SHIRE OF COCOS (KEELING) ISLANDS

SHIRE OF COCOS KEELING ISLANDS

MAJU PULU KITA | ADVANCE OUR ISLANDS



ASSET MANAGEMENT PLAN 2024-34



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WHY DOES THE SHIRE PROVIDE ASSETS?

Physical infrastructure assets exist for the single purpose of facilitating the delivery of services. This includes core services such as governance, transport, recreation and culture, housing, and community amenities. These services help the Cocos Keeling Islands to be an amazing, sustainable, and environmentally friendly place to live, work and visit.

This document is the Shire's Asset Management Plan (AMP). It seeks to outline the activities and strategies that will be carried out for the Shire's transport, property, recreation, fleet and equipment assets over the next ten financial years (2024/25 to 2033/34).

WHAT IS ASSET MANAGEMENT?

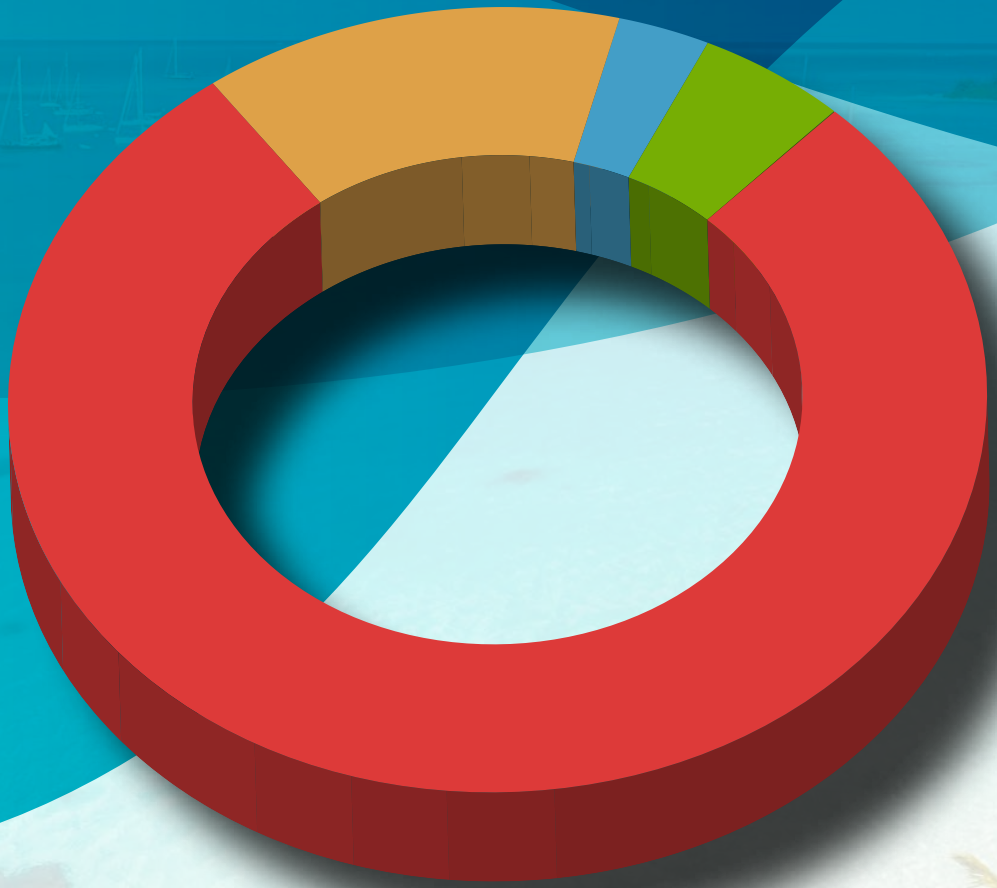
The role of Council is to deliver services that help realise the community's vision for the Shire. This vision is defined within the Shire's Strategic Community Plan. The various services that are then required to be delivered, often demand the provision of physical assets.

Assets can be challenging to provide, operate, maintain and renew in a sustainable way and with limited financial resources. Good asset management practices seek to take a long-term planning view, that balance service quality, against the cost to the community.



WHAT IS OUR ASSET PORTFOLIO?

The Shire's assets provide an integrated service with other private and government infrastructure. The AMP, and the reported asset fair values, is structured around the four major service areas of:



TRANSPORT

$7,054,180 (14%)

assets that support vehicular, pedestrian, cycling and mobility device travel

RECREATION

$2,589,531 (5%)

assets within places such as ovals, parks and gardens

PROPERTY

$40,322,243 (78%)

building and land assets

Shire owned - $9,336,861
Trust 1974 owned - $26,850,775
Trust 1984 owned - $4,134,607

FLEET & EQUIPMENT

$1,858,700 (3%)

assets such as plant, equipment, vehicles and IT

WHAT IS IN THE ASSET MANAGEMENT PLAN?



