

HOBSONS
BAY CITY
COUNCIL



Building Asset Management Plan 2020



Acknowledgements

Council acknowledges all language groups of the Kulin Nation as the traditional owners of these municipal lands. We recognise the first people's relationship to this land and offer our respect to their elders past and present.

Council acknowledges the legal responsibility to comply with the Charter of Human Rights and Responsibilities Act 2006 and the Equal Opportunity Act 2010. The Charter of Human Rights and Responsibilities Act 2006 is designed to protect the fundamental rights and freedoms of citizens. The Charter gives legal protection to 20 fundamental human rights under four key values that include freedom, respect, equality and dignity.

For further information, or to receive a copy of this document in an alternate format, contact Council on (03) 9932 1000.

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1 Executive summary

The purpose of the Building Asset Management Plan (BAMP) is to inform Council's commitment to best practice asset management and provide principles for sound building asset investment decision making. It provides the overall integrated planning framework to guide the long-term sustainable management of Council's building assets informed by the Council Plan and other policy and strategic documents such as Asset Management Policy and Council's Long Term Financial Plan.

This BAMP, along with the implementation of the Council Plan and Hobsons Bay 2030 community vision will ensure that Council's asset management goals and objectives are achieved.

Portfolio Description

Council provides buildings and related facilities to enable a range of important services and benefits to the community, which include:

- Providing operational facilities for the administration of local government functions and delivery of related services;
- Providing facilities for recreation and maintaining a healthy population lifestyle; and
- Providing an important focal point for social interaction helping to develop and strengthen the local community.

There are 216 buildings owned and/or managed by Council. Some of these have further separable facilities within. Where multiple facilities exist within one building, each facility has been assessed individually. Appendix A provides further details of the Council buildings/facilities covered by this BAMP.

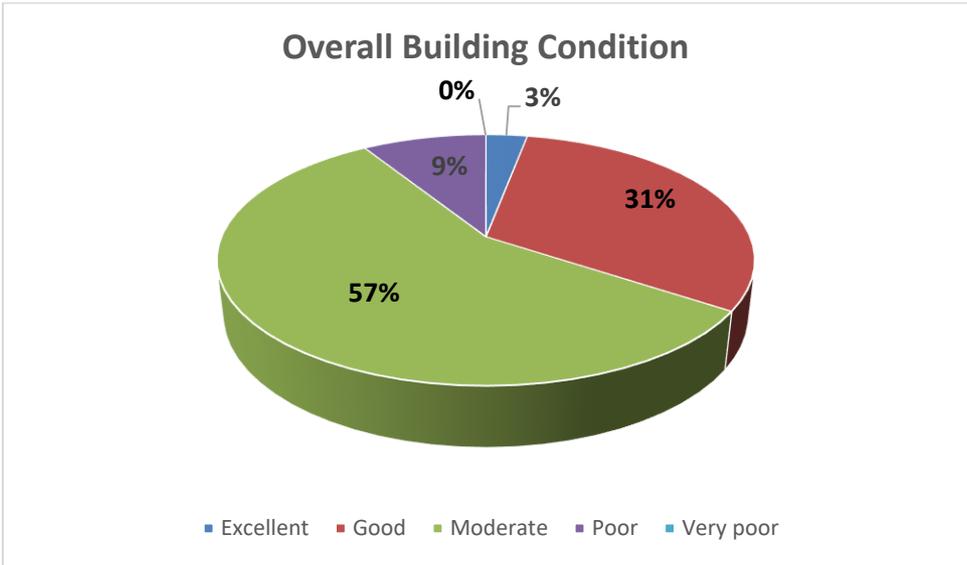
The building portfolio has a replacement value of \$223 million as of June 2019.

Condition Profile

A building condition audit was completed in 2019 to identify and understand the full extent and condition of Council's buildings assets.

As a result of the condition audit assessment, Council now has a greater understanding of the scope and condition of its buildings assets, which sets a baseline for future audits. The condition audit assessment provides important information and input into building renewal investment decision and Council's Long-Term Financial Plan.

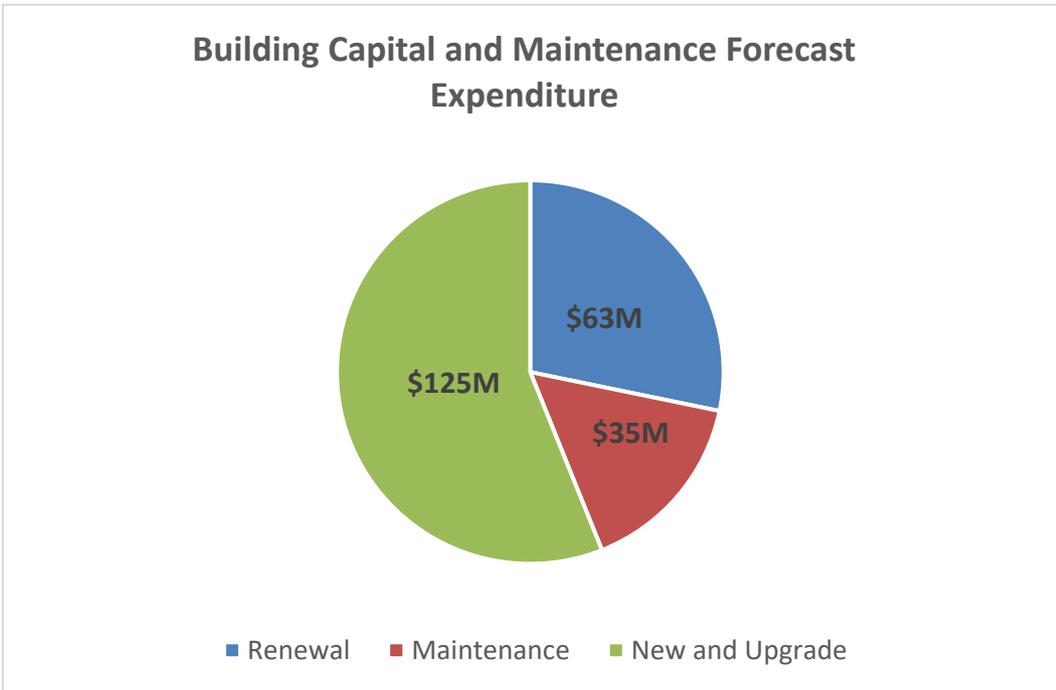
The following chart presents the summary results from the 2019 building condition audit.



The majority of Council's buildings are in good to moderate condition, with 9% of building in poor condition. These poor condition buildings have been included in Council's capital works renewal programs for the next five years.

Capital Expenditure Budget forecast

The chart below combines all the building renewal, maintenance as well as new and upgrade forecast expenditure for the next 10 years.



The renewal expenditure required is forecast to be \$63 million for the next 10 years. This renewal expenditure includes those buildings that have been earmarked for demolition or major upgrade. The figures will be revised once planning and phasing of renewal works has been completed.

Building maintenance expenditure is forecast to be \$35 million for the next 10 years.

Building new and upgrade expenditure is forecast to be \$125 million over the next 10 years as of June 2019.

The forecast expenditure to provide renewal, new and upgrade building assets across the municipality is estimated to be \$223 million over the next 10 years. This forecast has been included in Council's Long Term Financial Plan.

