Building Asset Management Plan

2016

opportunity » growth » lifestyle

EXECUTIVE SUMMARY

Introduction

Council has responsibility for some 280 buildings located within the municipality. In 2014-15 Council buildings were valued at $269.5M. The buildings support a broad range of community services. They range from ageing standalone preschools, sports pavilions and public toilets to state of the art facilities such as the recently constructed Peninsula Aquatic Recreation Centre (PARC).

In 2010 Council completed its first generation Facilities Asset Management Plan which set the foundation for this second generation draft Building Asset Management Plan (BAMP). The BAMP aligns with the Council Plan and Council's recently adopted Asset Management Policy and Strategy.

Development of this Plan considered all building asset management practices and included review of all available building asset information. Asset knowledge was supplemented by a comprehensive building audit that considered:

- Compliance with the Building Code of Australia;
- Accessibility as documented in the Disability (Access to Premises – Buildings) Standards 2010;
- Condition; and
- Environmental sustainability.

The BAMP summarises all available asset information.

It is noted that Council has not yet developed measurable fitness for purpose criteria for all the buildings that support services. It is expected that future service planning work will provide measurable fitness for purpose criteria for all services. The fitness for purpose gap can then be quantified and addressed via comprehensive capital works recommendations in future versions of the BAMP.

Acknowledging that Council has no centralised database for building asset data and that Council is heading toward uncertain times, with rate capping now introduced, the BAMP sets out predicted future funding needs and highlights the need for Council to:

- Improve the integration of service and asset planning to identify surplus buildings and determine the standards required for retained buildings to support service needs;
- Address the key compliance risk issues identified during the building audit;
- Improve asset data quality and management to improve decision making efficiency and reliability;
- Provide more holistic property management that seeks to mitigate risks associated with making Council properties available for public use; and
- Address identified deficiencies in asset lifecycle management practices.

Improvements in the above listed areas will enable Council to improve its long-term financial sustainability.

Key Challenges

- Incomplete service planning means that Council does not have a clear understanding of long-term service needs and associated building needs.
- Disconnected, incomplete or inconsistent asset Information makes evidence based decision making time consuming, difficult and somewhat unreliable.
- A lack of clarity regarding Council and facility occupant obligations resulting from a legacy of complex or incomplete agreements.
- Renewal programs not prioritised by building criticality, from a service perspective.
- Building that are classified as not fit for purpose (where upgrade or expansion works are required to bring the asset to the desired standard) are not consistently investigated, scoped, prioritised and placed into the 20 year discretionary capital works program for timely funding to be provided.
- Aligning building upgrade and expansion projects with the building renewal programs to take advantage of cost benefits (economies of scale) and minimise disruption to building users.
- Difficulty predicting renewal, maintenance and upgrade funding needs due to data gaps, inconsistencies and a lack of documented fitness for purpose standards.
- Ensuring Council's future building maintenance contract (due to be re-tendered in 2016) includes an accurate building and building component register and accurate building condition information so that a competitive price can be obtained.
- Council understanding its true building requirements and ensure its network is validated and fit for purpose to continue to provide quality services to the community in a rate capped environment.
- Ensuring Council's future building maintenance contract is outcomes focused and easy to monitor.

Recommended Funding for Financial Sustainability

The table below summarises the proposed non-discretionary funding levels over the next 5 years considered necessary to address identified risks and ensure that Council's approach to building asset management is financially sustainable. Funding could be found by disposal of underutilised buildings that have no longer required meeting current or future service needs.

Proposed Funding ($'M)					
	2016/17	2017/18	2018/19	2019/20	2020/21
Capital Works – Non-Discretionary					
Compliance (BCA)	$1.300	$1.425	$1.345	$0.990	$0.990
Renewal [1]	$2.342	$3.697	$3.513	$4.047	$5.001
Capital Works – Discretionary					
New and Upgrade	$4.701	$4.774	$8.773	$8.314	$7.533
Operating Budget					
Maintenance	$2.397	$2.531	$2.681	$2.831	$2.970
Operations (Cleaning and Security)	$1.400	$1.400	$1.400	$1.400	$1.400
Totals	**$12.140**	**$13.827**	**$17.712**	**$17.582**	**$17.894**

Capital Works Funding

A predictive capital funding model was developed using the results of the building audit. Three scenarios were considered. The results are summarised in Chapter 11.

It is recommended that Council limit expansion of the building portfolio, now the budget is constrained due to rate capping. For all discretionary capital projects approved via the budget process, it is important that operational maintenance budgets are adjusted to enable lifecycle costs to be managed. Should Council elects to providing discretionary funding for new, upgrade or expansion works it is critical that integration opportunities with identified renewal and compliance works are realised to mitigate the amount of discretionary funding required and address any know issues concurrently. This planning principle is recommended to be embedded in any future preparation of capital budgets.

It is recommended that Council responsibly focuses its capital spending on non-discretionary items with the exception of buildings that require new, upgrade or expansion works to address any fit for purpose issues (as identified via service planning or reviews). That is, addressing the identified non-compliances with the Building Code of Australia over the next 5 years. Council should also seek to address the backlog of poor condition building components over 5 years, with continued renewal funding at a rate that matches the predicted rate of building component deterioration. Opportunities to introduce improved compliance with the Disability (Access to Premises – Buildings) Standards 2010 should be a priority, particularly when upgrades are undertaken in response to rectifying building functionality deficiencies. Upgrading buildings as they fall due for renewal is considered a

[1] Intervention Level = 8.5, Optimum funding levels

prudent way of improving the building stock's fitness for purpose whilst simultaneously reducing the renewal liability.

Operational Budget Funding

The starting point for prediction of annual maintenance funding requirements is the current operation and maintenance expenditure level, which is a direct consequence of the current building operation and maintenances contract. Council's current approach to the delivery of building maintenance was reviewed at the time of writing.

Market conditions and the service delivery model that Council chooses to implement once the current contract expires (in October 2016) will dictate the likely expenditure going forward. It should be noted that any decision to implement a more comprehensive maintenance or operation regime is likely to incur a cost of change in the short term, whilst legacy issues from the prior regime are managed out of the system. Best practice maintenance would see a combination of: reactive maintenance; compliance with essential safety measure inspection and maintenance requirements; reliability centred maintenance for key components; and a targeted routine preventative maintenance regime.

As Council progresses towards implementing its Environmental Sustainable Design Standards, energy and water usage targets and seeking alternative sources it is anticipated that utility costs can be mitigated through these measures. However, should Council elect not to pursue these opportunities the probability of escalating water and energy costs occurring is extremely high and in line with what has been observed in recent years. If that occurs Council should expect a cost rise in operating (utilities) its building stock.

Recommended 4-Year Improvement Plan

The improvement recommendations identified in this Plan reinforce the need to implement the recommendations of the Frankston City Council Asset Management Strategy (2013-17).

The table below outlines the twelve (12) relevant AM Strategy recommendations and presents forty four (44) new recommendations, specifically formulated to improve Council's building asset management practices and outcomes. Implementation requires Executive support and resourcing from across the organisation.

ID	ACTION
AM STRATEGY RECOMMENDATIONS	
1	Identify Council Services - Assign Service & Asset Lifecycle Management Responsibilities
2	Develop Service Plans – Define desired levels of service for key asset groups which also considers asset utilisation analysis, establishment of Fitness for Purpose (FFP) assessment criteria; assessment of the current building stock against the FFP criteria and develop a template of service planning that meets the needs of future BAMP's as described in Chapter 2.
8	Review Council Design and Construction Standards - To fast track design (including colour and material palettes), drive standardisation and embed continuous improvement, develop standardised colour and material palettes to speed up the selection of items like paint and carpet.
12	Develop Asset Rationalisation/Disposal Policy (currently in draft form)

ID	ACTION
13	Undertake Asset Rationalisation Assessment – Consider the vacant buildings (Attachment 13.7), buildings which the valuers have assigned 5 years (or less) remaining life (Attachment 13.6) and the buildings in a Very Poor condition (Attachment 13.8) for potential disposal.
14	Continue to Invest in Council's Asset Management Information System and Associated Business Process Improvements – Development of the Frankston Asset Management Information System to manage all aspects of the building lifecycle, house asset data and undertake optimised financial modelling
15	Review Quality of Asset Register Data – Reconcile Financial (T1) and FAMIS register so the Declared Insurance Asset Register is included in the reconciliation process and so that the building asset data needs of all stakeholders are incorporated into the FAMIS Project for facilities.
16	Develop Data Management Guidelines and Responsibilities – review and implement best practice data management
20	Develop Asset Valuation Policy - for asset additions, upgrades and disposals including how to value assets identified during asset inventory collection projects (currently in draft form)
22	Introduce Rolling Program of Building Compliance Audits - Review Council's approach to ensuring compliance with the Building Code of Australia particularly with regard to the monitoring and maintenance of Fire Services. (Refer Chapter 6)
26	Review Facility Occupancy Agreements – Work is required to acquire alignment the various organisations' objectives in terms of service and asset provision and property management.
29	Introduce Service and Asset Management KPI's into Relevant Staff Position Descriptions - Ensure accurate Position Descriptions and personal development plans are in place to assist the development of all members of the Facilities and Sustainable Assets Departments.
NEW BAMP RECOMMENDATIONS	
1	That a Service Planning Program be Implemented – a mechanism be created and embedded to facilitate Council with enough information to provide direction as to the following: a. What services does the community require? b. What will be the service delivery model for provision? c. What will be the level of service provided to the community?
2	Creation of Integrated Systems and Processes to Drive Service Planning - officers to ensure that there are appropriate systems and processes developed to ensure that seamless integration between service and asset planning occurs.
3	Ensure Appropriate Condition, Compliance, Accessibility and Defect Asset Data is Collated and Maintained – it is critical that building data is managed in a pre-agreed format with which to inform renewal and maintenance works. Council continues to support the development of the Frankston Asset Management (particularly the facilities module) Information System to be the corporate asset management software and the single source of truth
4	Building Asset Data Improvement - review and reconciliation of all building asset data is necessary prior to the implementation of the FAMIS Project for Facilities

ID	ACTION
5	Establish a Consistent Corporate Building Asset Register - that is used by all staff and integrated into other corporate software
6	Integration Between Maintenance Contractor and Council Software Systems - upon the awarding of the next maintenance contract specify the need for the Contractor to integrate its asset management software system into FAMIS to capture and hold all maintenance data
7	Consistent Capture of Building Maintenance Requests - develop systems and protocols to ensure all building maintenance requests are entered into Pathways so that the true quantum of requests can be captured, monitored and managed
8	Development of Property Management Functionality in FAMIS – as part of the development of FAMIS ensure that all property management functions have been provided for
9	Identify and Invest in an Optimised Decision Modelling Tool - Investigate availability of a predictive modelling tool that is more sophisticated than the Moloney model and has the capability to more effectively enable lifecycle cost scenario modelling for optimisation of investment in asset renewal upgrade and expansion. Also Investigate Building Information Modelling (BIM) tools for larger new builds
10	Implement the Use of the Building Hierarchy - that the proposed Building Hierarchy is endorsed and utilised to drive asset management and funding decisions
11	Review of Tenant Building Insurance Approach – officers to revise the current approach to insuring Council's buildings and considers taking responsibility for all insurance and charges tenants an appropriate figure
12	Rationalisation of Valuation and Insurance Building Audits - that officers examine the opportunity to rationalise and award to one contractor the biennial and three yearly valuation and risk audits
13	Implementation of Facilities Maintenance Service Review – responsible officers considers the issues as raised in sections 5.2.9 – Previous Maintenance Issues, 5.2.10 – Previous Maintenance Expenditure and 5.2.11 – Lessons Learnt and addresses the identified gaps
14	Budget Management – responsible officers allocates work to the appropriate budget accounts and avoids cross pollination of funds so that better trend analysis can be undertaken
15	Timely Execution of Renewal and Compliance Works - that Council avoids delaying renewal and compliance expenditure until it has been imminently confirmed the that the building will be declared surplus to service needs
16	Expenditure of Nominated Renewal Funding - that the underspending of renewals is discouraged as it will contribute to the renewal gap and opportunities to accelerate other projects is lost
17	Completion of Building Defect Trend Analysis - that responsible officers investigate the common defect types as identified in the 2013/14 audit and develop strategies to better manage these component failures