Each of the four service area sections in this AMP are structured the same. They outline:

- What assets we have and what they're worth
- What physical condition our assets are in
- How confident we are in the accuracy of our asset knowledge
- How well the service is performing
- How we think the service is likely to change in the future
- How much we think the assets will cost to operate, maintain, renew, build and buy

In addition, the AMP also records:

- How community demand for our services and assets may have historically changed
- How we plan to manage our assets
- How the Shire assesses its data confidence
- Whether the four service areas are economically sustainable
- How the Shire will improve its asset management

HAS THE DEMAND FOR SERVICES AND ASSETS HISTORICALLY CHANGED?

Historically our community, economy and environment has changed. In turn, this has required many of the services and assets that the Shire provides to also evolve to meet different needs. Looking backwards, some of the major drivers of service change may have been:



VEHICLE OWNERSHIP	Fell from 124 to 114 households (2006 to 2021). (Source: ABS).
TRAVEL MODES	Number of people travelling to work rose from 169 to 233 people (2006 to 2021). (Source: ABS).
TRAVEL MODES	25% of all trips to work involved two methods (2021), up from 12% (2006). (Source: ABS).
TRAVEL MODES	20% of all trips to work are as a car driver (2021), up from 15% (2006). (Source: ABS).
POPULATION	Grew from 561 to 589 people (2006 to 2021). (Source: ABS).
DEMOGRAPHICS	Median age rose from 37 to 40 (2006 to 2021). (Source: ABS).
TOURISM	Annual number of visitors to the Shire of Cocos (Keeling) Islands grew from 3,498 to 6,504 (2019/20 to 2021/22). (Source: SoCKI).
ANNUAL RAINFALL	Fell from ~2,050mm to ~1,900mm (1902 to 2021). (Source: BOM).
ANNUAL TEMPERATURE	Rose from mean maximum of ~30.0C to ~30.6C (1952 to 2021). (Source: BOM).

By looking forward, while being mindful of the past, this AMP identifies what the most likely drivers of future change will be. To meet the challenges that will arise from service change, the Shire has identified mitigation actions that will be carried out. These are recorded within each respective service area.

HOW DOES THE SHIRE MANAGE ITS ASSETS?

All our assets have a lifecycle, though the length can vary significantly. For example, we replace our fleet assets more often than our buildings. Despite this, their lifecycles tend to commence with the identification of the need for an asset, and ends with its decommissioning (e.g. disposal, demolition etc.). A key goal is to try to provide and manage assets sustainably. This means that the Shire aims to renew assets at suitable times, when funding is available, to keep costs down and limit our risk exposure.

We manage our assets through three distinct stages. The Shire's approach to each stage is as follows.

OPERATION AND MAINTENANCE WORKS

Ideally, our assets are operated and maintained by employing planned strategies. We do this through regular inspection/monitoring, and through some planned operation and maintenance schedules. For example, this includes maintenance such as corrective (e.g. pothole filling), and preventative (e.g. servicing and painting) tasks. Each planned task occurs at defined periods, and is specific to asset types, their relevant importance and risk profile. However, there is scope to improve the breadth and robustness of the schedules. This is an improvement action within the AMP.

RENEWAL WORKS

The need for assets to be renewed can be triggered by several different drivers. This includes:

PHYSICAL CONDITION - Assets are periodically inspected to determine their physical condition. Using this information, the Shire then predicts assets' potential year of renewal. Staff then consider these assets to determine the final timing, scope and budget of any future renewal project.

AGE AND/OR USAGE - The renewal of some assets (e.g. Fleet & IT) is driven through the establishment of optimal replacement triggers such as age and/or usage. These typically strive to balance cost, safety, reliability and functionality.

STRATEGY - Other Shire strategies can also trigger renewal works. For example, this can include the Strategic Community Plan, Corporate Business Plan, disability access and inclusion initiatives and the availability of external funding.

After projects have been identified, they are then listed on to the AMP works programme. The AMP has identified the need for the works programme to be further developed. This is an improvement action within the AMP.

UPGRADE & NEW WORKS

The need for new and/or upgraded assets (e.g. to meet a service deficiency) can be identified from a number of potential sources. This includes the Shire's Strategic Community Plan, Corporate Business Plan and Disability Access and Inclusion Plan. Each potential project is investigated and considered by Shire staff, and where valid, often prioritised against similar projects. Approved projects are then listed on to the AMP works programme.

HOW DOES THE SHIRE ASSESS ITS DATA CONFIDENCE?

Although the Shire records asset data for inventory, condition and value, it is important to understand how confident it is of the accuracy. This is important to determine the confidence that we can put in the outcomes that result (e.g. works programmes and valuations). It also allows the Shire to target where data improvements are required. The Shire assesses its confidence in asset data using the following grading scale.

