

KEY OUTCOME

Key Outcome:	9.	Finances and Resources
Key Initiative:	9.1	Audit, audit committee and risk management

EXECUTIVE SUMMARY

The purpose of this report is for the Chief Executive Officer to present a report of the Audit Committee Meetings held on 3 February 2026 and 9 June 2026, on the matters reviewed at the meeting and the committee's recommendations about the matters, in accordance with section 211(4) of the *Local Government Regulation 2012*.

RECOMMENDATION

That Council receive and note the report and recommendations from the Audit Committee Meeting held on 3 February 2026 and 9 June 2026.

BACKGROUND

Council has established an Audit Committee in accordance with section 105 of the *Local Government Act 2009*.

As a committee of Council, the Audit Committee is independent of management and does not have any executive powers, delegated responsibility or authority to implement action. The Audit Committee has authority to review and make recommendations to Council on any matters within its scope of responsibility. In doing so the Audit Committee has the authority to seek information it requires and has full right of access to all levels of management through the Chief Executive Officer.

The main purpose of the Committee is to provide an oversight function to Council in the effective performance of its responsibilities related to draft financial statements, internal audit and risk management as prescribed under the *Local Government Act 2009*, the *Local Government Regulation 2012* and other relevant legislation, standards and requirements. That Council receive and note the report and recommendations from the Audit Committee Meeting held on 3 February 2026 and 9 June 2026.

REPORT

Written report and recommendations from the Audit Committee Meeting held 3 February 2026 (*Local Government Regulation 2012* - Section 211 (1)(c))

The Audit Committee considered the following agenda items:

- Previous minutes - Audit Committee Meeting of Quilpie Shire Council held on Tuesday 7 October 2025
- Annual Internal Audit Plan 2026
- External Audit Plan 2026
- Key Dates and Meeting Schedule for 2026
- Audit Committee Charter

The recommendations from the meeting were as follows:

1. That the Minutes of the Audit Committee Meeting held on 7 October 2025 be received and the recommendations therein be adopted.
2. That the Audit Committee recommend to Council that the 2026 meeting dates be set as follows:
    a) 8.30am Tuesday 9 June 2026; and
    b) 8.30am Tuesday 8 September 2026.

    That the Audit Committee recommend to Council that the *F.01A Audit Committee Charter* be amended to provide for the appointment of a Deputy Chair and other minor amendments.

4. That the Audit Committee receive and note the Annual Internal Audit Plan for 2026 and request the inclusion of additional risk management information.

External auditors advised that the external audit plan is in the final stages of development. A draft will be discussed with Quilpie Shire Council staff in the coming weeks. The interim audit is scheduled for April, the final audit for August, and the financial statements are expected to be ready for adoption in September. The Audit Committee will consider the external audit plan at the next Audit Committee meeting.

Written report and recommendations from the Audit Committee Meeting held 9 June 2026 (*Local Government Regulation 2012* - Section 211 (1)(c))

- Previous minutes - Audit Committee Meeting of Quilpie Shire Council held on Tuesday 3 February 2026
- Recommendation to CEO – Appointment of Audit Committee Deputy Chair
- External Audit Plan 2026
- Queensland Audit Office – Report to Parliament – Local Government 2025
- Queensland Audit Office – Briefing Paper – 2025
- Draft Financial Delegations Framework
- Draft Corporate Plan 2026-2031
- Proforma Financial Statements 2026
- Comprehensive Asset Valuation: Water and Sewerage Infrastructure

The recommendations from the meeting were as follows:

1. That the Minutes of the Audit Committee Meeting held on Tuesday, 3 February 2026 be received and the recommendations therein be adopted.
2. That the Audit Committee appoint Mr Ian Stacey as Deputy Chairperson, subject to ratification by Council at the Ordinary Meeting of Council on 16 June 2026.