ID	ACTION
18	Development of a Fitness for Purpose Assessment – the creation of a tool to assist service managers in determining if buildings that support their services are appropriate
19	Collection of Building Utilisation Data - investigate systems and processes to collect utilisation data for Council's building network to assist in identifying rationalisation opportunities
20	Development of Building Service Levels - joint review of the draft service levels (refer Attachment 13.10) by the responsible officers so that agreement on the standard can be reached, defined and delivered
21	Provision of Demand and Trend Analysis Training - that each Service Manager be trained in analysing and assessing the drivers and demand for their services which will inform their Service Plans and asset needs
22	Investigation of Building Demand Management Strategies – responsible officers consider and develop demand management strategies to relieve pressure on existing buildings and improve utilisation for others without needing to increase building numbers
23	Define Property Management Roles and Responsibilities - stakeholder discussions need to be held so that agreement can be reached regarding the roles and responsibilities of each department with respect to property management for all properties within Council's asset portfolio. The property management approach must be aligned with the objectives of Council's adopted Asset Management Policy and Strategy and aligned with desired service outcomes and community needs
24	Address Building Issues as Listed in Council's Risk Register - the responsible officers consider the building risk register in section 8.3 and implements mitigating measures to reduce and eliminate the risk where
25	Renewal and New/Upgrade Ranking Criteria & Review of Current Programs - Develop transparent renewal ranking criteria for use in the development of the building renewal programs. Use the building hierarchy scores (which reflect the building criticality. Review the current capital renewal programs and align with proposed funding requirements.
26	Undertake 4 year cycle of Fitness For Purpose Audits - When Fitness for Purpose Criteria have been set in Service Plans, undertake these audits to identify gaps and inform upgrade, expansion, disposal and collocation decisions.
27	Project Management Framework Implementation - Develop and implement policies, processes, procedures and systems to fully support the implementation of the Project Management Framework a. Formalising the approach to ensuring that input from Facilities team is part of the design process by ensuring that they are invited to design team meetings. b. Standardised protocols regarding, commissioning, testing, and the format and completeness of O&M manuals. c. Building asset handover process. d. Establish a stronger, more transparent link between service planning and the feasibility of: i. building disposals, and ii. building creation, upgrade and expansion projects

ID	ACTION
28	Provision of Facilities Management Training – educate and skill responsible officer in best practice facilities management
29	Establish Schedule of Rates Sub- Contractor Panels - for single trades like painting and carpet replacement.
30	Implementation of a Asset Option Analysis Philosophy - when considering the creation or acquisition of an asset that the service and asset managers undertake an Asset Options Analysis to determine the best asset provision option
31	Endorse the Option Four Service Delivery Model for Maintenance - that Council endorses Option Four of the Facilities Management Contract Review and recommendation as provided in section 9.3.4 and implements with the forthcoming tendering of the new maintenance contract and addresses issues as identified in Chapter 5.
32	Application of Funding Within the Correct Capital Works Budget Stream - resist utilising renewal funding to address fitness for purpose issues (new, upgrade and expansion works)
33	Improve Capital Works Project Planning - so that there is more integration of the timing and scope of the 20 year building renewal programs with new, upgrade and building expansion projects. This will enable better use of non-discretionary renewal funds whilst simultaneously improving building condition and functionality.
34	Define the Roles and Responsibilities of all Integrating (enablers) Departments - to ensure there is consistency and alignment with common objectives that support service and asset managers
35	Review Council's existing Carbon Neutral Action Plan (mitigation) - and develop a new prioritised investment plan for energy and water conservation measures in Council buildings
36	Review Council's Climate Change Impacts and Adaptation Plan (adaptation) - investigate new and emerging risks and keep abreast of research to inform changes to the design or management of Council buildings to prepare for a changing climate
37	Implement and Monitor Council's ESD Standards for Council Buildings – continue to ensure that all new buildings, major upgrade and expansion works incorporate and adhere to the Environmental Sustainable Design standards
38	Undertake Energy and Water Conservation Audits - to develop a new prioritised investment plan for Council buildings
39	Continue to Undertake Monitoring and Reporting on Energy, Water Use and Greenhouse Gas Emissions - from Council operated facilities
40	Continue to Invest in Alternative Energy - for Council buildings to progress towards carbon neutrality and mitigate the cost of utilities
41	Adopt the Optimum Lifecycle Funding Scenario - as the tactic for future funding of the building portfolio
42	Continuously Review the Building Renewal Modelling - in depth prior to the completion of the next condition audit and subsequent development of the next version of the asset management plan

ID	ACTION
43	Continue to Work Towards Reducing the Reactive Maintenance Cost - by actively monitoring the next maintenance contract and reducing requests by Council personnel for the Contractor to complete 'out of scope' services
44	Prioritise Compliance and Renewal Works - Council to focus its attention on BCA and DDA compliance work and renewal of the building stock

Implementation & Review

Implementation of the recommendations of this plan requires input from staff across the organisation. The process should be managed by the Sustainable Assets Department with proactive support from all members of the (soon to be) reinvigorated Asset Management Leadership Team. To ensure deliverability, departments allocated responsibility for implementation of improvement actions (refer Chapter 12) must include adequate time and resources within their annual business plans. Should an improvement action not be funded it will incumbent on the nominated project leader to prepare and present an Other Service Opportunity application to seek operational funding to undertake the recommendation.

It is recommended that this Plan be reviewed and updated during the year following the next building audit. This audit must include fitness for purpose assessment against measurable criteria. This will require Service Managers to document fitness for purpose requirements in a consistent and auditable format via service planning documents.

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1 INTRODUCTION

1.1 Background

The City of Frankston is located on the eastern shore of Port Phillip Bay approximately 45 kilometres southeast of Melbourne. The City is known for its beautiful coastline, natural bushland, diverse community and growing business, arts, education and health facilities.

The municipality is connected to the rest of Melbourne by rail, highways and freeways. The City covers an area of approximately 131 square kilometres and is home to a local population of approximately 133,560 people, which is expected to increase to 152,494 people by 2036.[2]

Council's asset portfolio supports service delivery, with buildings acting as focal points for community activity. Council buildings are places where people meet, conduct events, obtain information, and access services. They provide opportunity to enjoy the arts, cultural and community activities.

Figure 1 - Council Buildings

Buildings are a significant part of Frankston City Council's asset base. In 2014-15, Council buildings represented a substantial investment with a fair value of $269.5 million[3] reported in Council's Annual Financial Report.

The current building stock has evolved over a long period of time to support the changing nature of Council services. This is evidenced by the varying age, condition and architectural design of the buildings. The current quality of Council buildings is a reflection of the effectiveness of past asset and service management practices, as well as past funding allocations.

[2] As noted in the Frankston City Council Plan 2013-2017

[3] 2014-15 Frankston City Council Annual Financial Report (AFR) states "Buildings were valued at fair value as at 30 June 2015, based on replacement cost allowing for the age and remaining useful life of the asset."

Given the financial and community value of the building portfolio, it is important that Council has a strategic and sustainable approach to managing these assets.

1.2 Objectives of this Plan

It is expected that as a result of the preparation of this plan and implementation of the recommendations, the maturity of Council's asset management practices will improve. The following improvements can be expected to result from a more strategic approach to building asset management:

- Improved integration of service and asset management;
- Improved building asset data and knowledge;
- Improved building performance:
    - Buildings in fair condition and compliant with relevant regulations;
    - Energy and water use is minimised; and
    - Physical impediments to accessibility are minimised.
- Improved risk management;
- Accountabilities and responsibilities are more clearly defined;
- Policies and prioritisation processes for asset creation, renewal, upgrade, maintenance and disposal are more transparent; and
- Improved financial and environmental sustainability.

1.3 Internal Stakeholders

A Project Control Group and a Working Group were established to facilitate consultation with stakeholders during development of this document. Membership of the Project Control Group and Working Group is provided in Attachment 5.

The groups included representatives from all Council Departments involved in the delivery of services or the management and use of Council buildings. Consultation with Group members provided input and understanding of key issues, and options for dealing with these matters.

1.4 Plan Scope

This Building Asset Management Plan (BAMP) supersedes Council's *Facilities Asset Management Plan (April 2010).* The Plan supports delivery of, and is in accordance with, the Asset Management (AM) principles set out in Council's adopted AM Policy and AM Strategy 2013-2017. It has been prepared, to reflect an increased level of maturity in asset management practices since the preparation of the initial Plan.

The BAMP describes Council's current and intended asset management approach based on the existing and projected asset conditions and Council's current understanding of community satisfaction. It examines the performance of Council buildings in the context of building management policies, strategies, plans, standards and practices, and in the context of funding history and resource capacity. It reflects Council's current level of asset management maturity and makes improvement recommendations to improve the way Council buildings support Council services and long-term financial sustainability.

Implementation of this plan will demonstrate Council's duty of care with regard to the management of Council buildings.

1.4.1 Included Assets

For the purposes of this plan, a building is defined as a structure with fixed and permanent foundations or footings, enclosed or part enclosed with walls, roofing of rigid and long-lasting materials (not sail or canvas). They comprise Council owned or maintained buildings/ structures with all of the following characteristics:

- Roof and walls connected to form an enclosed or partly enclosed space;
- Primarily above ground;
- Permanently affixed to a site; and
- Designed and intended to be used for the shelter or enclosure of persons, animals or property.

Frankston City Council's building portfolio is reported under the Property classification in Council's annual financial reports. This BAMP will focus on specific categories within the Property group that are highlighted in Figure 2 below.

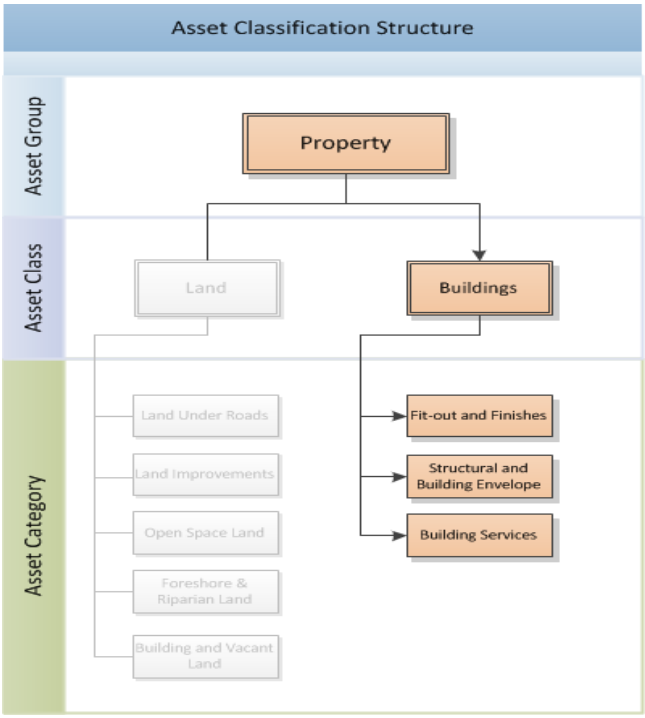


Figure 2 - Buildings Asset Classification Structure

This Plan considers the management of 284 Council buildings[4] listed in Attachment 1. This includes 4 buildings which Council lease from a third party[5]. The other 280 buildings are either Council owned, part owned or located on property for which Council has Committee of Management responsibilities.

[4] The number of buildings is based on the structures identified and recorded within the Sustainable Assets Building Asset Register (MS Access).

5 The leased buildings are not considered in the financial modelling presented in Chapter 11

1.4.2 Minor Assets

Many minor assets are located on Council owned or managed properties, as an adjunct to the main building. These assets impact the building user experience and comprise:

- Site Infrastructure (retaining walls, paths, fencing, gates, parking, ovals, playing surfaces);
- Site Furniture (including bike racks, bins, bench seats, picnic settings, seats, tables flagpoles, planter boxes);
- Site Equipment (playground equipment, lighting);
- Site Stormwater and Irrigation Management (pits and pipes); and
- Shade sails and similar minor structures.

Minor assets are excluded from the scope of this Plan. It is expected that the management of minor assets will be considered as part of the scope of the next revision of Council's Open Space Asset Management Plan which is due to be updated during 2016/17.

1.4.3 Buildings not audited

The BAMP considered 280 buildings listed in Attachment 1. Only 251 of these building were audited during 2014/15. Twenty-nine (29) buildings (i.e. 280 less 251) were not audited generally because these were not accessible to the auditors for a range of reasons. In some cases the building occupants refused to provide access. In other cases the buildings were undergoing works.

63 buildings listed in Council's Finance Register (TechnologyOne) were excluded from the scope of BAMP (these buildings are listed in Attachment 2 and 3). These buildings were excluded as they had either been demolished but not removed from the Finance Register or a third party owns and manages the building.

1.5 Drivers of Strategic Asset Management

Development of this Plan meets general expectations of the Federal and State governments as well as Council's asset management policy and strategy objectives.

1.5.1 External Drivers

In 2009, in order to foster a nationally consistent approach to asset management, the Local Government and Planning Ministers' Council developed a National Asset Management Framework to focus on long term assets managed by local governments. The Municipal Association of Victoria's (MAV) asset management capacity building program, (the STEP program) developed to support improved asset management practices is underpinned by practice guidelines set out in the National Asset Management Assessment Framework (NAMAF). Participation in the STEP program enables benchmarking of asset management performance to be undertaken at both State and National levels.

One of the eleven elements of the assessment framework is the requirement for Councils to work towards preparing documented asset management plans for all material asset

categories. The framework also outlines key inclusions and components of a typical asset management plan.

As indicated in the table below the development of this Plan meets the majority of requirements of a core asset management plan, while at the same time acknowledging improvements required to fill the gaps and begin progress towards a more advanced level.