CONFIDENCE GRADE	ACCURACY	CONFIDENCE GRADE GENERAL MEANING
Highly Reliable	± 2%	Data based on sound records, procedures, investigations and analysis which is properly documented and recognised as the best method of assessment.
Reliable	± 10%	Data based on sound records, procedures, investigations and analysis which is properly documented but has minor shortcomings; for example the data is old, some documentation is missing and reliance is placed on unconfirmed reports or some extrapolation.
Uncertain	± 25%	Data based on sound records, procedures, investigations and analysis which are incomplete or unsupported, or extrapolation from a limited sample for which highly reliable or reliable grade data is available.
Very Uncertain	± 40%	Data based on unconfirmed verbal reports and/or cursory inspection and analysis.
Unknown	Nil	None or very little data held.

Source: IPWEA International Infrastructure Management Manual



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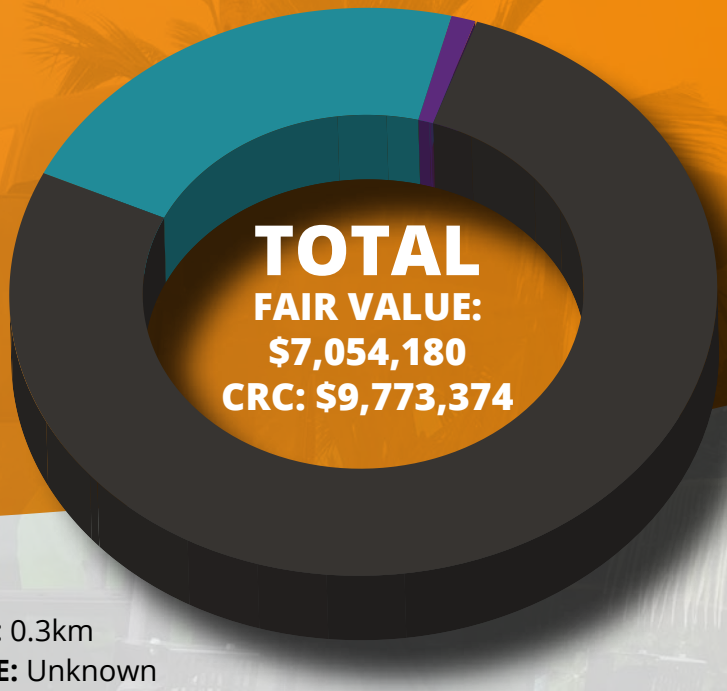
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ABOUT THE TRANSPORT SERVICE

ASSET MANAGEMENT PLAN 2024-34

WHAT DO WE HAVE AND WHAT ARE THEY WORTH?

Although our Transport network is not the largest asset group in terms of value, it is critical to our community's day to day lives. The individual asset classes that make up this network are as follows:



DRAINAGE

QUANTITY: 2 culverts
FAIR VALUE: Unknown
TOTAL CRC: Unknown
CRC PERCENTAGE: -

PATHS

QUANTITY: 0.3km
FAIR VALUE: Unknown
TOTAL CRC: Unknown
CRC PERCENTAGE: -

MARINE

QUANTITY: 9 Boat Ramps
FAIR VALUE: $1,297,000
TOTAL CRC: $2,110,000
CRC PERCENTAGE: 22%

ROADS

QUANTITY: 15.6km sealed roads, 12km unsealed roads, 11.2km kerbing
FAIR VALUE: $5,678,280 (Kerb Unknown)
TOTAL CRC: $7,562,374 (Kerb Unknown)
CRC PERCENTAGE: 77%

PARKING

QUANTITY: 5 Bus Bays, 7 Parking Bays, 1 Car Park
FAIR VALUE: Unknown
TOTAL CRC: Unknown
CRC PERCENTAGE: -