2 Introduction

2.1 Background

The purpose of this Building Asset Management Plan (BAMP) is to provide a framework that assists Council to achieve asset management outcomes that are consistent with its strategic plan.

This BAMP outlines the broad approach that Council will adopt to manage the condition of and use of building assets over the next ten years, as well as directions for implementation, safety and maintenance.

To achieve the Hobsons Bay 2030 Community Vision and Council Plan objectives, an integrated formal approach to the management of assets is essential. The following objectives will guide asset management planning and service delivery:

- To provide affordable assets that best meet the communities' current and future needs and expectations;
- To make asset investment decisions based on a long term focused, integrated decision making process informed by strategic plans, asset and service strategies, service plans and asset management plans;
- To make informed/fact based decisions about the management of our assets incorporating social, economic and environmental factors which influence the health and wellbeing of our community;
- To maintain assets throughout their lifecycle to enable the delivery of appropriate levels of service and optimise in a sustainable way the use of available resources;
- To ensure that funding for the maintenance, operation and renewal of existing assets is prioritised above the funding of new assets;
- To ensure asset investment decisions consider all benefit cost options including the provision of new assets by retirement, disposal, rationalisation and consolidation of existing assets to reduce life-cycle costs;
- To ensure compliance with the statutory requirements and obligations;
- To implement best practice asset management in compliance with the Australian Standards ISO55000 and National AM Frameworks
- Overview of scope of the Asset Management System

This BAMP will be reviewed four years from the date of approval, or sooner if required.

2.2 Building Assets Covered by this Plan

Council provides buildings and related facilities to enable a range of important services and benefits to the community, which include:

- Providing operational facilities for the administration of local government and delivery of related services
- Providing facilities for recreation and maintaining a healthy population lifestyle
- Providing an important focal point for social interaction helping to develop and strengthen the local community.

There are 216 buildings/facilities owned and/or managed by Council. Some of these have further separable facilities within. Where multiple facilities exist within one building/facility, each facility has been assessed individually. Appendix A provides further details of the Council buildings covered by this BAMP.

An extensive audit and condition assessment was completed in 2019 to identify and understand the

full extent and condition of Council's buildings assets. As a result of the condition audit completed, Council now has a greater understanding of the scope and condition of buildings assets, which sets a baseline for future audits.

The condition audit assessment provides important information and input into building renewal investment decision and Council's Long-Term Financial Plan.

3 Levels of Service

3.1 Introduction

Levels of service provide the basis for life cycle management strategies and works programs. They support Council's strategic goals.

Levels of service should be readily measurable, preferably from available data sources or otherwise via the adaption of existing systems. Outcomes should be stated in terms that are appropriate to and understood by, the community for whom the service is provided.

This BAMP is based on existing data and current levels of service which considers Quality, Safety, Function, Condition, Cost/ Affordability, Responsiveness, Appearance/ Presentation. It also takes into account the relevant legislative framework, standards and codes.

The levels of service in this BAMP are intended to:

- Inform the community of the proposed type and level of service to be offered
- Assist with the identification of the costs and benefits of the services being offered
- Enable the community to assess suitability, affordability and equity of the services offered
- Provide a focus for the development of the asset management strategies

The levels of service are based on:

- Information gathered from the community on expected quality and cost of services
- Information obtained from expert advice on asset condition and performance capacity
- Strategic and corporate goals
- Legislative requirements
- Regulations, environmental and industry standards that impact on the way assets are managed
- Australian design standards and codes of practice which specify minimum design parameters for infrastructure delivery
- Availability of resources and the financial environment

Community consultation will be carried out for all new and upgrade building projects; this includes meeting with user groups, drop in community sessions, user feedback survey etc.

3.2 Related Legislation and Guidelines

Council must comply and/or work with multiple regulatory and legislative requirements. These include:

Legislation and Guidelines:

- Local Government Act
- International Infrastructure Management Manual (IIMM)
- Municipal Association of Victoria (MAV) – STEP Asset Management Improvement Program Guidelines
- National Asset and Financial Management Frameworks for Local Government
- ISO55000 – Asset Management Series

Related Documents

- Council 2030 Community Vision;
- Council Plan 2017-21;
- Long Term Financial Plan;
- Asset Management Policy 2017;
- Universal Design Policy Statement;
- Environmentally Sustainable Design Policy;
- Corporate Greenhouse Strategy 2013-20;
- Living Hobsons Bay Integrated Water Management Plan 2014-19

Standards and Specifications:

- Australian Accounting Standards;
- NCC Building Code of Australia 2016; and
- Australian Standards

3.3 Building Priorities – Criticality

In order to manage Council's buildings more effectively, the buildings have been categorised based on the level of importance and criticality. Table below provides an outline of the building categorisation Council uses when determining each building to be one of the ratings based on the proposed amount of maintenance and renewal works. The purpose is to use the categorisation framework to guide and establish more specific levels of service and performance criteria and also to guide buildings asset management, buildings maintenance and renewal work in the future.

Table 3.1: Council's Building Hierarchy:

Council's Building Hierarchy		
5	Mothball	This is a building which is flagged for demolition or sale. These buildings will only receive minor maintenance in order to allow them to be maintained in a safe and operational state. These buildings are often unoccupied.
4	Low Priority	This is a building which provides a function for Council and as such must be kept safe and operational and maintain its suitability of purpose. The appearance of these buildings is not a priority. An example of a building in this category would be a storage facility.
3	Medium Priority	This is a building where functionality is key. The building would have heavy use and require sturdy materials, safety and ensuring all components are in good working order. The appearance of these buildings would be important but not critical. An example of this type of building would be a sporting pavilion.
2	High Priority	This is a building which provides services to the community which are held in high regards. The buildings may have services which require specialist equipment which must be maintained. It should be well presented with well-maintained assets and surfaces. An example of a building in this category would be a kindergarten.
1	Premium Priority	This is a building which has been built with the purpose of holding civic ceremonies, being a feature of the area or holding high level functions of the Council. This building is expected to work flawlessly at all times and will have legislative obligations such as being an emergency assembly location. An example of this type of building would be the Council chamber and civic office.

3.4 Service Goals and Levels of Service

Key specific buildings related service goals include:

- Management and development of facilities to reasonably address the emerging needs and demands of the community
- Provision and management of facilities to meet community accepted levels of service
- Provision of community facilities that are accessible by the whole community
- Provision of facilities that afford a high level of safety and security
- Management of facilities in a cost effective and sustainable manner
- Maintenance of facilities to appropriate standards fit for them through an appropriate mix of scheduled and responsive maintenance.

Initial community levels of service for building assets have been drafted, considering Council corporate and strategic plans. Supporting the community service levels are technical service levels and measures of performance to be developed to ensure that the minimum operational requirements are met. The proposed levels of service are shown in Table below.