MAV Core Requirement	Assessment of this BAMP
a. Refer to Council's Asset Management Policy and Asset Management Strategy;	✓
b. Include all assets and document asset inventory information for the asset group/category as recorded in the asset register;	✓
c. Document the asset hierarchy within each asset group;	✓
d. Document the current condition of assets;	✓
e. Document the adopted useful lives of assets;	✓
f. Include risk assessment and criticality profiles;	✓
g. Provide information about assets, including particular actions and costs to provide a defined (current and/or target) level of service in the most cost effective manner;	X
h. Include demand management forecasts;	~
i. Address life cycle costs of assets;	✓
j. Include forward programs identifying cash flow forecasts projected for:	✓
i. Asset Renewals;	✓
ii. New Assets and Upgrades of existing assets;	✓
iii. Maintenance expenditure;	✓
iv. Operational expenditure (including depreciation expense);	✓
k. Address asset performance and utilisation measures and associated targets as linked to levels of service	X
l. Include an asset rationalisation and disposal program; and	X
m. Include an asset management improvement plan	✓
n. Include consideration of non-asset service delivery solutions (leasing private/public partnerships)	~
o. Recognise changes in service potential of assets through projections of asset replacement costs, depreciated replacement cost and depreciation expense	X
The Asset Management Plans link to the Council's Asset Management Policy, Asset Management Strategy, Strategic Longer Term Plan, Long Term Financial Plan and other relevant Council Policy objectives.	~
The Asset Management Plans have all been prepared in association with community consultation.	✓

Table 1 – Municipal Association of Victoria – Core Asset Management Plan Requirements

ISO 55000 Standards for Asset Management, finalised in 2014, takes a broader view of asset management than the MAV Step program. It gives organisations an appreciation of why it is

important to embrace an asset management philosophy. It highlights that effective governance of assets is essential to realising value by balancing benefits, costs, risk and performance. The standard highlights the benefits of asset management in providing a structured reliable approach to decision making for the development, coordination and control of activities undertaken on assets, and for aligning these activities with the organisation's objectives.

The Figure below, extracted from ISO 55000, shows how asset management is intrinsic to the management of an organisation.

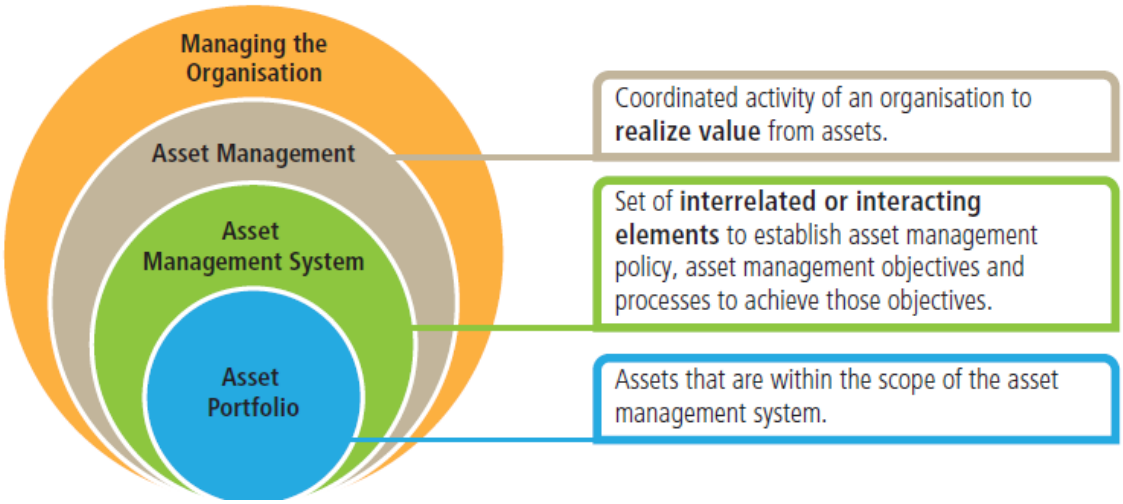


Figure 3 – Relationships between Key Terms – AS ISO 55000: 2014

Asset Management Plans, like this document, are part of the overall Asset Management System, which if utilised appropriately enables Council to realise value from its investment in assets.

The improvement actions set out in Chapter 12 are intended to improve asset management processes for that Council can maximise the value it extracts from the buildings it provides for Council and community use.

1.5.2 Internal Drivers

Development and adoption of this Plan meets a number of policy and strategy objectives. The figure below summarises Council's overall Planning Framework as presented in the Council Plan.

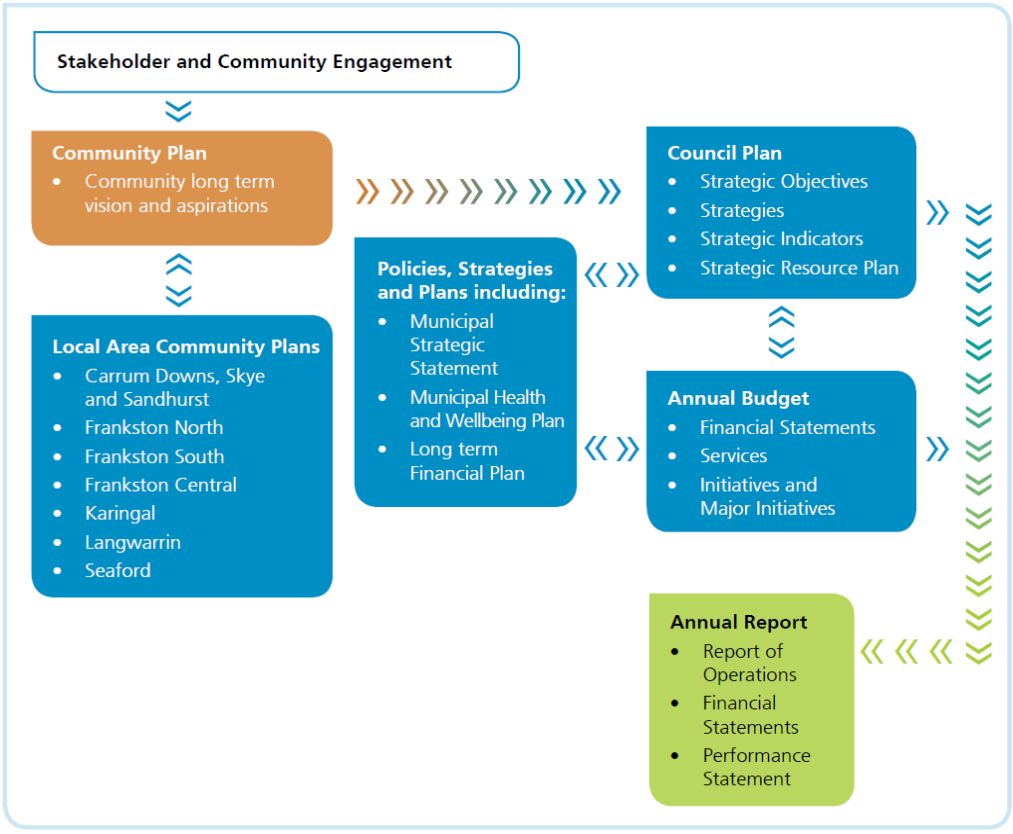


Figure 4 – Frankston City Council Planning Framework

Consistent with Council's overall planning and policy framework the diagram below is reproduced from the AM Strategy to illustrate the relationship between Council's AM Policy, AM Strategy, AM Plans, Service Plans and the longer term financial planning and annual budgeting process.

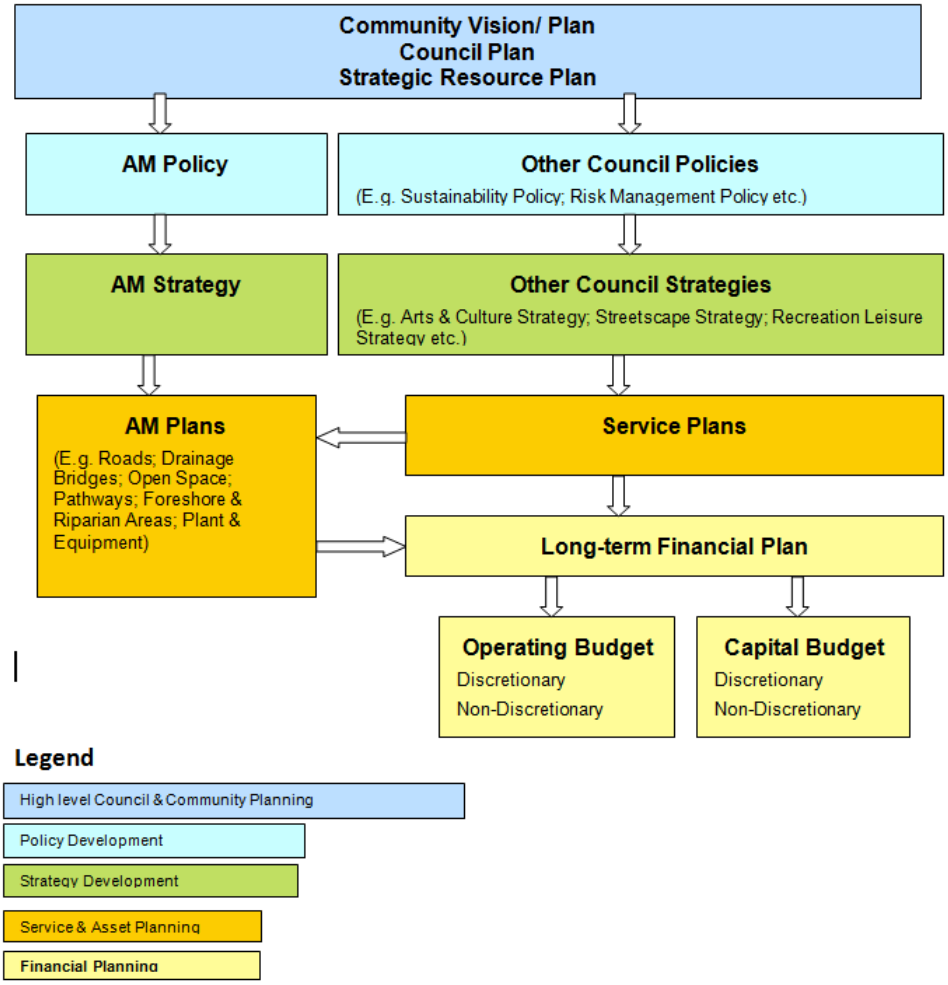


Figure 5 – Relationship between AM Plans and other Strategic Planning Documents

1.5.2.1 Council Plan

The Frankston City Council Plan (2013-2017) is a strategic document that describes Council's priorities and sets the direction over a four years period to achieve Council's vision.

Council's vision is for "A sustainable regional capital on the Bay – vibrant, inclusive and a natural lifestyle choice". Its mission is to "Lead and govern a connected community and deliver services and infrastructure which promote the quality of life for our current and future generations."

The Council Plan defines three Long Term Community Outcomes for Frankston. These are supported by a number of specific Strategies. The Long Term Community Outcomes and Strategies most relevant to building asset management are reproduced in Table 2 below.

Liveable City
Engage the Community in shaping the services and future of the city and their local area. Improve the health and wellbeing of residents.
Sustainable City
Plan, build, maintain and retire infrastructure to meet the needs of the city and its residents. Ensure good governance and management of Council resources.

Table 2 – Council Plan Long Term Outcomes relevant to this BAMP

1.5.2.2 AM Policy

Council's AM Policy is applicable to all Councillors and Council officers involved in the creation, operation, maintenance, upgrade, renewal and rationalisation of Council assets. The Policy applies to all contracts applicable in these areas. It also applies to all officers responsible for the delivery of services that make use of Council assets.

The Policy applies to all Council owned assets and all Council managed assets (including leased assets) that:

- are used by the community;
- support the delivery of services provided for the benefit of the Frankston community; or
- are held by Council for future use.

The AM Policy sets out the vision and guiding principles for Sustainable Asset as follows:

Vision - As stewards of community assets, Frankston City Council will provide assets that support the provision of best value services. Council assets will be accessible, safe and suitable for community use. The approach to asset management will be sustainable. It will balance competing community social, environmental and economic needs for the benefit of current and future generations.

Principles:

- Ensure Assets Support the Services Provided by Council;
- Community Involvement in Decision-Making;
- Focus on Long-term Sustainability;
- Sustainable Investment in Capital Works;
- Continuous Improvement in Data and Asset Management Information Systems;
- Compliant Asset Accounting;
- Legislative and Regulatory Compliance;
- Compliance with Insurance Obligations;
- Continuous Improvement in Risk Management;
- On-going Training and Skill Development; and
- Effective Monitoring and Reporting.

1.5.2.3 AM Strategy

Council's AM Strategy 2013-17 aims to facilitate implementation of the principles (set out above). A key function of the Strategy is to illustrate how the City of Frankston intends to improve asset management across the organisation. The AM Strategy includes an Improvement Action Plan.

The table below indicates current progress in the implementation of a number of improvement actions identified in the AM Strategy that are relevant to building asset management.