STREET FURNITURE

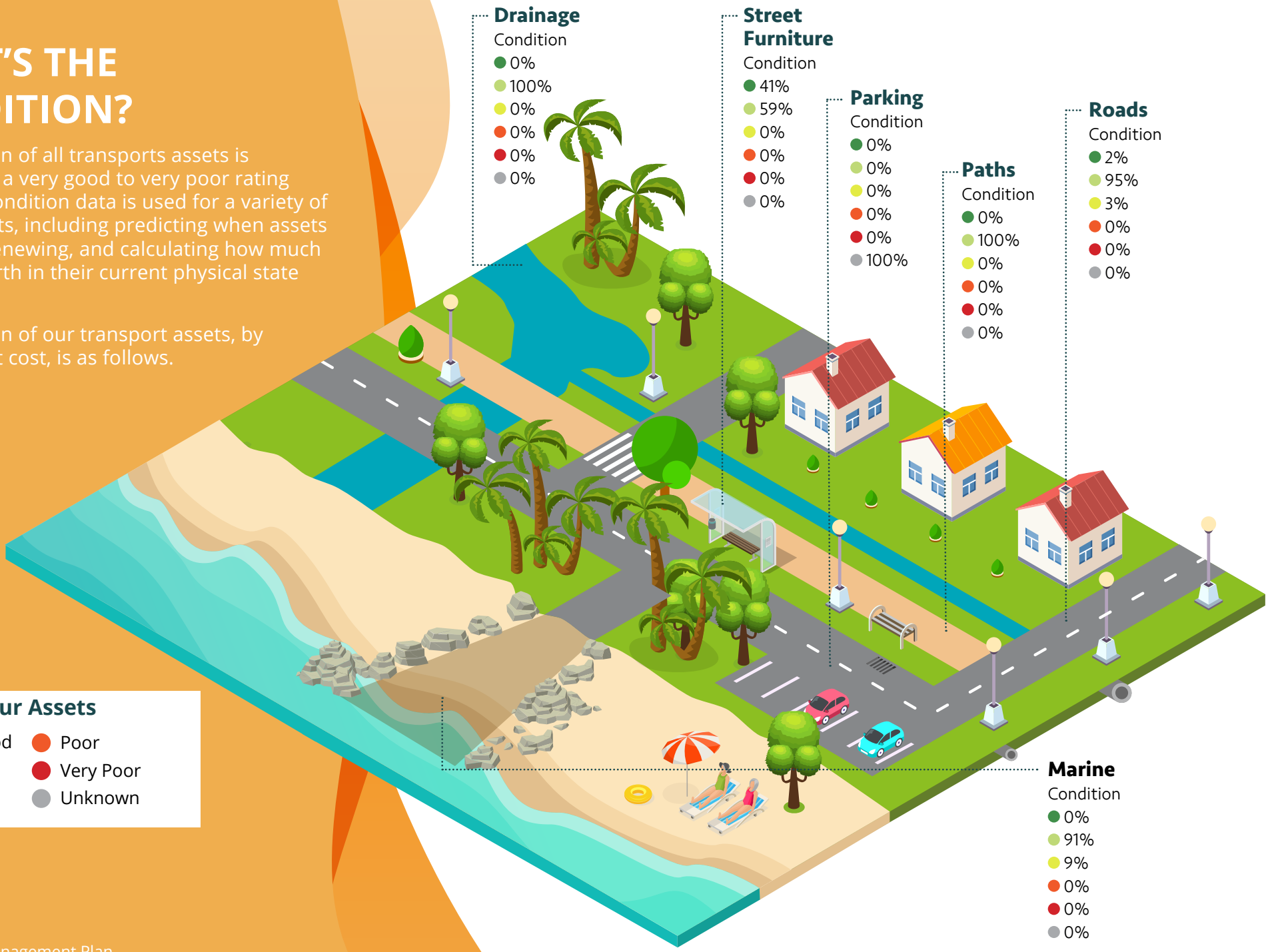
QUANTITY: 156 signs, Unknown Solar Lights
FAIR VALUE: $78,900
TOTAL CRC: $101,000
CRC PERCENTAGE: 1%

The Current Replacement Costs (CRC) are how much the assets are worth 'as new'.
The Fair Values are how much they are worth in their current physical state.

WHAT'S THE CONDITION?

The condition of all transports assets is reported on a very good to very poor rating scale. The condition data is used for a variety of other outputs, including predicting when assets may need renewing, and calculating how much they are worth in their current physical state (fair value).

The condition of our transport assets, by replacement cost, is as follows.



State of our Assets

- Very Good
- Good
- Average
- Poor
- Very Poor
- Unknown



HOW CONFIDENT ARE WE?

The Shire's current confidence in its transport asset data is:

ASSET CLASS	INVENTORY	CONDITION	VALUATION
DRAINAGE	Reliable	Reliable	Unknown
MARINE	Reliable	Reliable	Reliable
PARKING	Uncertain	Uncertain	Unknown
PATHS	Reliable	Reliable	Unknown
ROADS	Reliable	Reliable	Reliable
STREET FURNITURE	Reliable	Reliable	Reliable

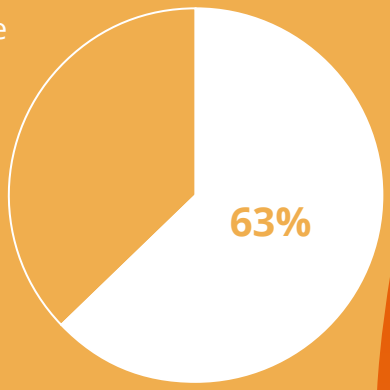
HOW IS THE SERVICE PERFORMING?

The Shire needs to ensure that the service performance delivered by our transport assets meets the needs of users. However, the quality of the service can be varied, and in turn this can influence overall cost. Generally, as the service quality gets higher, so too does cost. Therefore, the Shire needs to balance this and deliver the transport service at a level that the community desires and is willing to pay.

SERVICE SATISFACTION

Periodically, the Shire engages with its community to understand their satisfaction with the various services that we provide. The results enable service performance to be assessed. In addition, when the Shire repeats the same survey, it can understand the performance trend.

The community's satisfaction with the road transport service was last determined in 2022 through a Shire survey. The results are displayed in the following graph. It shows that 63% of responses were scored satisfactory or better, on sealed and unsealed road maintenance. This was the lowest satisfaction rate of all four asset related questions.