3. That the Audit Committee receive and note the 2026 External Audit Plan from Queensland Audit Office and RSM Australia.
4. That the Audit Committee receive and note the presentation on the Queensland Audit Office Report to Parliament – Local Government 2025.
5. That the Audit Committee receive and note the Queensland Audit Office Briefing Paper for June 2026.
6. That the Audit Committee receive and note the draft Financial Delegations Framework and new internal controls for purchasing and procurement activities.
7. That the Audit Committee receive and note the draft Corporate Plan 2026-2031.
8. That the Audit Committee receive and note the Proforma Financial Statements for 2026.
9. That the Audit Committee receive and note the draft comprehensive asset valuation report for Water and Sewerage Infrastructure. The final report will be circulated to the audit committee and shared with the external auditors.

OPTIONS

Option 1 (Recommended)

That Council receive and note the report and recommendations from the Audit Committee Meeting held on 3 February 2026 and 9 June 2026.

Option 2

That Council not receive and note the report and recommendations from the Audit Committee Meeting held on 3 February 2026 and 9 June 2026.

CONSULTATION (Internal/External)

N/a

INTERESTED PARTIES

Audit Committee / members

Queensland Audit Office

RSM Australia – External (Contract) Auditors

O'Connor Marsden – Internal Auditors

Note: The identification of interested parties is provided on a best endeavours basis by Council Officers and may not be exhaustive

LEGISLATION / LEGAL IMPLICATIONS

The *Local Government Regulation 2012* outlines specific responsibilities of Council's Audit Committee, as follows:

Local Government Regulation 2012

211 Audit committee meetings

(1) The audit committee of a local government must—

(a) meet at least twice each financial year; and

(b) review each of the following matters—

(i) the internal audit plan for the internal audit for the current financial year;

(ii) the internal audit progress report for the internal audit for the preceding financial year including the recommendations in the report and the actions to

which the recommendations relate;

(iii) a draft of the local government's financial statements for the preceding financial year before the statements are certified and given to the auditor-general under section 212;

(iv) the auditor-general's audit report and auditor-general's observation report about the local government's financial statements for the preceding financial year; and

(c) as soon as practicable after a meeting of the committee, give the local government a written report about the matters reviewed at the meeting and the committee's recommendations about the matters.

(2) At a meeting of the audit committee—

(a) a quorum is at least half the number of members of the committee; and

Examples—

1 If the committee consists of 4 members, a quorum is 2.

2 If the committee consists of 5 members, a quorum is 3.

(b) either—

(i) the chairperson presides; or

(ii) if the chairperson is absent, the member chosen by the members present as chairperson for the meeting presides.

(3) The audit committee may, for performing its functions under subsection (1)(b), seek information or advice from the person who has carried out the internal audit.

(4) The chief executive officer must present the report mentioned in subsection (1)(c) at the next meeting of the local government.

POLICY IMPLICATIONS

Audit Committee Charter was adopted by Council on 17 February 2026 - Resolution Number QSC 054-02-26.

FINANCIAL AND RESOURCE IMPLICATIONS

The audit committee provides an oversight function to Council.

ASSET MANAGEMENT IMPLICATIONS

N/a

RISK MANAGEMENT IMPLICATIONS

Council will manage risks in accordance with G.11 Enterprise risk management policy and G.11-A Risk Management Framework to achieve the following objectives:

1. Compliance - To ensure Council makes decisions and undertakes actions in compliance with the ERM Framework.
2. Right Quantity - To ensure risk management profiles identify and consider all known potential risks to Councils' business operations.
3. Right Quality - To ensure all identified risks are managed in accordance with Councils' risk appetite and tolerance.

Determining Likelihood

In determining the likelihood of each risk, the following ratings and definitions have been applied. In making your assessment you have to remember that some events happen once in a lifetime, other can happen almost every day. Judgement is required to determine the possibility and frequency that the specific risk is likely to occur.

Determining Consequence

In determining the consequence of each risk, the following ratings and definitions have been applied. There are five levels used to determine consequence and when considering how risks may impact on the organisation it is also important to think about the non-financial elements as well.