ID	AM Strategy (2013-2017) Action	Comment on Progress as at May 2015
1	Identify Council Services - Assign Service & Asset Lifecycle Management Responsibilities	Delayed but in progress
2	Develop Service Plans – Define Desired Levels of Service for Key Asset Groups	Ongoing and in progress
4	Implement a 4-year cycle for the Review and Update of AM Plans (One major and one minor Asset Class per year)	This BAMP will be completed in 2015/16
5	Develop a Community Consultation Framework to Support the Development of Service Plans & Asset Management Plans	Due in future years after 2016/17. Included in brief to consultant panel (actioned on 20/05/15)
6	Develop a Community Consultation Framework to communicate achievement of service level targets set in AM and Service Plans	Due in future years after 2016/17. Included in brief to consultant panel (actioned on 20/05/15)
7	Review the Capital Works Investment Evaluation Policy and Procedures – (incl. Ranking Criteria and Assessment Methodology)	Ongoing and in progress
9	Annual review of AM Plan Cash flow Forecasts as part of Annual Review and update of the Long Term Financial Plan	Ongoing and in progress
12	Develop Asset Rationalisation/ Disposal Policy	Included in brief to consultant panel (actioned on 20/05/15)
13	Undertake Asset Rationalisation Assessment	Included in brief to consultant panel (actioned on 20/05/15)
15	Review Quality of Asset Register Data – Reconcile Financial (TechnologyOne) and AMIS register	Ongoing and in progress. Included as Part of the AM Strategy and forms part of the Frankston Asset Management Information System (FAMIS) implementation plan
16	Develop Data Management Guidelines and Responsibilities	Ongoing and in progress. Included as Part of the AM Strategy and forms part of the FAMIS implementation plan
18	Develop Condition Audit Methodology and Implement Rolling Audit Program	Methodology documented for open space and buildings audits. First audit for buildings completed
20	Develop Asset Valuation Policy for asset additions, upgrades and disposals including how to value assets identified during asset inventory collection projects	In progress, Policy is being considered
22	Introduce rolling program of Building Compliance Audits	Ongoing and in progress
23	Develop Document & Implement Asset Handover Process (including accountabilities)	Complete
26	Review Facility Occupancy Agreements	Work underway – dedicated resource has been engaged

Table 3 – AM Strategy Improvement Actions relevant to the BAMP

1.5.3 Service Plans

In recent years, Council has developed service plans for community services and undertaken numerous best value service reviews. The existing service plans are generally comprehensive and consider both service and infrastructure requirements. However, with the exception of the Sports Development Plan (2013), the existing service plans do not present fitness for purpose service level requirements in a format that can easily and readily be used as criteria for a fitness for purpose assessment to inform building asset planning.

Chapter 2 of this document highlights the benefits of a more integrated service and asset planning approach and includes a proposed service plan inclusions so that future revisions of this BAMP will be more responsive to service needs

1.5.4 Other Policies, Strategies and Plans

Frankston City Council manages its policies through a Policy Committee comprising the Executive and management level stakeholders. The Committee regularly reviews its policies through the 'Policy Manual register' and establishes a rolling program of policy review. Gap analysis has also been conducted to identify other policies required to align with the current Council Plan.

Policies under review and/or currently being developed will undergo Community Consultation and Council approval before formally being adopted as Policies of Frankston City Council.

All policies will have a life of four years and will be reviewed during each four-year term of Council.

A broad range of strategies and plans that are developed in support of Councils vision and Long Term Outcomes are also in place. These consist of strategic documents designed to address particular outcomes or master plans detailing specific investments related to significant Council assets.

A list of relevant Council policies, strategies and plans is provided in Attachment 4.

1.6 Document Implementation and Review

The Sustainable Assets Department will facilitate and monitor implementation of this plan including all improvement recommendations.

This Plan will be updated on a 4-year cycle following scheduled review of Council's AM Policy and AM Strategy. An annual review of the implementation of the improvement plan will also occur in line with Council's business planning timelines, to inform relevant Department Business Plans and in order for capital and new initiative funding to be sought if required.

2 Integrated Service & Asset Planning

2.1 Introduction

Council's service intentions have implications for the management of the supporting assets. To support future revisions of this AM Plan, Council requires service plans that detail what is required in order for a service (and the supporting assets) to be considered fit for current and expected future use. The AM Plans can then inform future asset modification projects.

This Chapter highlights the importance of service planning as an input to future building asset management planning. It outlines the following:

- Services provided in Council buildings;
- Council's current service planning approach;
- Benefits of service planning when Council budgets are constrained by rate capping; and
- Proposed approach to future integrated service and asset planning.

The intention is to describe service planning requirements from an asset management perspective and to emphasise that, without comprehensive consistent Service Plans, for all services that make use of Council buildings, Council cannot be sure that it is investing its limited constrained resources in the most effective or sustainable way.

Development of comprehensive service plans requires considerable effort. This is warranted because, armed with comprehensive Service Plans, Council will be better able to respond to changes in available income as a result from rate capping. If rate increases are capped at CPI then over a five-year period this will reduce Council revenue by a cumulative amount of about $22M. This will have a severe impact on Council's ability to maintain services, deliver key initiatives and maintain current levels of maintenance and capital expenditure.

2.2 Services Supported by Council Buildings

Council's Asset Management Strategy 2013-2017 stated that Council's asset portfolio exists to support a broad range of services that the community needs and expects. The Strategy presented a list of Council services, which includes the following services that are supported by Council facilities:

- Administrative Services
- Aged Care & Seniors Support
- Aquatic Services
- Arts & Cultural services
- Community Development
- Community Education
- Community Support

- Family & Youth Services
- Libraries and Learning
- Structured Recreation
- Unstructured Recreation

Frankston City Council's Asset Management Strategy included an improvement action to enable Council to develop a comprehensive list of Council services as a first step toward organisation-wide service planning.

It is recommended that Council implement this endorsed recommendation as a first step toward the development of Service Plans.

2.3 Current Approach

The figure below illustrates the key steps involved in integrated service and asset planning. Council's current approach to service planning has been somewhat reactive and piece meal. Service reviews focus on identifying efficiency gains and assume that Council is in the appropriate services. A high level council-wide analysis of what Council services will look like in the future has not been undertaken. Council has not been through a process of objectively determining which services it should be involved in.

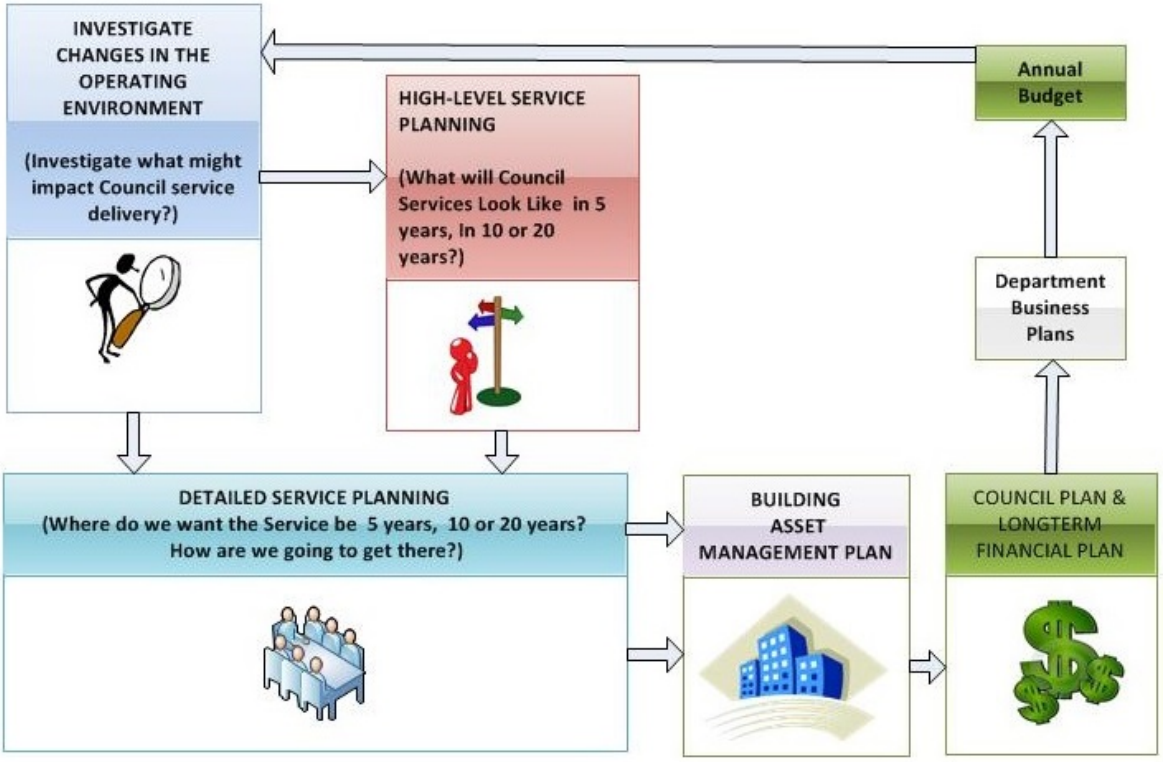


Figure 6 – Current Approach to Service Planning

The Frankston City Council State of the Assets Report 2014 noted that Council currently has a limited number of detailed service plans. The Communities Division has prepared 10-year service plans for Libraries, Early Years and Aged Services based on investigation of changes in the operating environment. Similar service plans have not been developed for other

services. Instead, various strategic documents such as the Sports Development Plan (2013) have been developed to indicate future aspirations. Some of these documents contain service standards, although it is generally in a format that cannot be readily used to inform asset planning.

2.4 Proposed Approach

Service planning, if done in a consistent and comprehensive manner, will enable Council to ensure public money is used as efficiently as possible to maximise community benefit.

The proposed service planning approach is illustrated in the figure below. It is presented here to support the implementation of the recommendation for the introduction of service planning which was endorsed as part of Council's endorsement of the Asset Management Strategy 2013-2017.

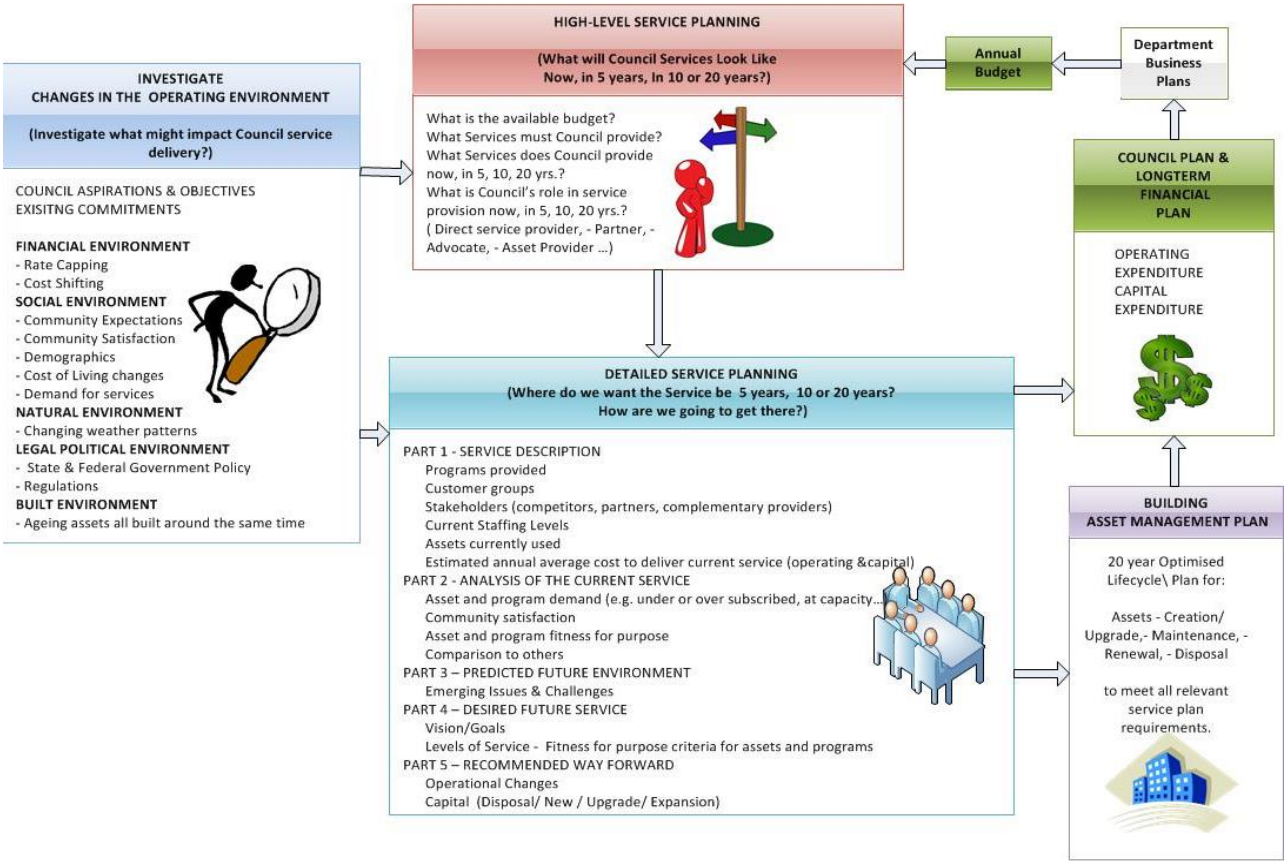


Figure 7 – Proposed Approach to Service Planning

It is acknowledged that service planning requires considerable effort in order to:

- Understand key drivers of change in community expectations;
- Understand the costs and benefits of current and future service provision;
- Objectively assess the feasibility of Council's continued involvement in the provision of current services;
- Predict future community expectations in order to plan for the future;

- Develop appropriate community service level targets to act as performance targets that guide the implementation of service modifications and facility asset management practices;
- Demonstrate that the levels of service have been defined in consultation with the community; and
- Demonstrate that cost and quality standards have been established for services delivered from Council assets.