SERVICE LEVELS

Service levels describe the quality performance that the Shire aims to provide for its transport service. These have been developed through consideration of strategic and customer inputs.

STRATEGIC INPUTS

The Strategic Community Plan (SCP) and Disability Access and Inclusion Plan (DAIP) were reviewed to identify any drivers that may directly relate to the transport service. This showed that the following strategic outcomes are of high importance. Service levels have then been selected for these, so that their performance can be monitored.

INPUT	STRATEGIC PRIORITY	SERVICE LEVEL
Leadership 2: To ensure that Shire resources are utilised in a manner that represents the best interest of the whole community	To lead and partner with our community on efficient use of available funding, prioritised spending on maintenance or upgrade of existing assets, and to be transparent and open in our reporting to ensure accountability	Financial sustainability
DAIP Outcome 2: People with disability have the same opportunities as other people to access the buildings and other facilities of the Shire of Cocos (Keeling) Islands	2.3 - Ensure ongoing support for improving accessibility of shared pathways and public areas	Accessibility

CUSTOMER INPUTS

As a service provider, it is important that the Shire clearly understands the needs of its stakeholders (e.g. customers). In 2023, Shire staff considered who the major stakeholders are of its transport service. Three were identified. While there may be other minor stakeholders, they have not been specifically considered by this AMP.



Analysis of stakeholders' service needs determined that the following attributes were most frequently required. These have been used with the Strategic Input KPIs as the basis for the AMP's transport service levels.

- Safety (3 occurrences)



SERVICE LEVEL TARGETS AND PERFORMANCE

The Strategic and Customer Inputs have been combined to form the following service level key performance indicators (KPIs). These KPIs will enable the Shire to monitor its transport service performance.

KPI	DRIVER	PERFORMANCE MEASURE	TARGET	CURRENT
Accessibility	DAIP	Number of complaints received per annum regarding path access issues.	To be determined	Unknown
Financial Sustainability	SCP	Percentage of Transport AMP financial ratios within their target band.	To be determined	Unknown
Safety	Stakeholders	Number of recorded road accidents per annum.	Zero	Unknown



HOW IS THE SERVICE CHANGING?

Transport continues to evolve, driven by factors such as fuel types, technology, automation, demographics and even social pastimes. Looking forward over the life of this Plan, the Shire considers the following drivers to most likely affect the demand for transport services.

FUTURE CHANGE DRIVERS



CHANGING COMMUNITY DEMOGRAPHICS



COUNCIL DIRECTION AND POLICIES



ENVIRONMENTAL SUSTAINABILITY



FINANCIAL SUSTAINABILITY

CHANGE MITIGATION

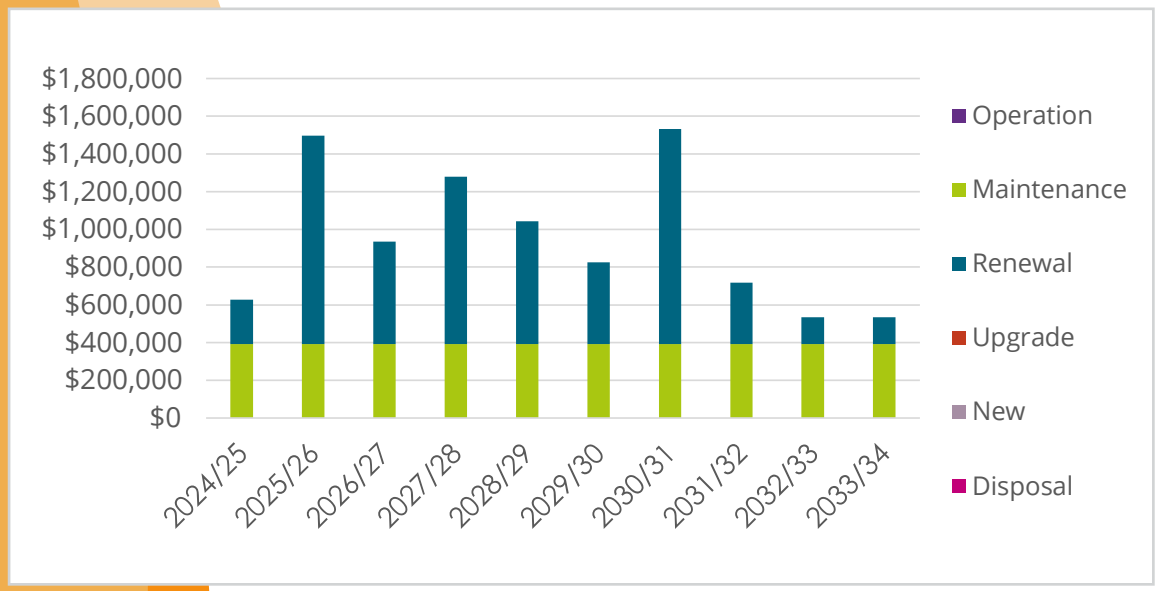
To meet the challenges that will arise from service change, the Shire plans to:

- Demographics - Continue to plan for the future needs of the transport service, so that it meets the requirements of the community at a cost it can afford.
- Council - Continue to inform Council on the performance of the transport asset network.
- Environmental sustainability - Continue to trial innovative materials and construction techniques, to increase the network's environmental sustainability profile.
- Financial sustainability – Continue to improve its asset management practices (e.g. planned renewal programmes and maintenance schedules).
- Financial sustainability – Continue to engage with Federal Government to access revenue streams.