Determining the overall Risk Rating

After the consequence and likelihood ratings have been determined, they are combined in a matrix to determine the overall risk rating for each risk. The extent of the consequences and the extent of the likelihood risks will be assessed using a scale containing Low, Moderate, High and Extreme.

Evaluate Risks

Risks need to be evaluated and prioritised to ensure that management effort is directed towards resolution of the most significant organisational risks first. The initial step in this Risk Evaluation stage is to determine the effectiveness, and or existence of, controls in place to address the identified risks. This can lead to a decision to:

- do nothing further;
- consider risk treatment options;
- undertake further analysis to better understand the risk;
- maintain existing controls;
- reconsider objectives.

Risk Name & Description *What could happen and why?*	**Current Controls** *Are there current controls for the risk*	**Impacts** *Impact if the risk eventuates*	**Risk Assessment**			**Risk Treatment** *Depending on risk rating - additional controls / mitigation strategy to be implemented (to reduce risk rating)*
			Likelihood	**Consequence**	**Risk Rating**	
			Refer to risk calculator provided below for measures			
Example: *Insufficient funding*	*None*	*Delays to purchasing*	*C Possible*	*4 Major*	*High*	*Ensure funding approvals obtained at start of project*
Not holding audit committee meetings as per Council policy	Yes, biannual meeting are scheduled generally for Feb/March and September/October each year.	Oversight function	Rare	Insignificant	Low	Reschedule
Omission of report of the Audit Committee Meetings to Council	Nil	Oversight function	Rare	Minor	Low	Reschedule

HUMAN RIGHTS CONSIDERATION

Section 4(b) of the *Human Rights Act 2019* requires public entities to act and make decisions in a way compatible with human rights. The *Human Rights Act 2019* requires public entities to only limit human rights in certain circumstances. The human rights protected under the *Human Rights Act 2019* are not absolute. This means that the rights must be balanced against the rights of others and public policy issues of significance.

In the decision-making process, Council is to consider the 23 human rights:

1. Recognition and equality before the law;	13. Cultural rights—generally;
2. Right to life;	14. Cultural rights—Aboriginal peoples and Torres Strait Islander Peoples;
3. Protection from torture and cruel, inhuman or degrading treatment;	15. Right to liberty and security of person;
4. Freedom from forced work;	16. Humane treatment when deprived of liberty;
5. Freedom of movement;	17. Fair hearing;
6. Freedom of thought, conscience, religion and belief;	18. Rights in criminal proceedings;
7. Freedom of expression;	19. Children in the criminal process;
8. Peaceful assembly and freedom of association;	20. Right not to be tried or punished more than once;
9. Taking part in public life;	21. Retrospective criminal laws;
10. Property rights;	22. Right to education;
11. Privacy and reputation;	23. Right to health services.
12. Protection of families and children;	

Consideration of the 23 human rights protected under the Human Rights Act 2019 has been undertaken as part of this decision. It has been determined that this decision does not limit human rights.

8 CONFIDENTIAL ITEMS

RECOMMENDATION

In accordance with the provisions of section 254J(3) of the *Local Government Regulation 2012*, that Council resolve to close the meeting to the public to discuss a confidential item that its Councillors consider is necessary to close the meeting.

In accordance with Section 254J(3) of the *Local Government Regulation 2012*, the following table provides:

(a) the matter that is to be discussed; and

(b) an overview of what is to be discussed while the meeting is closed.

Agenda Item	**Reasons Matters to be discussed (to close the meeting under the *Local Government Regulation 2012*)**	**Overview**
8.1 Endorsement of Queensland's South West Six Brand Style Guide	(g) negotiations relating to a commercial matter involving the local government for which a public discussion would be likely to prejudice the interests of the local government;	This report seeks Council endorsement of the South West Six Brand Style Guide, developed through the South West Queensland Regional Organisation of Councils, to support a regional drive tourism product across South West Queensland. The report addresses commercial matters associated with this endorsement, discussion of which in open session would be likely to prejudice Council's interests.

9 LATE ITEMS