The effort is warranted because it will enable Council to have more confidence that their constrained investment in service and asset provision is sustainable and aligned with community needs.

2.5 Benefits of Service Planning

Service planning and the setting of service levels enable Council to develop Asset Management Plans that support desired service outcomes. Without Service Plans, Council's Asset Management Plans can only reliably predict future funding requirements to safely retain the assets in a condition that is compliant with the Building Code of Australia and Fit for Use, but not necessarily "Fit for Purpose".

Inadequate service planning leads to inefficient facility asset management and has the potential to diminish the quality of services Council can provide to the community. It results in:

- Missed opportunities to reduce service provision and/or rationalise associated assets.
- Wasted resources spent on maintaining or renewing assets that could be disposed of. That is, assets that are either not required to meet the service needs of the community, or assets that have deteriorated to such an extent that they have become costly to retain in a safe and serviceable condition.
- Reduced ability to serve the public because buildings that support services with high demand are not given appropriate renewal and maintenance and end up in a poor state, difficult to maintain, or difficult to access.
- Missed opportunities to share properties amongst multiple users, to increase customer convenience and distribute operating costs.

Improvements in Council's approach to service planning will improve asset planning and enable Council to:

- Be better prepared to manage the impact of restrictions in income (e.g. rate capping).
- Plan for change and proactively act to minimise potential negative community impact. Change from current to desirable services and service standards at a rate that can be easily managed.
- Provide the most appropriate asset portfolio to deliver required community services so that those who need a service can get access to it.

- Allocate resources effectively to areas of greatest need. Proactively maintain buildings and components to maximise life and minimise service downtime.
- Proactively reduce spending on underutilised services and assets.
- Be transparent when accounting to the public for use of public funds.

When effective service planning is in place, Council will be able to be more efficient. It will avoid disjointed reactive and time-consuming budget submission preparations. The effort to justify projects will be done as part of the service and asset planning exercises. There should therefore be a reduction in the time and resources spent on annual preparation of capital works submissions and new initiative submissions. The hard work will have already been done.

2.6 Desired Service Planning for Future BAMPs

Future Service Plans should act as a key input to future revisions of this Asset Management Plan. Together, service and asset management plans can:

- Provide the business case for any significant investment in capital works;
- Inform Council's Change of Facility Use Policy; and
- Inform asset disposals.

In an ideal world, Council would have, for each service, a Service Plan that looks 10 to 20 years into the future and defines the standard at which Council aims to provide services and assets for community use. An important output of the Service Plans is clear articulation of Council's position regarding the service. The Service Plan should set out Council's intentions including when and whether Council intends to:

- Continue to be involved in service delivery at the current standard;
- Increase or decrease involvement in service provision;
- Modify the service delivery model; or
- Modify the service standards.

Ideally the Service Plan outputs should be informed by consideration of:

- Council Priorities; and
- Guiding principles for prioritisation of changes to the service.

Regardless of the form that Council's future service planning initiatives take, it is important that the following information is provided in a consistent format for each service:

- Current Service Details:
    - Reason for Council involvement
    - Grant funding/ partnership opportunities
    - Assets used
    - Location
    - Capacity/ Availability

    - Accessibility
    - Functionality
    - Average Annual Cost to Council (operating and capital)
    - Services that are compatible for collocation with this service
- Service Objectives over a 5, 10, 20 year planning horizon:
    - Vision
    - Goals
    - KPIs
    - Measurable desired service level standards (including condition and fitness for purpose criteria such as required building features)
- Levels of service, that is, measurable minimum and desired standards/ criteria for:
    - Asset condition
    - Asset fitness for future purpose criteria (current and predicted) for a range of asset attributes including:
    - Location
    - Capacity
    - Utilisation
    - Functionality/ Configuration
    - Accessibility
    - Availability
    - Aesthetics
    - Flexibility
    - Security
    - Sustainability
    - Required Building Features
- Current Performance Assessment:
    - Community satisfaction
    - Utilisation of assets
    - Utilisation of services
    - Delivery of KPIs
    - Delivery of desired service level standards (including comparison of current condition and fitness for purpose against predefined criteria)
- Predicted Demand (over a 5, 10, 20 year planning horizon):
    - Demand drivers (including demographics)

    - Demand for programs
    - Demand for assets
- Feasibility (incl. cost benefit analysis) of alternative service delivery models (e.g. direct or in-direct provision, partnerships etc.)
- Opportunities for:
    - Service alteration
    - Co-location with other services
    - Asset disposal, upgrade or expansion

When all Service Plans are completed, in a consistent manner, the results can be brought together for all buildings in the next revision of the Building Asset Management Plan. Future revisions of the BAMP can then look across the entire building portfolio and identify opportunities for:

- Shared use of Council buildings.
- Change of use of buildings that are surplus for one service but suitable for another service that is over subscribed.
- Disposal of underutilised assets that have no current or predicted future use.

An assessment of existing assets against the measurable criteria can be undertaken to identify current and predicted future gaps and opportunities for: upgrade, expansion; or disposal of existing assets.

A prioritisation model, that considers a range of factors, aligned with Council values, strategic goals and aspirations, can then be used, when developing the next revision of the BAMP. These inputs can then be used to objectively prioritise delivery of feasible opportunities to address identified service and infrastructure gaps.

Whilst it is Council's current practice to review and prepare a 20 year capital works program, it is anticipated that for the next revision of the BAMP, Council will be in a better position to provide a more strategically informed 20 year prioritised list (across all services) of capital works projects for:

- New asset creation
- Asset disposal
- Asset upgrade/expansion/upgrades
- Asset compliance
- Asset renewal

Modifications to service standards for maintenance and renewal as a result of detailed service planning can then be provided and the financial impacts modelled accordingly.

2.7 Improvement Recommendations

It is recommended that Council implements the following recommendations to improve its integrated service and asset planning:

2.7.1 Asset Management Strategy (2013) Improvement Actions

2. Develop Service Plans – Define desired levels of service for key asset groups which also considers asset utilisation analysis, establishment of Fitness for Purpose (FFP) assessment criteria; assessment of the current building stock against the FFP criteria and develop a template of service planning that meets the needs of future BAMP's as described in Chapter 2.

2.7.2 New Improvement Actions

1. That a Service Planning Program be Implemented – a mechanism be created and embedded to facilitate Council with enough information to provide direction as to the following:
    a. What services does the community require?
    b. What will be the service delivery model for provision?
    c. What will be the level of service provided to the community?
2. Creation of Integrated Systems and Processes to Drive Service Planning - officers to ensure that there are appropriate systems and processes developed to ensure that seamless integration between service and asset planning occurs.

3 Asset Information Systems

3.1 Introduction

Council is currently working towards implementing the Frankston Asset Management Information System (FAMIS) - a centralised system for the management of asset data for all Council assets. The FAMIS Implementation Project is a multi-year project that aims to deliver a unified solution for end-to-end process support for asset management. Once fully implemented, the new system will hold data about all Council assets, their conditions, valuations, and complete works management history (reactive, routine and inspections). This will enable Council to monitor its investment in asset management and collect data to make informed and timely decisions about asset maintenance programs, asset acquisition, rationalisation, renewal and disposal.

Until Council implements FAMIS for the management of Council buildings, the Building Asset Management Plan relies on existing information sources which are not integrated and contain some conflicting or incomplete information. The disaggregation of systems has inherent data management difficulties. There is no "single source of truth." This makes data reconciliation and resultant reporting time-consuming and somewhat unreliable.

This Chapter summarises the current systems used to store building asset data and highlights some of the associated issues, which will need to be resolved as part of the preliminary data cleansing work that is necessary prior to implementation of the FAMIS project. The development of the FAMIS building register is anticipated to be completed in mid 2016 by where consistent and cleansed data can be housed. In terms of management of building maintenance data, this will be informed by the forthcoming maintenance contract tender and the successful Contractor's preferred or nominated software system. Once this has been established integration works can be programmed to ensure the seamless flow of information from the Contractor into FAMIS.

3.2 Current Asset Information Systems

Building asset data is currently decentralised in a number of disparate systems, with each system focused on a different aspect of building asset management Table 2.1 below, summarises the type of data stored in each of the current systems used. It also highlights key issues that must be addressed prior to implementation of the FAMIS project for facilities.

BUILDING ASSET REGISTER - Microsoft Access Database

Council stores the following information in an MS Access database maintained by the Sustainable Asset Management department:

- Inventory of Council buildings
    - There are 132 attributes recorded. Some key attributes included in the inventory are:
    - Age
    - Useful life

- Building ID number
- Location
- Building Function

- Results of the latest building condition audit conducted in 2014 and discussed later in this document are stored in the database.

The MS Access database is primarily used for:

- Renewal modelling
- Capital works planning
- Condition reporting and analysis

Key issues:

- MS Access data is not aligned with maintenance data stored in Maximo. This makes it difficult for Council to monitor or analyse maintenance activities and expenditure on Council buildings.
- MS Access data is not aligned with the building list in Council's finance system (TechnologyOne). There are inconsistencies between the building valuations stored in the two systems. The reasons for disparities are not evident without extensive effort to reconcile the two datasets.
- The MS Access data base has evolved over many years and has been used and developed by only one Council Officer. It therefore lacks transparency to decision makers across the organisation and is not subject to scrutiny and review.

These issues need to be resolved as part of the preliminary work necessary for implementation of a building asset register in FAMIS.

GEOGRAPHIC INFORMATION SYSTEMS (GIS): Mapinfo and Intramaps

A GIS layer for Council buildings has been created and is managed by the Sustainable Assets Department.

The GIS provides a visual representation of the data stored in the MS Access database. It allows all Council staff to view the building locations and provides information regarding the facility type. The data shown in GIS is not always consistent with the MS Access database.

Key issues:

- There is no "live-link" between the building register stored in MS Access and the GIS. The two systems need to be kept in sync by manual processes.

This issue will be resolved by the implementation of FAMIS, which will ensure that the spatial information in GIS is "live linked" to the FAMIS building asset register.

MAINTENANCE MANAGEMENT SYSTEM: Maximo

Council has outsourced building maintenance. The current contract is with Programmed Facility Management (PFM). All maintenance records are maintained within the Contractor's system Maximo. The Contractor uses this system to manage the works and provide

performance reports to Council.

Key issues:

- MS Access data is not aligned with maintenance data stored in Maximo. This makes it difficult for Council to independently monitor Contractor performance or analyse maintenance activities and expenditure on Council buildings.
- Migration of maintenance history into FAMIS will be difficult because the building list stored in Maximo is not aligned with the building list in Council's MS Access database
- Accuracy of property list. Service failures have recently come to light which appear to be due to out of date asset lists. Council officers are currently working with PFM to develop and implement a process to ensure that asset lists in Maximo remain current going forward.
- Accessibility of Maximo data. Although the data in Maximo belongs to Council, it is held by PFM and is not backed up to Frankston City Council servers. A regular process of data transfer is required to ensure Council has access to the data after the current contract term.

CUSTOMER REQUEST SYSTEM: Infor Pathway

The Pathway system has the capability to record building maintenance requests and assign them to the relevant officer for action. Response timeframes can be monitored and escalated.

Key issues:

- Underutilisation of Pathway. Requests are received via all possible channels that bypass Pathway. (Emails, phone calls, face-to-face contact etc.). This makes it difficult to monitor the volume of reactive maintenance requests and as a result there are inefficiencies in the delivery of responsive maintenance works.

In recent months, as a precursor to implementation of FAMIS for building asset management, efforts have been made to increase the use of Pathway. When FAMIS is up and running it is expected that it will be used to manage all reactive works and will include a live interface with Pathway.

FINANCE REGISTER - TechnologyOne

TechnologyOne is Councils finance system. It contains Council's fixed asset register. The system is used for all core finance functions and financial reporting.

Key issues:

- Whilst maintenance expenditure is allocated to each building (where Council is deemed responsible for maintenance via the lease or licence arrangement), unfortunately at this point in time, renewal expenditure is not allocated at the building or component level. Council's chart of accounts and processes are such that expenditure is only aligned with high-level asset classifications. This makes it difficult for Council to identify expenditure against actual buildings (or building components).
- TechnologyOne is used to store insurance valuations data. This is not ideal as the

insurance valuation includes low replacement cost buildings that are not included in financial valuations. (E.g. sheds valued below the capitalisation threshold).