WHAT WILL THE SERVICE COST?

The transport network represents a significant ongoing cost commitment to our community. To ensure that we can continue to sustainably provide the service, the Shire maintains a long term works programme. This programme contains all planned works activities, and sets out how much the service will cost, to deliver the agreed performance. On an annual basis, the works programme used by this AMP informs the Shire's broader Long Term Financial Plan (LTFP). In the event that the AMP and the LTFP do not balance financially, then the Shire can adjust its practices (e.g. service level performance) to reach a sustainable point.





Projected Transport Service Cost

<PENDING LTFP UPDATE>

Projected Transport Service Cost vs Available Funding

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ABOUT THE PROPERTY SERVICE



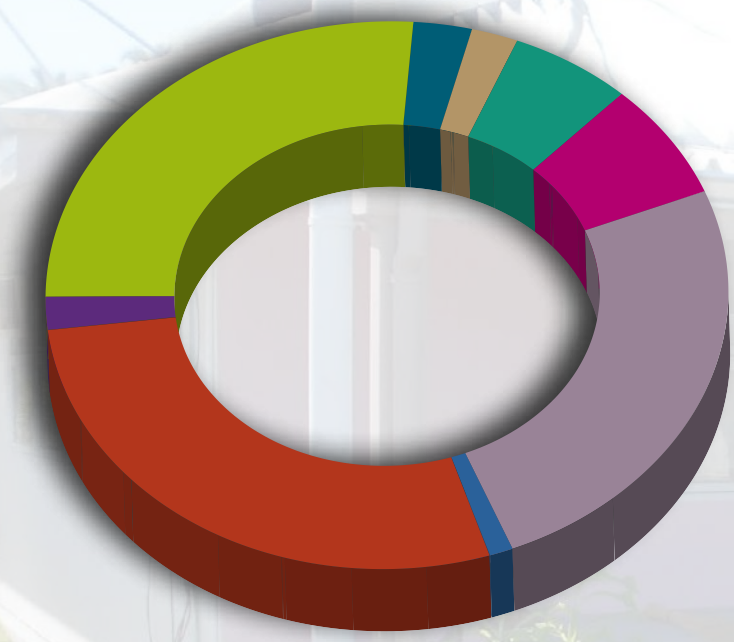
ASSET MANAGEMENT PLAN 2024-34

WHAT DO WE HAVE AND WHAT ARE THEY WORTH?

Our property asset portfolio is our highest value asset class, and it is the most complex in terms of service range and ownership structure. While the Shire directly owns 64 properties, the balance are owned by either the 1979 or 1984 Trusts. The different property types that make up the whole portfolio, reported by owner, are as follows.



SHIRE OWNED PROPERTY ASSETS



TOTAL 64
FAIR VALUE: $9,336,861
CRC: $17,442,380

The Current Replacement Costs (CRC) are how much the assets are worth 'as new'. The Fair Values are how much they are worth in their current physical state.