Table 3.2: Levels of service:

Community Levels of Service				
Key performance measures	Level of service	Measured attribute	Measurement criteria	Performance target
Quality	Facilities are fit for purpose	Condition of facilities	Customer satisfaction surveys	>75% satisfactory
Availability and accessibility	Facilities are readily available and accessible	Degree of availability and accessibility	Unplanned closures	Nil unplanned closures
Appearance and presentation	Facilities are clean and in presentable condition	Cleanliness	Customer feedback	<20 complaints about the cleanliness of buildings per year
Technical Levels of Service				
Key performance measures	Level of service	Measured attribute	Measurement criteria	Performance target
Quality	Facilities are maintained and renewed in acceptable condition as per building category	Buildings that are in poor condition rating will be planned for renewal	Renewal of poor condition buildings scheduled in capital works program	Poor condition buildings are scheduled for renewal in the 5 year building renewal program
Accessibility	Facilities comply with relevant basic accessibility standards relative to building function	Accessible facilities comply with current standards	Compliance of available facilities with standards relative to building function	>90% compliance
Health and safety	Essential services are in place	Essential services certification	Percentage of certification completed	100% certification obtained

4 Future Demand

4.1 Existing Demand and Forecast

Hobsons Bay City Council (HBCC) is located in Melbourne's south-western suburbs, between 5 and 20 kilometres from the Melbourne CBD, with a land area of 6,420 ha (64Km²) and a population density of 15.03 persons per hectare. With population anticipated to increase by 27% between 2020-2041¹, there are major emerging issues for HBCC in establishing a framework to identify, maintain and manage existing assets including the creation of new building assets into the future.

Hobsons Bay is growing, and the demand for services is escalating. The Australian Bureau of Statistics Estimated Resident Population (ERP) data for HBCC (provided by *id the population experts*) as of 2018 is 96,470 people¹. HBCC has a vision for population growth in the region and plans for a maximum population in 2041 of 126,177 people. It is considered that this change in population will have an impact on the performance of community building assets.

Given the high degree of urbanisation already within the region, it is most likely that the demands will not be for the expansion of the infrastructure network but will more likely be on the levels (and scope) of service provided by the existing infrastructure.

Changes in demographics and types of recreational activities, however, will have an ongoing effect on recreational facilities. An ageing population will mean a greater need for the senior citizen and aged care facilities and disability access.

4.2 Changes in Technology

Technology changes are forecast to affect the delivery of services covered by this plan. Various product developments and advances may improve work efficiencies and provide cost savings in some areas. Updated plant and equipment may result in improved service delivery within a more efficient timeframe.

Consideration will need to be given to operating with environmentally friendly energy sources and fuels. There will be a need to install energy and water saving equipment for environmental responsibility and cost efficiency.

Use of improved technology for conducting condition surveys may lead to improved data integrity and an ability to link data to a Geographic Information System (GIS) for improved visualisation. Advances in mobile computing and remote computing will mean simpler and more efficient information transfer and time utilisation.

Improved information technology will provide the opportunity for more effective and efficient maintenance management.

4.3 Impact of Climate Change

There is continuing discussion about changing climate conditions including increased rainfall, rising sea levels and magnitude and frequency of major weather events. It is unlikely that further severity of climate change will affect building assets significantly during the period covered in this plan, however future planning will need to consider climate change impacts.

¹ <https://forecast.id.com.au/hobsons-bay/population-summary>

4.4 New Assets from Growth

HBCC is almost fully developed and for the purpose of this BAMP, it has been assumed that there will be minimal new building facilities constructed in the near future.

In the medium term, this SAMP will be reviewed, and if there is a requirement to acquire new assets due to population and demand growth, then the cost of these new assets will be included in financial forecasts.

It is noted that when new assets are created, or assets are expanded or upgraded, this commits HBCC to fund ongoing operations and maintenance for the period that the service provided from the new assets is required. These future costs can and will be identified and considered in developing forecasts of future operating and maintenance costs.

4.5 Demand Management

Demand for new services will be managed via a combination of managing existing assets, upgrading of existing assets (where required) and providing new assets to meet demand.

Council will investigate new technologies in terms of both products and maintenance techniques to best manage facilities and balance use across all facilities.

Where necessary, demand management practices will also be put in place to address demand issues and pressures. Demand management practices include non-asset solutions such as risk management, controlling or softening demand, insuring against risks and managing failures.

Table below shows the proposed asset growth, in terms of new and upgrade projects, within HBCC. It can be seen that significant amounts of money have been forecast for works on the Bruce Comden Reserve Aquatic facility and the Altona Sports Centre. It is proposed that the works to JT Gray Reserve pavilion and the Dennis Reserve pavilion will replace multiple buildings within the area.

Table 4.1: Proposed building asset included in LTFFP as of June 2019:

New Assets:	
Bruce Comden Reserve Aquatic Facility	\$40m
HD Graham Reserve Pavilion	\$2m
Bayside College Paisley Campus	\$1.5m
Precinct 15 Community Facility/ Sports Pavilion	\$15m
Upgrading/Expansion of existing assets:	
Altona Sports Centre	\$15m
Bayfit Leisure Centre	\$20m

Bayside College- Williamstown Campus	\$1.5m
Altona Civic Centre	\$7.5m
Williamstown Cricket Ground	\$3m
Replacing existing assets:	
JT Gray Reserve Pavilion	\$3.5m
Croft Reserve Pavilion	\$3m
Donald McLean Pavilion	\$3m
Digman Reserve Pavilion	\$3.5m
Dennis Reserve Pavilion	\$3.5m
Altona Hockey Club Pavilion	\$2.5m
Total:	\$125.0m

5 Lifecycle Management Plan

The lifecycle management plan details how Council plans to manage and operate the building assets at the agreed levels of service while optimising life cycle costs.

The Asset Team and Capital Works Team will plan all the required renewal budget and submit for management approval during the capital works budget nomination process.

The roles and responsibilities of Asset Manager, Service Manager, Maintenance Manager and Project Manager have been defined for undertaking building and asset management functions.

5.1 Background Data

5.1.1 Physical Parameters

A detailed list of HBCC buildings/facilities within HBCC is included in Appendix A.

Council's buildings have also been categorised into functional sub-groups to provide a framework to assist with maintenance scheduling and risk management.

These groups are:

- Active Communities
- Commercial/Leased Properties
- Operation Centre
- Cultural Centres & Facilities
- Community Care
- Early Years/MCH/Kindergartens
- Libraries & Community Centres
- Public Toilets.

5.1.2 Asset Capacity and Performance

Based on the condition audit completed in 2019, there is an amount of projected renewal expenditure scheduled in the next ten years of \$63 million to renew those poor building assets.

5.1.3 Asset Condition

A high-level building data collection and condition audit assessment process was completed in 2019 across selected building assets by the consultant, Macutex. This audit provides comprehensive condition information for all facilities and assets/components. This information has been included in Council's Building Assets Register.

The asset component hierarchy outlined below was used to assess the extent, valuation and condition of building assets:

- Structure
- Roof
- External finishes
- Internal finishes
- Fittings and fixtures
- Services

- Site elements
- Plant and equipment

The age of Council’s building assets varies significantly. Some assets are second or third generation assets, having been renovated, reconstructed or upgraded on several occasions in the past. Many buildings have relatively modern finishes, fittings and fixtures with reasonably long remaining useful life.