- MS Access data is not aligned with the building list in Council's finance system (TechnologyOne). The two systems do not have a common identification number for buildings. This makes quick identification of discrepancies between the registers more difficult. There are also inconsistencies between the building valuation (including remaining life assumptions) stored in the two systems. One example of an inconsistency is the Long Island Tennis Club. This is listed on the Finance Register and has been valued but as Council is not responsible for the maintenance of it, the building is not listed on the MS Access register.

The reasons for disparities are not evident. Inadequate stakeholder communication coupled with decentralised building lists are the main culprit. The establishment of a centralised facilities asset register (FAMIS) with links to Council's financial asset register (TechnologyOne) is considered necessary to ensure more reliable asset valuation data can be used for predictive modelling of Council's asset renewal gap. In future, when the FAMIS centralised asset register is established, the disparities, including the reasons for not valuing particular buildings will be recorded in the register against the relevant building. The introduction of appropriate policies and procedures for building asset handovers, disposals and valuations is also necessary to support the implementation of FAMIS. When the FAMIS facilities asset register is established, it will provide "the sole source of truth" the contents of the register must therefore align with the finance records. The Sustainable Assets Department, via the Asset Planning team need to be empowered to ensure appropriate arrangements are in place so that all decision makers utilise the centralised FAMIS asset register data, and take responsibility for keeping it up to date.

PROPERTY REGISTER – VARIOUS SPREADSHEETS

At the time of writing this Plan, Council had recently created a new position; the Coordinator Property Strategy & Portfolio, reporting to the Manager Commercial Services within the Corporate Development directorate of the organisation. The Coordinator Property Strategy & Portfolio has identified the lack of a cohesive corporate inventory and unfortunately was required to develop a internal customised register in order to continue working.

Key issues raised:

- Currently there are no compiled records of all lease/occupancy agreements
- Council does not have a complete register of facility occupancy agreements that clarify Council's responsibilities regarding this asset class. This impacts the assessment of renewal funding adequacy
- Creation of another list is problematic because it means that when the FAMIS asset register is created there will be yet another disconnected building list with data that needs to be reconciled into the centralised register.

It is planned that in mid-2016 the FAMIS asset register will incorporate all property management data requirements so that the Commercial Services property register will be redundant and rationalised into one corporate register.

Table 4 - Existing Building Data – Asset Information Systems

3.3 Future Building Asset Information Management

The implementation of the (FAMIS) project for building asset management is expected to revolutionise the way Council manages its building asset data. This will be achieved by implementing a "Facilities Phase" specific to developing the required system functionality. The FAMIS Facility Phase commenced in July 2015 with the establishment of a comprehensive asset register identified as one of the first tasks. This will be followed by the Works Management phase, which is scheduled for 2016/17.

The completion of the FAMIS implementation project will allow future revisions of the BAMP to be based on a "single source of truth" drawn from the FAMIS system. The final scope of the FAMIS Project will be determined by the outcomes of the Facilities Maintenance and Management Review, which was focused on considering the content and structure of the building maintenance contract (completed in June 2015).

The FAMIS system rollout is expected to include:

- A centralised asset register that meets all asset management requirements and is aligned with the fixed asset register held in TechnologyOne; and includes all property management and insurance management requirements
- Functionality to facilitate, manage and report on the delivery of:
    - Routine Hazard/ Defect Inspections;
    - Reactive Maintenance Activities (including provision of an auditable documentation trail from initial identification of a defect through to assessment and (if required) ultimate asset repair); and
    - Routine Maintenance (including essential services)
- Monitoring of compliance and performance with relevant service levels;
- Capacity to plan and deliver work programmes for:
    - Regulatory Compliance/ Risk Mitigation Projects
    - Renewal Works; and
    - New/ Upgrade Works (Including updates of the asset register details)
- Support financial asset valuation processes;
- Support property management processes;
- Support insurance valuation processes;
- Integration with other Council systems: Pathway, Mapinfo/Intramaps and TechologyOne

3.4 Improvement Recommendations

It is recommended that Council implements the following recommendations to improve its asset information systems:

3.4.1 Asset Management Strategy (2013) Improvement Actions

14. Continue to Invest in Council's Asset Management Information System and Associated Business Process Improvements – Development of the Frankston Asset Management Information System to manage all aspects of the building lifecycle, house asset data and undertake optimised financial modelling
15. Review Quality of Asset Register Data – Reconcile Financial (T1) and FAMIS register so the Declared Insurance Asset Register is included in the reconciliation process and so that the building asset data needs of all stakeholders are incorporated into the FAMIS Project for facilities.

3.4.2 New Improvement Actions

3. Ensure Appropriate Condition, Compliance, Accessibility and Defect Asset Data is Collated and Maintained – it is critical that building data is managed in a pre-agreed format with which to inform renewal and maintenance works. Council continues to support the development of the Frankston Asset Management (particularly the facilities module) Information System to be the corporate asset management software and the single source of truth
4. Building Asset Data Improvement - review and reconciliation of all building asset data is necessary prior to the implementation of the FAMIS Project for Facilities
5. Establish a Consistent Corporate Building Asset Register - that is used by all staff and integrated into other corporate software
6. Integration Between Maintenance Contractor and Council Software Systems - upon the awarding of the next maintenance contract specify the need for the Contractor to integrate its asset management software system into FAMIS to capture and hold all maintenance data
7. Consistent Capture of Building Maintenance Requests - develop systems and protocols to ensure all building maintenance requests are entered into Pathways so that the true quantum of requests can be captured, monitored and managed
8. Development of Property Management Functionality in FAMIS – as part of the development of FAMIS ensure that all property management functions have been provided for
9. Identify and Invest in an Optimised Decision Modelling Tool - Investigate availability of a predictive modelling tool that is more sophisticated than the Moloney model and has the capability to more effectively enable lifecycle cost scenario modelling for optimisation of investment in asset renewal upgrade and expansion. Also Investigate Building Information Modelling (BIM) tools for larger new builds.

4 Current Asset Knowledge

4.1 Introduction

In an environment with limited Council resources and increasing community expectations, it is important that Council has a good understanding of its building portfolio so that it can make well-informed decisions.

This Chapter summarises Council's current knowledge of the building portfolio. It considers the following aspects:

- Building inventory;
- Ownership and occupancy of the buildings;
- Hierarchy and criticality of individual buildings;
- Age and Useful life; and
- Valuations

Preparation of this Chapter has considered all available building asset data and revealed a number of data issues, including those that have been previously highlighted in Chapter 3 of this Plan and in Frankston City Council State of the Assets Report (2015).

It is expected that the building data issues will be addressed to a significant extent via the preparatory work that is due to be undertaken in preparation for the implementation of the Frankston Asset Information Management System Project (FAMIS).

4.2 Building Inventory

Council has responsibility for the 280 buildings listed in Attachment 1 This list has been developed by reconciling data held in two separate databases:

- Building Asset Register – (MS Access database and GIS) – both maintained by the Sustainable Assets Department; and
- Financial Asset Register – (TechnologyOne) – maintained by the Financial Services Department.

The map presented in Figure 8 illustrates the distribution of Council buildings within the municipality. It highlights the proximity of buildings to activity centres and connections to path, road and railway networks.

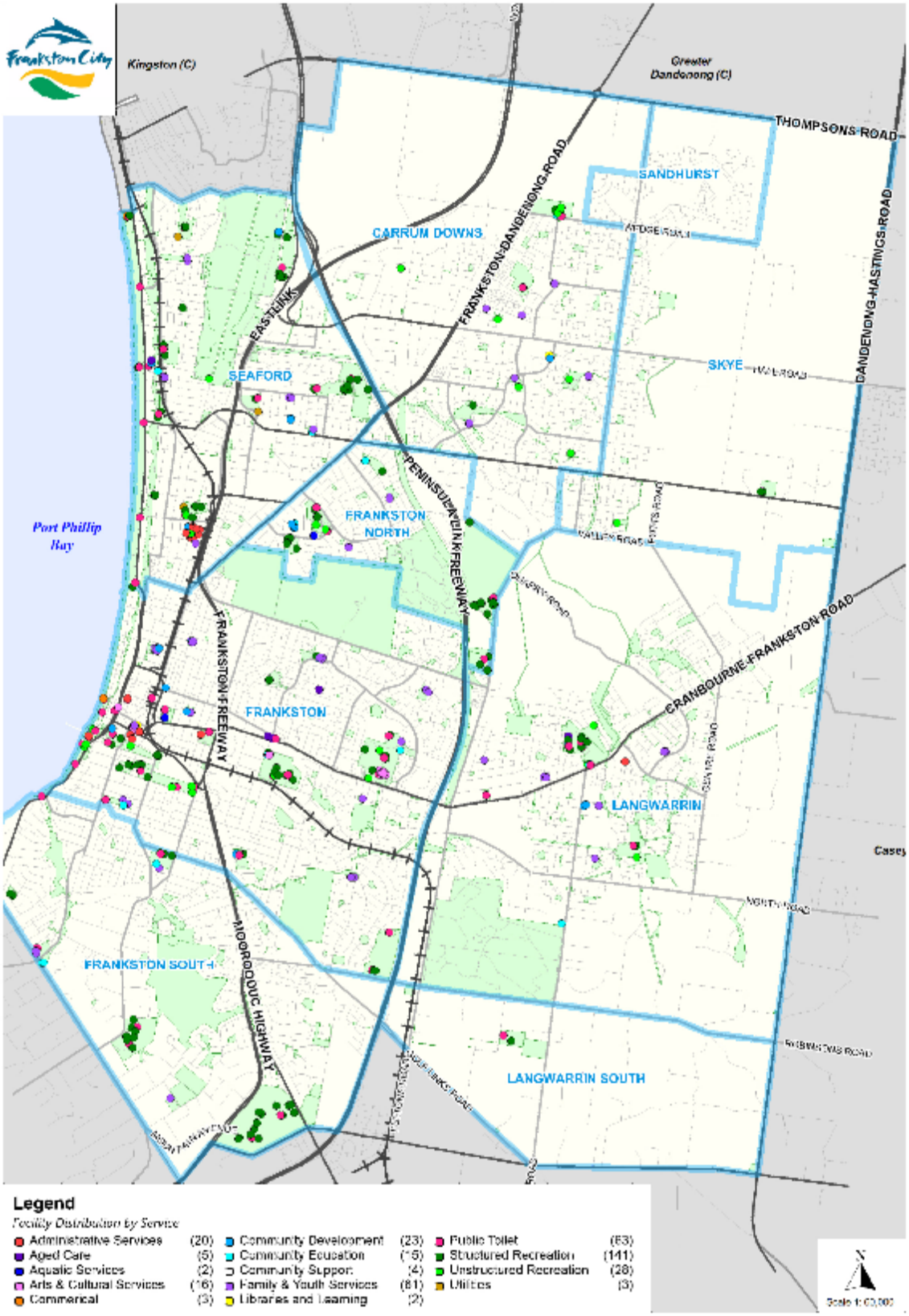


Figure 8 – Council Building Location (Map)

4.3 Building Ownership and Occupancy

Based on currently available information, the landowner, building owner and occupant of each building has been identified for every building that Council has recorded in either the Asset Planning asset register (MSAccess database) or the financial asset register (TechnologyOne). The results are summarised in the table below.

Land owner	Building owner	Building occupant	Example Building	Buildings Included in the Predictive Capital Funding Model (Chapter 11)	Buildings Excluded from the Predictive Capital Funding Model (Chapter 11)[6]	Total Number of Buildings
Council	Council	Council	Frankston Arts Centre Carrum Downs Library Baden Powell Maternal Child Health Centre	35	1 (i.e. Candlebark Child Care Centre; demolition permit granted but not yet demolished)	36
Council	Council	Public	Broughton & Station Street Public Toilet Block Cranbourne Road Rotunda Monterey Reserve BBQ	30	0	30

[6] These buildings were excluded from the predictive model for a number of reasons, condition or valuation data was not available, or the current understandings of the existing occupancy agreements are such that Council does not fund renewals or maintenance. Further investigation of Councils responsibilities at each of these buildings is required by the Property Strategy & Portfolio team prior to the next review of the BAMP.

Land owner	Building owner	Building occupant	Example Building	Buildings Included in the Predictive Capital Funding Model (Chapter 11)	Buildings Excluded from the Predictive Capital Funding Model (Chapter 11)[6]	Total Number of Buildings
			Shelter			
Council	Council	Others[7]	Men's Shed - Mahogany Centre	115	0	115
			Skye Cricket & Soccer Pavilion			
			Riviera Pre-School			
Council	Council	Vacant	Ebdale Complex (7 buildings)	10	1 (i.e. Peninsula Community Legal Centre, demolition permit granted but not yet demolished	11
			Peninsula Community Legal Centre			
			Downs Estate Residence (2 buildings)			
Council	Others	Others	Langwarrin District Guides Hall	0	33	33
			Linnen House - St Kilda			

[7] Others denotes a lessee or licensee arrangement

Land owner	Building owner	Building occupant	Example Building	Buildings Included in the Predictive Capital Funding Model (Chapter 11)	Buildings Excluded from the Predictive Capital Funding Model (Chapter 11)[6]	Total Number of Buildings
			Training Facility			
			Riviera Reserve - South East Water Pump Station			
Part Council[8]	Council	Council	Civic Centre	2	0	2
			Lloyd Park Pump Station			
Part Council	Council	Others	Lloyd Park Netball Pavilion	6	0	6
			Lloyd Park Junior Pavilion			
			Langwarrin Hall			
Part Council	Council	Public	Lloyd Park Oval Toilet Block (center of ovals)	3	0	3
			Langwarrin Hall Barbeque			

[8] Part Council means that asset ownership is shared between Council and another party (e.g. Department of Environment and Primary Industry.