AMENITIES
QUANTITY: 7
FAIR VALUE: $279,849
TOTAL CRC: $511,000
CRC PERCENTAGE: 3%

OPERATIONAL
QUANTITY: 10
FAIR VALUE: $2,607,567
TOTAL CRC: $4,317,000
CRC PERCENTAGE: 25%

COMMERCIAL
QUANTITY: 5
FAIR VALUE: $2,143,277
TOTAL CRC: $4,490,000
CRC PERCENTAGE: 26%

RECREATION
QUANTITY: 29
FAIR VALUE: $656,195
TOTAL CRC: $1,174,500
CRC PERCENTAGE: 7%

COMMUNITY
QUANTITY: 2
FAIR VALUE: $186,310
TOTAL CRC: $331,000
CRC PERCENTAGE: 2%

RESIDENTIAL
QUANTITY: 2
FAIR VALUE: $593,672
TOTAL CRC: $1,140,000
CRC PERCENTAGE: 6%

EMERGENCY SERVICES
QUANTITY: 1
FAIR VALUE: $2,502,000
TOTAL CRC: $4,860,000
CRC PERCENTAGE: 28%

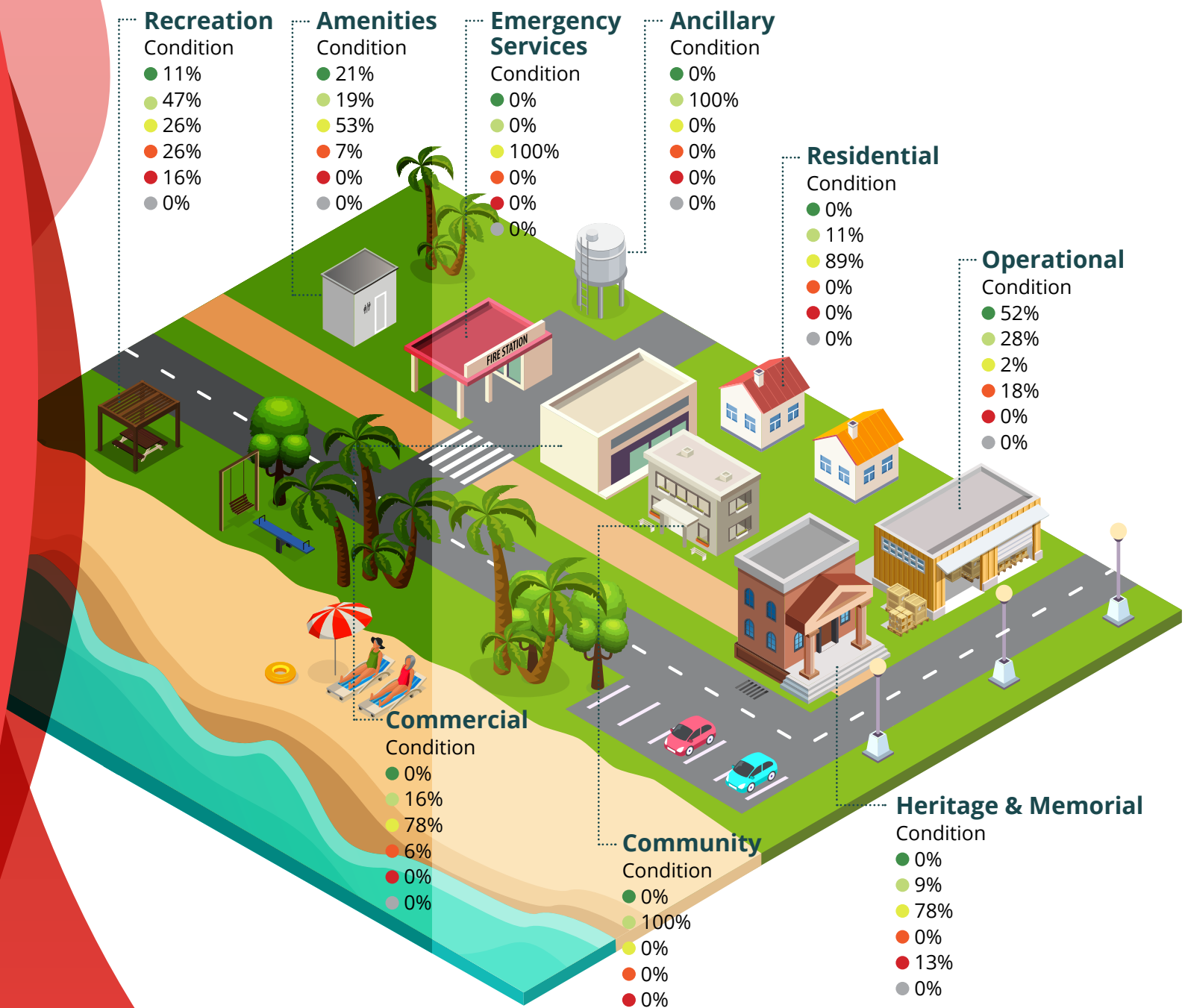
ANCILLARY
QUANTITY: 6
FAIR VALUE: $285,516
TOTAL CRC: $407,880
CRC PERCENTAGE: 2%

HERITAGE & MEMORIAL
QUANTITY: 2
FAIR VALUE: $82,475
TOTAL CRC: $211,000
CRC PERCENTAGE: 1%

WHAT'S THE CONDITION OF SHIRE OWNED PROPERTY ASSETS?

The condition of all building assets is reported on a very good to very poor rating scale. The condition data is used for a variety of other outputs, including predicting when assets may need renewing, and calculating how much they are worth in their current physical state (fair value).