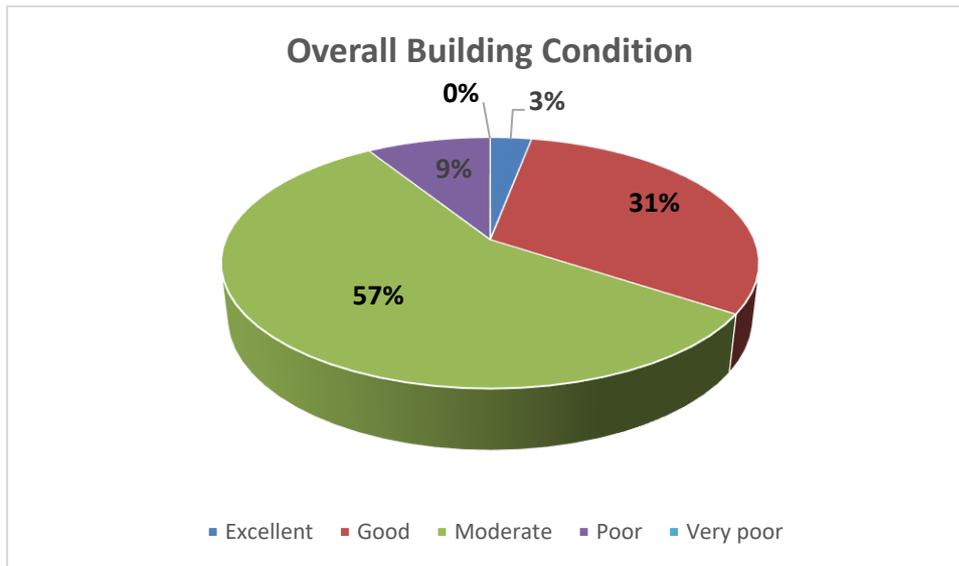
5.1.4 Condition Rating Scale

The condition rating used by Council is as shown in Table below.

Table 5.1: Condition Rating Scale

Rating	Condition	Description
1	Excellent	As new - no need for intervention. No risk to public safety. Only normal maintenance required.
2	Good	Some sign of wear and tear - no immediate intervention required. Minor defects only. Minor maintenance required. Note for review at next inspection
3	Moderate	Some areas of defects - generally able to be addressed through routine/scheduled maintenance required to return to accepted Level of Service. Some risk to public safety and amenity.
4	Poor	Poor condition - extensive wear and tear - requiring replacement of large sections. Significant risk to public safety and amenity.
5	Very Poor	Failed - Asset unserviceable. Significant defects both in terms of severity and extent. Requires replacement

The condition audit completed in 2019 produces the following results:



The majority of council’s buildings are in good to moderate condition, with 9% of building in poor condition. These poor condition buildings have been included in capital works programs for the next 5 years.

5.1.5 Condition Ratings Calculations

The condition of individual building asset is calculated by using the HBCC Condition Ratings as shown below.

Table 5.2: Building Assets Condition Ratings Remaining Useful Life calculations

Condition Rating	% remaining useful life
1 – Excellent	81%
2 – Good	50%
3 – Moderate	28%
4 – Poor	13%
5 – Very Poor	4%

Assets in condition 1 to 3 are considered to be in “satisfactory” condition while those in condition 4 and 5 are considered to be in “unsatisfactory” condition.

5.1.6 Building Assets Projections for Maintenance

The condition survey for maintenance requirements as assessed in condition audit is detailed in Table below:

Table 5.3: Building Assets Maintenance Requirements

Urgent (<3 Months)	Short Term (<12mth s)	Medium Term (1- 3yrs)	Long Term (3- 5Yrs)	Total
\$41,800	\$589,940	\$554,470	\$50,200	\$1,236,410

A detailed condition summary for each building/facility is held within HBCC's corporate information system and the HBCC Macutex 2018/19 Condition Building Audit and a Summary Page contained in the document Hobsons Bay City Council – Condition Portfolio – V4.xlsx.

5.1.7 Asset Valuations

The current replacement value of buildings assets is \$223 million as of June 2019 and recorded in Council's asset management system.

6 Fit for Purpose

6.1 Fit for Purpose Survey

Council contracted Macutex to conduct a fit for purpose survey (for the 133 buildings excluding individual public toilet building) with Service Managers who have responsibility for the management of the assets in the Building Condition Audits. The function of the survey was to ascertain the Fitness for Purpose of each individual asset to align with the Condition Audit undertaken by Macutex.

Two questionnaires were created in alignment with the business groups, and the assets used in the audit scope and to align with perceived information required to validate the audits.

Survey 1 was used for the General Assets, and Survey 2 was modified for the Business Groups of Active Communities and MCH/Early Years/Playgroups/Kindergartens and Multi- Purpose Buildings.

Survey 1 had 100 Questions with a Yes, No or Not Applicable Response. Survey 2 had 21 Questions with a Yes, No or Not applicable Response. A rating of the response was used to record results:

- Yes = plus1 point
- No = minus 1 Point
- Not Applicable = 0 Point

This structure provided a way of presenting the information in a data form that will be used in each individual Asset Management Plan for each selected building.

Fit for Purpose (FFP) is an assessment of the physical condition of the facility assets relative to the condition when first constructed or refurbished. It is an assessment of an asset match to its current or intended use.

In assessing the FFP condition of the various assets, the following criteria were considered and 2 FFP Surveys were developed to ascertain the current FFP:

FFP Survey 1 General Buildings

- 1.00.00 - Spatial Relationships
- 2.00.00 - Aesthetics
- 3.00.00 - Environmental Comfort
- 4.00.00 - Provision/Amenity
- 5.00.00 - Legislative Compliance (BCA/NCC)
- 6.00.00 - Legislative Compliance (Hazardous Materials)
- 7.00.00 - Forecasting

FFP Survey 2 Multi-Function and Active Communities and MCH/Early Years Playgroup

- 1.00.00 - Spatial Relationships
- 2.00.00 - Use
- 3.00.00 - Space
- 4.00.00 - Serviceability
- 5.00.00 - Access
- 6.00.00 - Adaptability

Future assessment will consider assets condition relative to sustainability principles and goals in a more comprehensive manner.

6.2 Results

Due to some incomprehensive responses received for some buildings, it was decided that a 'YES' & 'NO' conclusion would be drawn as to whether a building was fit for purpose. Where the questionnaire responses were too light or inadequate the conclusion would be 'YES' [rather than NO] with a qualification that "this should be verified at the time of making any decision about the asset's future". The logic behind this decision is that the asset is currently working and, while most assets could certainly benefit from upgrades, they should not be condemned.

Based on the above approach, 80% of the Council's 133 buildings included in the survey were deemed fit for purpose. All of the buildings not deemed fit for purpose were designated as such due to the building not achieving the asset target condition rating. These poor condition buildings have been included in capital works renewal program for the next five year, or scheduled for demolition or future upgrade.

7 Risk Management Plan

HBCC management and staff are accountable to ensure implementation of the HBCCs integrated risk framework.