Land owner	Building owner	Building occupant	Example Building	Buildings Included in the Predictive Capital Funding Model (Chapter 11)	Buildings Excluded from the Predictive Capital Funding Model (Chapter 11)[6]	Total Number of Buildings
			Shelter and Pit			
Part Council	Part Council	Others	Langwarrin Hall	4	0	4
			Lloyd Park Oval Toilet Block (center of ovals)			
			Lloyd Park Junior Pavilion			
Part Council	Others	Others	Lloyd Park Scouts Hall	0	1	1
DELWP & DET[9]	Council	Council	Bruce Park Hall	65	0	65
			Monterey Reserve Playground Toilet Block			
			Visitor Information Centre			
DELWP	Council	Others	Seaford Lifesaving	0	11	11

[9] DELWP denotes: Department of Environment, Land, and Water & Planning. DET denotes: Department of Education and Training

Land owner	Building owner	Building occupant	Example Building	Buildings Included in the Predictive Capital Funding Model (Chapter 11)	Buildings Excluded from the Predictive Capital Funding Model (Chapter 11)[6]	Total Number of Buildings
& DET			Club Frankston East Tennis Clubhouse Centenary Park Pro Shop and Social Room			
DELWP & DET	Part Council	Public	Frankston Memorial Park Toilet Block	1	0	1
DELWP & DET	Part Council	Others	Frankston Bowling Club Baxter Park Tennis Clubhouse Bryan Mace Grandstand - Frankston Park	7	0	7
MWC[10]	Council	Others	Banyan Reserve Pavilion	1	0	1
PTV[11]	Council	Public	Transit	1	0	1

[10] MWC denotes: Melbourne Water Corporation

Land owner	Building owner	Building occupant	Example Building	Buildings Included in the Predictive Capital Funding Model (Chapter 11)	Buildings Excluded from the Predictive Capital Funding Model (Chapter 11)[6]	Total Number of Buildings
			Interchange Toilet Block			
PTV	Others	Others	Seaford Scouts Hall	0	1	1
Private[12]	Others	Council	William Road Maternal and Child Health Building	0	3	3
			Gateway Shopping Complex			
			Total:	280	51	331

Table 5 - Summary of Building Ownership and Occupancy

Wherever a third party is the land owner, building owner or occupant, facility occupancy agreements define the responsibilities of all parties. Accordingly, Council's management responsibilities vary depending on the nature of the agreement and specific negotiated occupancy conditions.

As a general position, Council has assumed all responsibility for properties where Council owns the land and building and where Council or the general public is the occupant. The remaining properties have shared responsibilities depending on the agreements in place.

Recognising that Council requires a strategic approach to property occupancy management, a Coordinator Property Strategy & Portfolio was recently appointed and charged with responsibility for improving Council's facility occupancy agreements and development of the associated register. Further details regarding the current role and property management policy objectives and principles are provided in section 8.4. The policy, roles, objectives and

[11] PTV denotes: Public Transport Victoria
[12] Private denotes that the asset is not owned by a government/public authority.

principles were under development at the time of writing and require further review prior to finalisation.

In order to better manage Council's risk exposure, it is considered important that the Coordinator Property Strategy & Portfolio take a holistic view of all Council property and work toward addressing deficiencies in the current property management practices. The following deficiencies need to be addressed:

- Seek legal advice to clarify Council's property ownership responsibilities;
- Council information about its building occupancies is located across many and varied records and systems. Seasonal tenancies for example are managed separately from other occupancy types;
- Council does not have documented occupancy agreements in place for all Council owned or part owned buildings occupied by third parties;
- Some occupancy agreements impose obligations on occupants to fund asset repair work. In some instances the occupant (generally a community group) is not able to meet the imposed obligations;
- There are inconsistencies in the agreements with regard to building repair obligations which makes it difficult for officers responsible for building repair works to implement Council's obligations appropriately; and
- There is some confusion amongst staff regarding Council's building management obligations where Council has Committee of Management responsibility for the site on which buildings are found. Similar confusion exists where buildings have been constructed by others on Council owned land.

4.4 Building (Usage Area) Criticality Hierarchy

A building is a complex structure which can house a multitude services within the one roof line. Usage Areas have been established to define the sections of a building that supports a unique service. In most cases a building with a single use will have one usage area, e.g. a sports pavilion or conversely a community centre could have several usage areas due to a number of services being provided out of that building. A hierarchy has been developed to classify all building (excluding those leased by Council) usage areas according to their criticality. The hierarchy recognises that buildings support different services and perform different functions. A key objective of creating a hierarchy was to achieve more efficient management of Council buildings, with potential to allow, where appropriate, different delivery standards to be applied across relevant hierarchy levels.

The Working Group assessed nine (9) criteria, listed in Table 6 below. The best available knowledge was used. It is recommended that the scoring of each building, be updated when this BAMP is reviewed.

Expected building replacement cost	Score
None	0
$ 1 to $ 250,000	2
$ 250,000 to $ 999,999	5

$ 1,000,000 to $ 1,999,999	7
$ 2,000,000 to $ 4,999,999	9
more than $ 5,000,000	12

Does the building have historical or aboriginal significance?	Score
No known significance	0
Potential significance	6
Significant site	12

Current building occupancy	Score
Vacant - can't be used without major modification	2
Vacant - but available for use	5
Storage – non-critical equipment	7
Storage – critical equipment	9
Staff - with or without community users	12

Is there a service-related legislative framework imposing restrictions on building requirements? (excl. standards applicable to all buildings e.g. DDA, BCA, OH&S)	Score
No service specific legislation	0
Yes - service specific legislation	6

How often is the building used? (number of days/year)	Score
0 - not used	0
1 to 12 - one day per year to one day per month	2
13 to 24 - one day per month to fortnightly	5
25 to 52 - once per fortnight up to one day per week	7
53 to 108 - one day per week up to two days per week	9
109 to 365 - more than two days per week	12

Does the building support a key revenue generating service? (for Council or Others) How much revenue?	Score
Less than $2,500 per annum	0
Between $2,500 to $49,999 per annum	2
Between $50,000 to $199,999 per annum	5
Between $200,000 to $499,999 per annum	7
Between $500,000 to $999,999 per annum	9
More than $1,000,000 per annum	12

Number of community services the building currently supports	Score
None	0
One	2
Two	5
Three	7
Four	9
More than Four	12

Are alternative buildings (within municipality) available for temporary retention of service delivery - if building closed or accessibility reduced for one month?	Score
Alternative not needed	0
Alternative is available within same property	2
Alternative is available within same suburb	5

Alternative is available within adjoining suburbs	7
Alternative is more than 1 suburb away	9
No alternatives available	12
Building closure or building availability restrictions for one month expected to lead to…	**Score**
No backlash	0
Minimal backlash – customer complaints managed as part of day to day business	2
Minor community backlash – customer complaints increase	5
Moderate community backlash – issue raised in local community papers only	7
Major community backlash – issue raised in local community papers, radio	9
Widespread community backlash – negative media coverage in papers, television, radio	12
Total Score	**100**

Table 6 - Buildings Hierarchy Criteria

In instances where a building is used for multiple services, hierarchy scores were assigned to each usage area. A total of 376 usage areas were considered. The scores were used to develop a four tier hierarchy level, where a service area in a Level 1 building is considered the most important or critical to service delivery and a Level 4 building less important or critical.

The buildings assigned a higher score tend to have higher levels of design and construction sophistication and complexity. A building with a higher score can also be expected to have the most significant impacts on:

- Service delivery;
- Stakeholders; and
- Council reputation.

Table 7 below summarises the hierarchy classifications.

Hierarchy Level	Score	Number of Usage Areas	% of Usage Areas	Example

1	>52	26	7%	Civic Centre, Frankston Library, Peninsula Aquatic Recreation Centre
2	40-52	161	43%	Beach Street Community Support and Info Centre, Frankston Basketball Stadium, Frankston Visitor Information Centre
3	30-39	123	33%	Centenary Park Curators Residence, Frankston Football Club Home Team Change room, Frankston North Scouts Hall
4	<30	66	18%	Centenary Park Golf Works Machinery Shop, Frankston Tennis Club - Storage Shed, Jubilee Scoreboard Building, Lavender Hill Reserve Rotunda

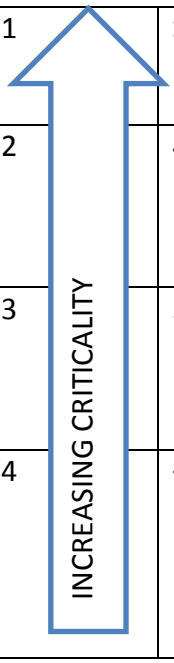


Table 7 - Building Hierarchy Levels

Buildings in all hierarchy levels are important to service delivery and must, at the very least, meet all regulatory compliance requirements as well as minimum standards acceptable to the community. Taking this into account, the hierarchy provides a transparent basis for allocation of constrained resources.

The hierarchy can be used in the future to prioritise spending on non-essential maintenance, renewal and upgrade of Council buildings. It is recommended that in future, the hierarchy is used to inform lifecycle management decisions such as:

- Capital expenditure priorities (renewal, upgrade, disposal);
- Determining the frequency of building inspections; and
- Determining the frequency of routine maintenance activities.

4.5 Building Age & Useful Life

4.5.1 Age Profile

The age profile of Council buildings is illustrated in Figure 9. The oldest building in the portfolio is Ballam Park Homestead. It was constructed in 1855. Other buildings on the Ballam Park site were constructed in the 1950's and 60's with more recent additions in the late 90's. However, it should be noted that as buildings fail and are replaced the age profile will change acknowledging the renewal work that is completed (e.g. completely renewed buildings will have a 0 age).

The profile below is a useful guide to demonstrate the quantum of renewal works coming up for Council as the building stock ages.

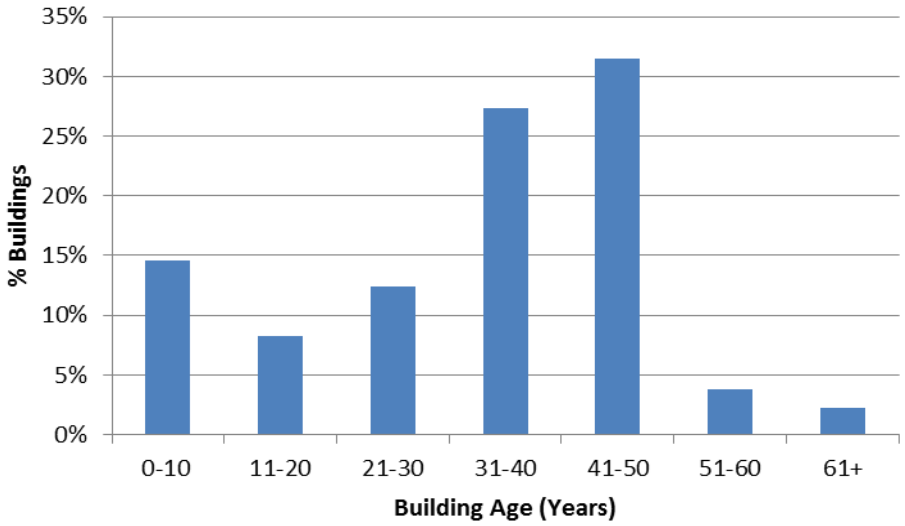


Figure 9 – Council Building Age Profile [13]

Almost 60% of the portfolio was built between 30 and 50 years ago. Only 15% of buildings were constructed in the last 10 years. In practical terms, the capacity of aging buildings to reliably support Council services is a concern. Building components can be expected to fail at an increasing rate, resulting in increasing pressure on maintenance resources and the potential restriction of services to protect building users as failed components are repaired or replaced. Consideration should be given to disposal, upgrade or replacement of the buildings that have no historical heritage significance should be considered.

Older buildings were constructed to the standards applicable at the time. As a result many no longer meet community expectations regarding functionality and accessibility. This places pressure on Council to invest in building upgrades and enhancements regardless of the building condition. The age distribution also highlights a significant future maintenance liability. Many older buildings are showing signs of aging, independent of changing demand and usage patterns. This is placing pressure on Council to intensify its maintenance regimes and invest in renewal. However, by actively renewing the various building components in a timely manner can effectively extend the service life of a building and as a result better manage the age profile and performance of the network.

4.5.2 Useful/ Economic Life

The useful life of an asset is defined as the period over which a depreciable asset is expected to be fully utilised. A building's age is just one of many factors that contribute to how a building performs over its lifecycle. Some factors include:

- Type of construction and quality of materials used;
- Standards and timeliness of maintenance activities;
- Standards and timeliness of renewal and upgrade of building components;
- How the building has been used by its occupants; and

[13] It is noted that Council does not have year of construction data for all buildings. This profile is based on 267 buildings for which the year of construction is known. This data was used for the 2013-14 building valuations

- Environmental factors such as proximity to tree roots and exposure to extreme weather conditions.