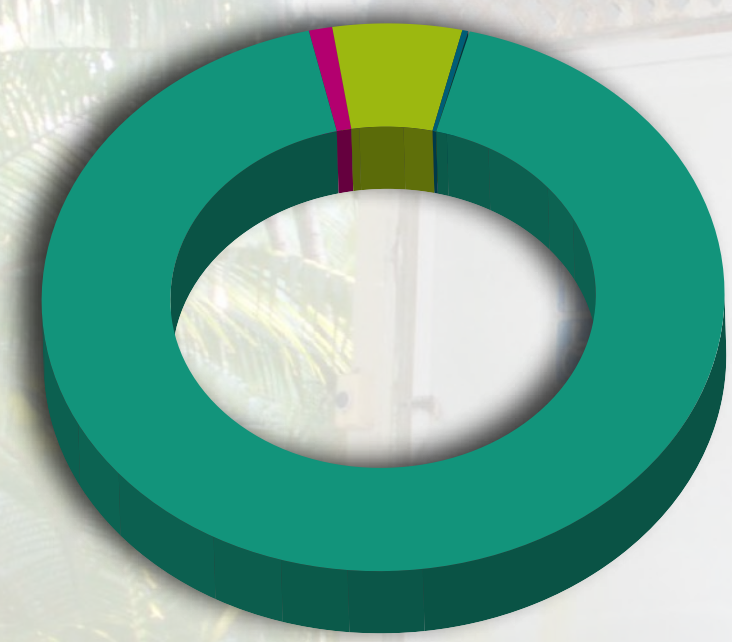
The condition of our Shire owned building assets, by replacement cost, is as follows.



State of our Assets

- Very Good
- Good
- Average
- Poor
- Very Poor
- Unknown

1979 TRUST OWNED PROPERTY ASSETS



TOTAL 101

FAIR VALUE: $26,850,775
CRC: $72,710,000

The Current Replacement Costs (CRC) are how much the assets are worth 'as new'. The Fair Values are how much they are worth in their current physical state.

AMENITIES

QUANTITY: 1
FAIR VALUE: $46,690
TOTAL CRC: $130,000
CRC PERCENTAGE: <1%

COMMERCIAL

QUANTITY: 1
FAIR VALUE: $1,816,571
TOTAL CRC: $4,210,000
CRC PERCENTAGE: 6%

RECREATION

QUANTITY: 1
FAIR VALUE: $153,000
TOTAL CRC: $400,000
CRC PERCENTAGE: 1%

RESIDENTIAL

QUANTITY: 98
FAIR VALUE: $24,834,514
TOTAL CRC: $67,970,000
CRC PERCENTAGE: 93%

WHAT'S THE CONDITION OF THE 1979 TRUST OWNED PROPERTY ASSETS?

The condition of all building assets is reported on a very good to very poor rating scale. The condition data is used for a variety of other outputs, including predicting when assets may need renewing, and calculating how much they are worth in their current physical state (fair value).

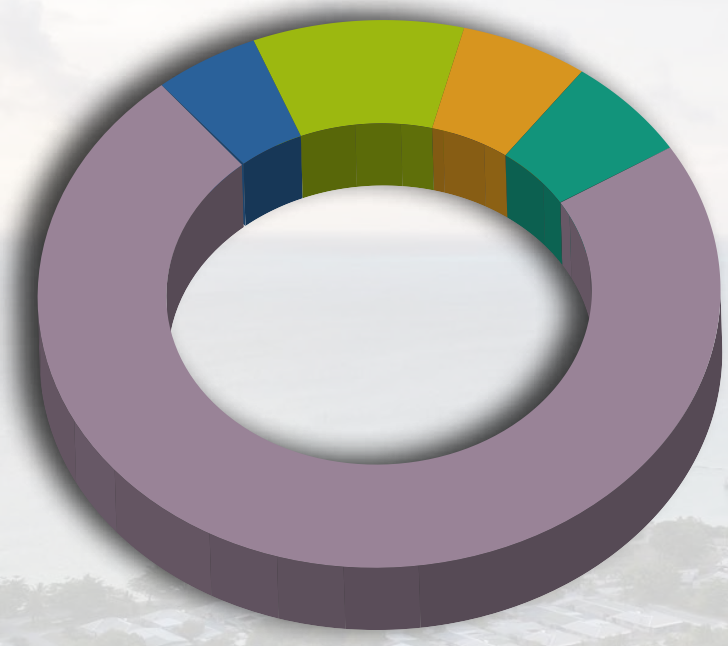
The condition of the Trust owned building assets, by replacement cost, is as follows.



State of our Assets

- Very Good
- Good
- Average
- Poor
- Very Poor
- Unknown

1984 TRUST OWNED PROPERTY ASSETS



TOTAL 8

FAIR VALUE: $4,134,607
CRC: $11,050,000

The Current Replacement Costs (CRC) are how much the assets are worth 'as new'. The Fair Values are how much they are worth in their current physical state.

COMMERCIAL

QUANTITY: 2
FAIR VALUE: $451,393
TOTAL CRC: $1,040,000
CRC PERCENTAGE: 10%

HERITAGE & MEMORIAL

QUANTITY: 1
FAIR VALUE: $248,000
TOTAL CRC: $550,000
CRC PERCENTAGE: 5%

OPERATIONAL

QUANTITY: 3
FAIR VALUE: $2,760,371
TOTAL CRC: $8,090,000
CRC PERCENTAGE: 73%

RESIDENTIAL

QUANTITY: 1
FAIR VALUE: $359,643
TOTAL CRC: $690,000
CRC PERCENTAGE: 6%

TOURISM

QUANTITY: 1
FAIR VALUE: $315,200
TOTAL CRC: $680,000
CRC PERCENTAGE: 6%