This is achieved by:

- Consultation and communication effectively support the program at all stages;
- Identified risks are assessed in alignment with the Australian/New Zealand Standard for Risk Management (AS/NZS ISO 31000:2009) and managed within the Risk Management Register of HBCC;
- Safe and secure systems of work are developed, implemented and maintained to control risk exposures;
- Suitable equipment and facilities are provided and maintained;
- Adequate information, training and supervision are provided;
- Compliance is expected with relevant Acts, Regulations, Codes and Standards; and
- All staff will have generic and, as required, job specific, risk management and occupational health and safety responsibilities incorporated into their position descriptions

The following risks have been identified for building asset management. They include:

- Develop and implement building inspection and defect identification and rectification systems and processes;
- Ensure essential services inspections/ certification conducted and completed appropriately;
- Consider building maintenance and renewal resourcing and funding requirements in BAMP and provide required resourcing/ funding at appropriate risk level;
- Review and develop Occupational Health & Safety systems and processes for all buildings including those operated by HBCC and those by private operators;
- Review and improve security installations, e.g. alarms, lighting, remove vegetation to improve visibility;
- Review security surveillance for key and high-risk facilities;
- Develop and implement an asbestos management plan for all facilities in accord with codes/legislation; and
- Confirm building management and maintenance roles and responsibilities with lessees and facility managers and operators.

A formal risk rating workshop has not been undertaken at this stage and has been identified as an improvement area for future asset management plans.

8 Operations and Management

8.1 Operations and Maintenance

Operations activities consume resources to ensure the infrastructure asset levels of service are met. Some operational activities include:

- Utility costs, e.g. electricity, rates;
- Cleaning;
- Environmental Waste; and
- Security including patrols

It is likely that operations costs will increase in the future with increasing materials, parts and utility costs, particularly electricity. HBCC will need to consider various sustainability and energy efficiency measures in existing and upgraded facilities to minimise costs and environmental impact.

Maintenance is the regular, on-going work that is necessary to keep assets operating, including instances where portions of the asset fail and need immediate repair to ensure the asset returns to an operational state. Maintenance includes reactive, planned and cyclic work activities.

Reactive maintenance is unplanned repair work carried out in response to service requests and management/supervisory directions. Planned maintenance is repair work that is identified and managed through a maintenance management system (MMS). Under the BAMP it would be proposed that MMS activities include inspection, assessing asset condition against failure/breakdown, prioritising, scheduling, actioning the work and reporting what was done to develop a maintenance history in order to improve ongoing maintenance and service delivery performance.

Cyclic maintenance is replacement of higher value components/sub-components of assets that is undertaken on a regular cycle including repainting street furniture such as seating, shelters and pump component replacement. These works generally fall below the capital works threshold.

Table below shows Council's asset management budget process.

Table 8.1: Asset Management Budget Process

Recurrent funding	Capital	Capital	Consequential recurrent funding
Operations & Maintenance	Renewal/Compliance	New/Upgrade	New maintenance and Operational costs
Funds to maintain and operate existing asset stocks and risks so that existing services are maintained to Approved service standards	Funds to renew existing asset stock and compliance needs, in order to retain capacity to deliver specified levels of service of existing services and to manage risk. It must also allow for renewal of additional new and upgraded asset stock for approved new or improved services	Funding for provision of new or upgrade works to assets and to support approved new, improved or expanded services. Funds allocated only when all non-discretionary requirements are met.	Funds for the additional maintenance and operating costs as determined by the lifecycle cost analysis that will be incurred as a result of the proposed new and upgrades assets, to support approved new or expanded existing services.
Non-discretionary operational	Non-discretionary capital	Discretionary capital	Non-discretionary operational

Historical maintenance expenditure amounts are shown in Table below.

Table 8.2: Historical Maintenance Expenditure

Year	Annual Reactive Expenditure	Annual Lump Sum Expenditure	Annual Total Maintenance Expenditure
2014/15	\$1,441,335	\$1,250,000	\$2,691,335
2015/16	\$1,787,139	\$1,294,000	\$3,081,140
2016/17	\$2,176,961	\$1,326,000	\$3,502,962
2017/18	\$1,787,161	\$1,536,000	\$3,323,161
Average Annual	\$1,798,149	\$1,351,500	\$3,149,650

Maintenance expenditure levels are generally adequate to meet required service levels. It is recommended to allow for the maintenance budget of approximately \$35 million for the next 10 years (including allowance for CPI increase). Maintenance is funded from Council’s operating budget and grants where available.

8.2 Renewals

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

8.2.1 Historical Renewal Expenditure

Table below shows the historical renewal expenditure for the past 3 years.

Table 8.3: Historical Renewal Expenditure

Year	Annual Renewal Expenditure
2015-2016	\$4,537,296
2016-2017	\$4,894,043
2017-2018	\$3,904,774
Average Annual	\$4,445,371

8.2.2 Renewals Planning

With significantly improved condition data across all of Council’s building assets now available following the buildings data collection and condition assessment completed in 2019, it is intended to include asset renewal considerations based on estimates of remaining useful life when developing asset renewal programs in the future.

Generally, it is considered appropriate that in order to sustain asset condition and service levels, asset renewal will take place when assets approach or fall into the condition range of 4 to 5.

Accordingly, in conjunction with the development of this BAMP, future “sustainability” renewal expenditure requirements will need to be forecast based on the updated condition information, the estimated remaining lives, asset inventory and the value of HBCC’s building facilities network.

The “Sustainable Assets” renewal forecast scenario defines asset renewal requirements to “sustain” assets in order to enable them to continue to meet current/required levels of service.

The renewals forecasts include a contingency portion (such as replacement of asbestos linings) as part of the programmed refurbishment of the individual buildings, which will be in line with information derived from the condition assessment. Access improvements will be undertaken in conjunction with building renewal and upgrading works as appropriate.

Additionally, opportunities for implementation of environmental sustainability initiatives will be included in renewal works as opportunities arise or will be included in the New and Upgrade Works program.

Analysis indicates that if renewal expenditure is held at current/ historical renewals expenditure/funding levels for the next 10 years, there will be an increase in the percentage of assets in “unsatisfactory condition”.

Further, if projected asset renewal funding is not forthcoming, it is forecast that maintenance expenditure will need to be further increased to manage the increased risk and provide appropriate levels of service.

The condition 4/5 intervention scenario corresponds to the “unsatisfactory” condition threshold. Council’s aim is to minimise assets in an “unsatisfactory” condition and therefore a condition 4/5 renewals intervention strategy is considered desirable. This supports Council’s desired levels of service.

Council has a Capital Works Project Evaluation system in place which guides and prioritises projects based on various factors. Future renewal projects and programs will be assessed using the Capital Works Project Evaluation system.

8.2.3 Works Program

Given the nature of building renewal works, in many circumstances, it is more cost effective to undertake multiple building component renewals works at the same time. This can achieve cost efficiencies even if some building components still have remaining useful lives.

From the latest condition assessment, a draft work program has been prepared. This plan highlights areas of identified component deficiencies but requires further refining in order to ensure works are undertaken in an efficient and economically beneficial manner. In addition, further work is required to align this plan with Council’s forward budget program.

It is proposed that following the budget preparation stage each year, the draft works program for the next 4 years be reviewed and an annual program for that year be established based on available funds. In addition, given the nature of the condition assessment further investigation is required to determine the exact detail of the buildings works program.

8.2.4 Renewal Standard

Renewal work is carried out in accordance with the following standards and specifications:

- Relevant Australian Standards
- Relevant industry guidelines / best practice
- Building Code of Australia
- Natspec/AUS-Spec specifications and guidelines.

8.3 New Works Creation/ Acquisition/Upgrade

New works are those that create a new asset that did not previously exist or works that upgrade or improve an existing asset beyond its existing capacity. These works may result from growth, social or environmental needs. Assets may also be acquired at no cost to the HBCC from land development or infill development by private developers.

New assets and upgrade/expansion of existing assets are generally identified from various sources such as proposals included in strategic plans, identified supply/ service deficiency, council or community requests, or partnerships with other organisations.

8.4 Disposal Plan

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

Assets that are identified for possible disposal in the future will be further investigated to determine the required levels of service and scope available options for alternate service delivery, if any.

9 Financial Summary

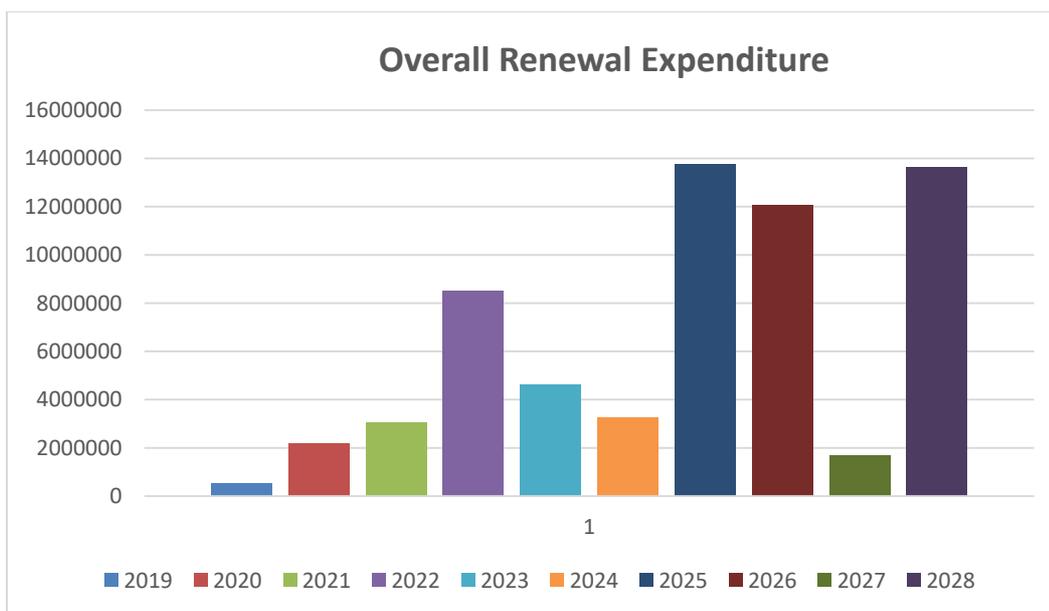
9.1 Forecast Expenditure

This BAMP identifies the estimated maintenance and capital expenditures required to provide an agreed level of service to the community over a ten-year financial period. This may be compared to existing or planned expenditures to identify any gap. A gap is generally due to increasing asset renewal requirements. Given that long term modelling over the life of an asset can at times produce inaccuracies due to assumptions, it is considered that the medium-term sustainability should be more heavily relied upon.

Based on the condition audit assessment completed in 2019, the renewal expenditure required to renew those buildings and components that are in poor condition over the next 10 years is tabulated below with the associated chart.

Table 9.1 Forecast Renewal Expenditure

Year	Forecast Renewal Expenditure (\$)
2019	521,505
2020	2,186,036
2021	3,032,916
2022	8,486,399
2023	4,626,48
2024	3,241,594
2025	13,740,220
2026	12,065,626
2027	1,672,598
2028	13,625,217
Total	63,198,595



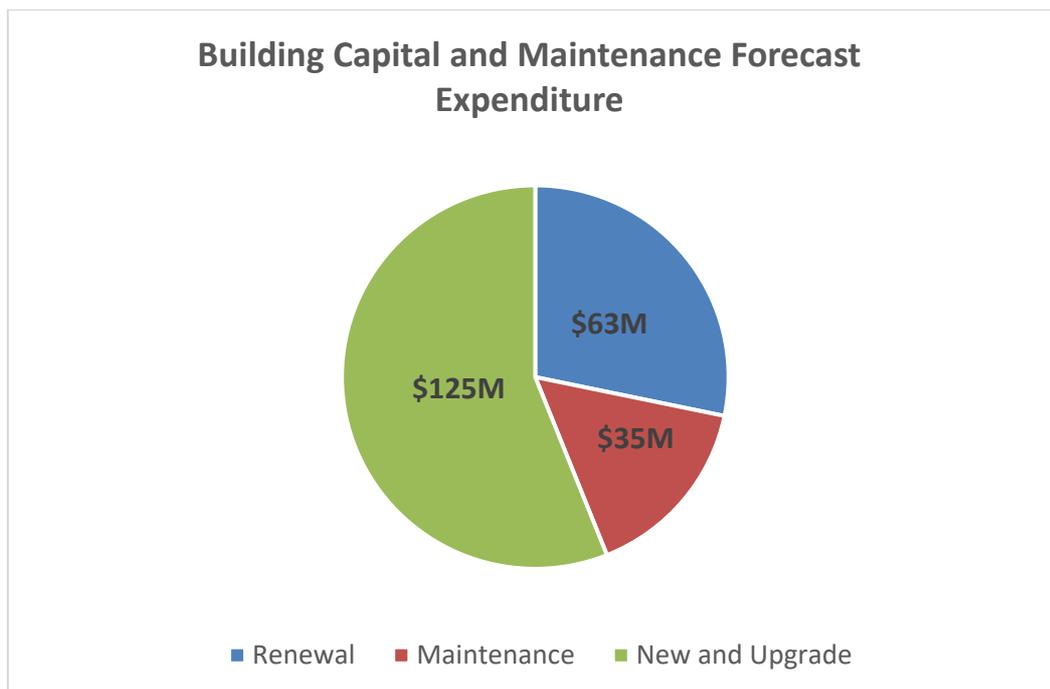
The renewal expenditure required is forecast to be \$63 million for the next 10 years, with an average of \$6.3 million per year. This renewal expenditure includes those buildings that have been earmarked

for demolition or major upgrade. The figures will be revised once planning and phasing of renewal works has been completed.

Building maintenance expenditure is forecast to be \$35 million for the next 10 years.

Building new and upgrade expenditure is forecast to be \$125 million over the next 10 years as of June 2019.

The chart below combines all the building renewal, maintenance as well as new and upgrade forecast expenditure for the next 10 years.



The forecast expenditure to provide maintenance, renewal, new and upgrade building assets across the municipality is estimated to be \$223 million over the next 10 years. This forecast expenditure has been included in Council's Long Term Financial Plan.

9.2 Funding Strategy

In order to sustain the condition and serviceability of Council's building assets, consideration will need to be given to providing sufficient funding to match the projected renewal expenditure requirements.

The funding strategy is detailed in Council's 10-year Long Term Financial Plan.

Achieving a "Sustainable Assets" financial strategy will require additional funding from a combination of:

- Review/rationalisation of current expenditure across all asset classes and indeed across Council's budget generally
- Investigation and implementation of alternative funding sources e.g. infrastructure rate increase/special rate variation
- Review/rationalisation of specific service areas identified as potentially being over- serviced
- Re-allocation of income where appropriate to buildings asset management e.g. building/facility related fees and charges income
- Additional grant funding from higher levels of government
- A review of fees and charges relevant to buildings management.

9.3 Valuation Forecasts

Asset values are forecast to increase as additional assets are added to the asset stock from facility upgrading and new works. However, as identified in this BAMP, there is forecast at this stage to be a minimum of new assets created over the next 10 years.

There may be future capital works undertaken in the ten year period that are not yet identified or anticipated as of June 2019.

Key assumptions made in this BAMP and financial forecast are:

- Financial forecasts are based on Council 10 year capital works forecast as of June 2019
- Council will seek to fully fund required asset renewal requirements into the future
- Capital renewal programs are designed to maintain the service potential of existing assets
- Operations and maintenance costs are based largely on historical expenditure and assume there will be no significant increase in the cost of providing these services apart from those costs related to new assets
- Financial forecasts are based on present dollars with the inherent assumption then that costs will increase in the future in line with consumer price index (CPI). For Operations and Maintenance, it has been assumed that costs will increase at a rate slightly above CPI i.e. additional 1% pa. (This may not be the case as material costs and/or salaries and wages for example may increase/decrease at alternative rates). No sensitivity analysis has been carried out at this stage to identify how this may impact costs in the future

Accuracy of future financial forecasts may be improved in future revisions of this BAMP by the following actions:

- Review of asset unit rates and useful lives
- Better alignment of BAMP with the Long-Term Financial Plan
- Improved understanding regarding development of levels of service
- Improved understanding of demand forecasting and future required new works/ upgraded assets
- Refining long term operational and capital programs for works and services

- More advanced strategic analysis of the data and information particularly considering levels of service, asset capacity and performance and demand
- Optimisation of asset renewal works and forecasts
- Understanding and analysing the many financial and economic influences which may potentially impact upon the cost of provision of services (sensitivity analysis).

10 Asset Management Practices

10.1 Accounting / Financial Systems

Council's Financial System is COMPUTRON.

Financial reporting is to be in compliance with the requirements of the Local Government Act and relevant Australian Accounting Standards, Local Government Code of Accounting Practice and Financial Reporting and Local Government Accounting Manual.

10.2 Asset Management Systems

Council's asset management system is CONFIRM. COMPUTRON is integrated with CONFIRM.

Accountability for the operation and management of the asset management system is corporate and requires input from the technical, operational and financial areas of Council.

10.3 Information Flow Requirement and Processes

The key information flows into this BAMP are:

- The asset register data on extent, size, age, value, remaining life of the network
- The unit rates for categories of assets, materials and works
- The adopted service levels
- Projections of various factors affecting future demand for services
- Correlations between maintenance and renewal, including understanding of asset deterioration
 - Data on new or upgraded assets

The key information flows from this BAMP are:

- The assumed works program
- The resulting budget, valuation and depreciation projections
- The asset useful life analysis.

All of the above data impacts the Resourcing Strategy (Long Term Financial Plan), Strategic Business Plan, annual budget and departmental business plans and budgets.

11 Plan Improvement and Monitoring

11.1 Performance Measures

The effectiveness of the BAMP can be measured in the following ways:

- The degree to which the required cashflows identified in this BAMP are incorporated into Council's Long Term Financial Plan
- The degree to which organisation budgets and business plans take into account the works program and forecasts provided by the BAMP
- Community acceptance relating to levels of service

11.2 Improvement Plan

Council aims to put in place best asset management strategies and practices as documented in Council's Asset Management Policy and Strategy. This means that Council will continually be developing and improving its knowledge, systems, processes and strategies to ensure it is providing the level of asset management necessary to competently, responsibly and sustainably manage the community's assets now and into the future.

A strategic asset management gap analysis carried out in 2017 provides an assessment of current asset management practice versus medium term desired/target asset management practice.

11.3 Monitoring and Review Procedures

The BAMP should be reviewed and updated at least every 4 years.

11.4 Asset Criticality

Asset Criticality (Importance) and maintenance intervention is based on the framework below.

Job Category	Job Description	Premium Building	High Priority	Medium Priority	Low Priority	Mothball
Carpentry		Priority 1	Priority 2	Priority 3	Priority 4	Priority 5
	Door / Window Jammed	2 days	5 days	10 days	15 days	No Repair
	Cupboards	2 days	5 days	10 days	15 days	No Repair
	Repair Fencing	2 days	5 days	10 days	15 days	No Repair
	Installation of equipment	2 days	5 days	10 days	15 days	No Repair
	General maintenance	2 days	5 days	10 days	15 days	No Repair
	Floor Repairs (Trips)	2 days	5 days	10 days	15 days	No Repair
	Floor Repairs (Appearance)	2 days	5 days	10 days	15 days	No Repair
	Dangerous	2 hours	2 hours	2 hours	2 hours	2 hours
Electrical		Priority 1	Priority 2	Priority 3	Priority 4	Priority 5
	Repair/maintenance	5 days	5 days	10 days	10 days	15 days
	Switchboard Issue	1 day	2 days	5 days	5 days	10 days
	Power out	1 hour	2 hours	2 hours	1 day	1 day
	Light blinking or off	2 hours	4 hours	1 day	5 days	5 days
	Sports ground/Reserve Lighting	10 days	10 days	10 days	20 days	45 days
	Dangerous	1 hour	1 hour	1 hour	1 hour	1 hour
Plumbing		Priority 1	Priority 2	Priority 3	Priority 4	Priority 5
	Blocked toilet / sink	4 hours	4 hours	4 hours	4 hours	4 hours
	Water leaking - pipe	1 day	2 days	2 days	5 days	5 days
	Water leaking - roof	1 day	2 days	2 days	5 days	5 days
	Water leaking - appliance	1 day	2 days	2 days	5 days	5 days
	Odours	2 days	2 days	5 days	5 days	10 days
	Repairs and Maintenance	2 days	2 days	5 days	10 days	15 days
	Equipment alarms (pumps etc)	2 days	5 days	5 days	10 days	10 days
	Dangerous	2 hours	2 hours	2 hours	2 hours	2 hours
Essential Safety Measures		Priority 1	Priority 2	Priority 3	Priority 4	Priority 5
	Panel in Fault	1 day	1 day	5 days	5 days	5 days
	Panel in Alarm	1 day	1 day	1 day	1 day	1 day
	Equipment missing (exinguisher etc)	1 days	2 days	5 days	5 days	10 days
	Fire Hazard / Dangerous	4 hours	4 hours	4 hours	4 hours	4 hours
Small Repairs		Priority 1	Priority 2	Priority 3	Priority 4	Priority 5
	Painting	5 days	10 days	10 days	20 days	No repair
	General maintennce	5 days	10 days	10 days	15 days	20 days
	Installation	5 days	10 days	10 days	15 days	20 days
	Rubbish Removal	2 days	5 days	5 days	5 days	10 days
	Furniture moving	5 days	10 days	10 days	15 days	15 days
	Patching and Painting	5 days	10 days	10 days	15 days	No repair
	Maintenance	5 days	10 days	10 days	15 days	15 days
Graffiti		Priority 1	Priority 2	Priority 3	Priority 4	Priority 5
	Offensive - Private Property	2 days	2 days	2 days	2 days	2 days
	Offensive - Council Property	1 day	1 day	1 day	1 day	1 day
	Non Offensive - Private property	10 days	10 days	10 days	10 days	10days
	Non offensive - Council property	2 days	5 days	5 days	5 days	5 days
HVAC		Priority 1	Priority 2	Priority 3	Priority 4	Priority 5
	Feeling hot or cold	5 days	5 days	10 days	10 days	30 days
	Not working	1 day	2 days	2 days	5 days	10 days
	Noise / vibration	1 day	2 days	2 days	5 days	10 days
	Dangerous	4 hours	4 hours	4 hours	4 hours	4 hours
	Leaking water	1 day	2 days	2 days	5 days	10 days
Miscellaneous		Priority 1	Priority 2	Priority 3	Priority 4	Priority 5
	Damaged	2 days	5 days	5 days	5 days	10 days
	Dangerous	1 day	1 day	1 day	1 day	1 day
	Minor Maintenance	2 days	5 days	5 days	5 days	10 days
Pest Control		Priority 1	Priority 2	Priority 3	Priority 4	Priority 5
	Dangerous	4 hours	4 hours	4 hours	4 hours	4 hours
	Baiting required	5 days	5 days	5 days	10 days	10 days
Keys		Priority 1	Priority 2	Priority 3	Priority 4	Priority 5
	Padlock	5 days	5 days	5 days	5 days	5 days
Green - Standing approval for works costing up to \$2,000						
Yellow - Standing approval for works costing up to \$1,000						
Red - No standing approval - Defect to be raised against asset and works to be approved by HBCC						
Provide a standing approval for works up to the value of \$2000 where these works are deemed to be a safety issue or cost saving to Council or where this is directly related to the reported problem, as outlined in this protocol.						
The standing approval will vary depending on the issue at hand based on the Building priority classification in conjunction with determinations above.						

12 References

- HBCC Community Strategic Plan
- HBCC Asset Management Policy
- HBCC Asset Management Strategy
- HBCC Risk Management Policy
- HBCC 10 Year Capital Plan
- HBCC Operational Maintenance 4 Year Costing
- HBCC Building Valuations 2018
- HBCC Building Condition Data 2018
- Macutex Fit for Purpose Survey Information 2018
- Macutex Building Condition Audit 2018
- IPWEA, 2018, 'International Infrastructure Management Manual', Institute of Public Works Engineering Australia,
- Australian Infrastructure Financial Management Guideline
- IPWEA Building Condition & Performance Assessment Guidelines Practice Note 3 V2 2016
- AS/NZS/ISO 31000:2009 Risk Management – Principles and Guideline

13 Appendix A

2nd Altona Scout Hall	Bryan Martyn Oval Pavilion	Newport Athletics Track Pavilion
3rd Williamstown Scout Hall	Cooraminta Kindergarten	Newport Community Hub
Alan Harsley Pavilion	Crofts, W.L.J. Reserve Pavilion	Newport Gardens Early Years Centre
Altona Badminton Centre	Digman Reserve Pavilion	Newport Lakes Operations Centre
Altona Basketball Centre	Donald McLean Football/Cricket Pavilion	Newport MCH
Altona Beach Lifesaver Observation Tower	Doug Grant Reserve Caretakers Residence	Newport Recreation Centre
Altona Dog Obedience	Duane, D.N. Reserve Pavilion	Old Laverton School
Altona Girl Guides	Eastona Play Playgroup	Pines Scout Hall
Altona Green Park Pavilion	Edwards Reserve Pavilion	Power Street Tennis Club
Altona Hockey Pavilion Grant, J.K. Reserve	Emma McLean Kindergarten	Quarry Reserve Pavilion
Altona Hockey Public Toilet Grant, J.K. Reserve	Ford, A.H. Reserve Pavilion	Robina Scott Kindergarten
Altona Homestead & Museum	Frances Sullivan Kindergarten	Roy Picone Pavilion
Altona Kindergarten	Grant, J.K. Reserve Change Pavilion	Russell Ct Kinder & Children's Centre
Altona Lacrosse Pavilion	Grant, J.K. Reserve Social Pavilion	Seabrook Community Centre
Altona Lakes Public Golf Course Pavilion	Gray, J.T. Reserve Combined Pavilion	Seagulls Laundry
Altona Library	Gray, J.T. Reserve Soccer Pavilion	Seaholme Kindergarten
Altona Lifesavers	Greenwich Reserve Pavilion	SES Operations Altona Depot
Altona Magic East Soccer Pavilion	Hobsons Bay Community Workshop	Somers Parade Kindergarten
Altona Meadows Child Care Centre	Hobsons Bay Kindergarten	South Kingsville Community Centre
Altona Meadows Community Centre	Hobsons Bay Visitor Information Centre	St. Johns Ambulance House
Altona Meadows Cooraminta MCHC	Home Road Kindergarten	The Range Children's Centre & Kinder
Altona Meadows Kindergarten MCHC	Homestead Run Reserve Tennis Pavilion	Truganina Historic Building
Altona Meadows Library & Learning Centre	Indeed Convey	Walker Close Community Centre
Altona North Bocce Club	Jackson, B.F. Pavilion	Westgate Golf Course Pro Shop
Altona North Bowling Club	Joan Kirner House	Westgate Golf Course Social Room
Altona North Child Care Centre	Kim Reserve Soccer Pavilion	White, K.C. Reserve Pavilion
Altona North Community Library	Langshaws, A.W. Reserve Pavilion	Williamstown Beach Dressing Pavilion
Altona North Yoralla Kindergarten	Laverton Active Hall	Williamstown Beach Tennis Club
Altona Operations Centre	Laverton Community Childrens Centre	Williamstown Botanic Gardens Operations Centre
Altona Senior Citizens Centre	Laverton Community Hub	Williamstown Central Tennis Club
Altona St. Johns Ambulance	Laverton Kindergarten	Williamstown Child Care Co-op
Altona Swim & Fitness Centre	Laverton North Kindergarten	Williamstown Cricket Ground Kiosk
Altona Tennis Club	Laverton Park Soccer Change Pavilion	Williamstown Cricket Ground Pavilion
Altona Theatre	Laverton Park Soccer Pavilion	Williamstown Croquet Club Pavilion
Altona Yacht Club	Laverton Park Tennis Club	Williamstown CYMS Social Room
Altona Youth Hall	Laverton Swim & Fitness Centre	Williamstown Lacrosse Club Pavilion
Amaroo House	Laverton Youth Resource Centre	Williamstown Library
Bateman House Respite House	Leroy's Shop	Williamstown Lifesavers Kiosk

Bayside Secondary College Pavilion
Bayside Secondary Tennis Club
Baywest Community Centre

Bond, A.W. Reserve Pavilion
Brooklyn Community Hall
Brooklyn Tennis Club
Bruce Comben Reserve Pavilion

Liston Tennis Courts
Loft Reserve Pavilion
Lorraine Bedella Senior Citizens Centre
Maltese Association Neighbourhood
Centre
Maltese Club
Mary Street Reserve Pavilion
Nevitt, G.K. Athletics Ground Pavilion

Williamstown Lifesavers Pavilion
Williamstown Meals on Wheels
Williamstown Rotunda Gardens Kiosk

Williamstown Senior Citizens Centre
Williamstown Town Hall

End of Asset Management Plan