Useful life can be significantly impacted by asset maintenance and utilisation practices. In practice, the serviceable life of any individual building, or building component, may be significantly different from its useful life. It is affected by a complex interaction of factors, including building material characteristics, design appropriateness, utilisation, environmental factors, construction and maintenance methods. Some buildings and components will fail before the end of the predicted remaining life. Others will remain safe and functional for much longer. Given the range of influencing factors, estimating the length of time a building has remaining in its lifecycle before it becomes unserviceable and needs to be disposed of is not an exact science. It is often based on assumptions and benchmarking against other organisations with similar asset responsibilities.

Frankston City Council uses two methodologies, one for financial reporting and the other for building renewal modelling. A key difference between the two methodologies is the life assumption as summarised in the table below.

<table>
<tr><th>Purpose</th><th>Economic Life Assumption</th></tr>
<tr><td>Financial Reporting
In accordance with Local Government Accounting Manual and the Australian Accounting Standards Board AASB13</td><td>Specialised Buildings: 30-100 year
Non-Specialised Buildings: 40-60 years</td></tr>
<tr><td>Prediction of Renewal Funding Requirements using the Moloney Model as recommended by the Municipal Association of Victoria (MAV)</td><td>Frankston City Council has chosen its estimated life assumptions by considering the life estimates used by other Councils that use the Moloney Model shown in the table below.
<table>
<tr><th></th><th colspan="2">Useful Life Estimate</th></tr>
<tr><th></th><th>Long Life Structures (Years)</th><th>Short Life Structures (Years)</th></tr>
<tr><td>Frankston</td><td>90</td><td>55</td></tr>
<tr><td>State</td><td>95</td><td>56</td></tr>
<tr><td>Large Rural</td><td>100</td><td>55</td></tr>
<tr><td>Small Rural</td><td>114</td><td>69</td></tr>
<tr><td>Regional Cities</td><td>73</td><td>67</td></tr>
<tr><td>Outer Metro</td><td>89</td><td>53</td></tr>
<tr><td>Inner Metro</td><td>93</td><td>44</td></tr>
</table></td></tr>
</table>

Table 8 - Building Economic Lives

The difference in useful life assumptions used for renewal modelling is in the order 17-18% longer than that used for financial reporting. If Council were to adopt the useful life estimates used for financial reporting, the predicted renewal funding requirements,

reported in Chapter 11 would increase by 28-30% per annum. Useful life is affected by asset condition. Investment in timely preventative routine maintenance can be used to extend the useful life of building components and subsequently the building itself.

The Frankston City Council Asset Management Strategy (2014-2017) recognised this discrepancy in assumptions and included a recommendation to "Develop Asset Valuation Policy for asset additions, upgrades and disposals including how to value assets identified during asset inventory collection projects." It is recommended that this AM Strategy recommendation be undertaken jointly by the Sustainable Assets and Financial Service departments so that assumptions regarding building valuations and economic life are developed collaboratively based on condition, and are aligned for both of the following important tasks:

- Building revaluations; and
- Predictive modelling of building renewal requirements.

4.6 Building Valuation

4.6.1 Financial Valuation

Council buildings represent a substantial investment. Traditionally, Council undertakes a formal revaluation of land and buildings every two years[14] Values are indexed every other year.

In 2013/14 Frankston City Council engaged Patel Dore Valuers Pty Ltd to conduct valuations of Council owned properties throughout the municipality. The valuation was conducted in accordance with the Australian Accounting Standards (AASB) standard – AASB 116 (Property, Plant & Equipment) and the "Fair Value" valuation principle.

When formal revaluation is due, the Financial Services Department provides the valuers with a list of all Council owned land and buildings. The list includes the area and building type. The data provided by Council to valuers is taken to be accurate. The valuers do not assess the data provided by Council for errors or omissions.

In 2013/14 the valuers conducted external inspections of 50% of buildings including all new and renovated buildings and all properties acquired since the previous formal valuation (24 months prior). No internal inspections were undertaken by the valuers.

The valuation, as at 30 June 2014 is compared to the 2012 valuation in the table below. There has been a small decrease in building values because of the small number of refurbishments. The increase in building construction costs has been offset by the depreciation.

Item	2012	2014	Change
Land (Fair Value)	$509,574,000	$507,225,,000	0.9% decrease
Depreciated Replacement Cost of	$120,773,000	$120,610,000	0.01 %

[14] It is noted that a proposal to move valuations to a two-year cycle is under consideration.

Buildings			decrease
Buildings (Fair Value)	$214,927,000	$219,841,000	0.03% increase

Table 9 - Valuation 2014 [15]

Council's building valuation records are stored on spreadsheets managed by the Financial Services Department with selected details transferred and stored in the TechnologyOne system.

The adopted threshold for capitalisation of expenditure for land and buildings is $15,000[16].

It is noted that the building valuations are only relied upon for the valuation of built assets and are different to insurance valuations discussed later in this Chapter.

The valuers assigned a remaining life of five (5) years or less to 74 buildings. A list of these buildings is provided in Attachment 6. It is recommended that the Facilities Department and Asset Planning team work collaboratively to review all these buildings to ensure the remaining life estimate is appropriate and advise the Financial Services Department of any recommended changes or recent component renewal, prior to the next building revaluation. If the life estimate is appropriate, Council should consider the future service need for these buildings. For buildings that are essential for continued service provision, it is recommended that these be given higher priority when developing future renewal programs. If disposal is appropriate for some of these buildings this could result in a reduction in Council's maintenance and renewal liabilities and the proceeds of sale could be used to address budget shortfalls.

4.6.2 Insurance Valuation – Property Damage

Council ensures that all Council buildings are insured. In 2014/15, the total value of buildings insured by Council is $288M.

Where buildings are wholly leased from Council to a third party, the tenant is deemed responsible for the cost of the insurance for the entire building. The tenants must arrange their own insurance policy, which must be adequate to meet the level of satisfaction of the Council's Coordinator Risk Management. Tenants achieve this by supplying to Council their insurance certificates of currency on an annual basis. Council reviews these certificates against the Finance Register (TechnologyOne) property values to ensure the building has adequate insurance cover. If the tenant does not provide adequate cover, Council engages with the tenant until such a time that the tenant provides confirmation that the additional cover has been taken out. As a last resort, Council will insure the building. This approach is very risky. If an incident that damages a building occurs whilst Council is negotiating the level of coverage required, Council could possibly be under insured for the cost to repair

[15] Source: Patel Dore valuers letter to Council dated 25 July 2014 Re 2014 Council Asset Valuations

[16] AFR 13/14 (Note 1 Subsection (J) of Appendix 2. Routine maintenance, repair costs, and minor renewal costs are expensed as incurred. Where the repair relates to the replacement of a component of an asset and the cost exceeds the capitalisation threshold the cost is capitalised and\ depreciated. The carrying value of the replaced asset is expensed.

building damage. A more risk adverse approach would be for Council to insure all Council buildings and seek reimbursement from the occupant as part of the occupancy agreement.

For buildings that Council partly lease to third party, Council insures the building and charges the tenant a pro-rated portion of the premium.

Council buildings are insured directly through ACE Insurance. The excess on any incident (claim) is $10,000. Insurance valuations are undertaken annually, the Risk Management Unit manages this process.

The insured value for each building is the Insurance Replacement Value. This value mainly comprises:

- Demolition of existing structure and associated removal of debris;
- Extra cost of reinstatement (i.e. to bring the new building up to current day standards)
- Claims preparation costs and professional fees
- Design and construction of the replacement structure.

"Assets" insured directly by Council through ACE Insurance, include buildings, structures, sheds, contents, stock, light poles, IT infrastructure, playgrounds, library books plant and equipment – therefore, it is difficult to determine the exact value of insured buildings, as the term "building" has not been defined.

Insurance figures are generally higher than fair value financial valuations as they include not only the replacement cost of the building but also the demolition and disposal of the old asset. All of these figures are contained within TechnologyOne as the organisation has in place a process to internally charge insurance back to the respective business units.

Currently, every three years buildings included in the Finance Register (TechnologyOne) are formally reviewed using a qualified insurance Valuer who inspects the buildings. For the intermediate years, a desktop valuation is undertaken and an appropriate indexation applied. The current practice is that the Risk Management Unit arranges for insurance valuations to be carried out every 3 years (on a rolling program) on buildings whose value is in excess of $750K. During non-audit years a desktop assessment is completed to ascertain if there has been any material movement in the current replacement cost of the building which would require an amendment to the insurance value.

For the 2015/2016 valuation year, a firm has been appointed to undertake a formal asset valuation on all properties greater than $750K or on sites with multiple assets that could be damaged in a single event. There could be an opportunity to combine the biennial and three yearly valuation and insurance audits respectively as opposed to duplicating the effort and expenditure.

Notwithstanding the issues as documented above some other direct insurance concerns that confronts Council is as follows:

- omits to declare an asset;
- over declares a value and pays unnecessary premium;
- is under insured for consequential loss (business interruption);

- is under insured for a series of losses i.e. multiple assets caused by any one event – say total destruction of the Operations Centre; and
- is under insured for any declared sub-limit contained within the policy.

4.7 Improvement Recommendations

It is recommended that Council implements the following recommendations to improve its current asset knowledge:

4.7.1 Asset Management Strategy (2013) Improvement Actions

16. Develop Data Management Guidelines and Responsibilities – review and implement best practice data management
20. Develop Asset Valuation Policy - for asset additions, upgrades and disposals including how to value assets identified during asset inventory collection projects (currently in draft form)

4.7.2 New Improvement Actions

10. Implement the Use of the Building Hierarchy - that the proposed Building Hierarchy is endorsed and utilised to drive asset management and funding decisions
11. Review of Tenant Building Insurance Approach – officers to revise the current approach to insuring Council's buildings and considers taking responsibility for all insurance and charges tenants an appropriate figure
12. Rationalisation of Valuation and Insurance Building Audits - that officers examine the opportunity to rationalise and award to one contractor the biennial and three yearly valuation and risk audits

5 Recent Expenditure History

5.1 Introduction

Funding allocations at each stage of the asset lifecycle impact on the standard to which the asset class is able to perform, Lifecycle cost components are illustrated in Figure 10 and described below. Financial sustainability requires a balance between the maintenance, renewal and disposal of existing assets and the delivery of new, upgraded or expanded assets. Effective investment in routine preventative maintenance can extend the useful life of an asset and reduce Council's renewal liability.

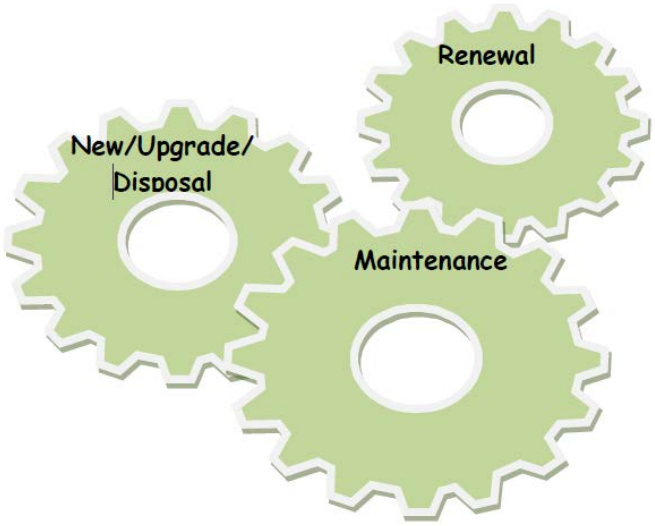


Figure 10 - Lifecycle Cost Components

- **Maintenance expenditure** is required to ensure all of Council's buildings are safe and functional. Reactive maintenance repairs asset failure to provide protection against risks and *restore* the asset's functionality. Routine maintenance *preserves* the asset so that functionality is retained and useful life is maximised.
- **Renewal expenditure** is required to reinstate or rehabilitate (to a contemporary standard) buildings (or building components) that have deteriorated to such an extent that they have become unserviceable. This expenditure is driven by asset condition.
- **Compliance** expenditure is necessary to address any non-compliance with relevant regulatory obligations. These funds are necessary to avoid risks associated with Council having buildings with non-compliant components.
- **New/Upgrade / Expansion expenditure** increases or improves the original service potential of a building. It results from fitness for purpose assessments and ongoing strategic assessment of the need for buildings to support Council services.
- **Disposal costs** are generally absorbed into the expenditure for asset renewal or upgrades; disposal of a building and the associated land, can also provide a one-off source of income and enable associated future maintenance and renewal expenditure to be reallocated to other assets.

The figures presented in this Chapter summarise recent trends in Council expenditure for maintenance, renewal and new/upgrade of Council buildings.

5.2 Maintenance Expenditure

5.2.1 Previous Contract Arrangements

The current Facilities Maintenance Contract includes some minor component renewal and replacement as well as reactive and planned routine maintenance. The responsibility of managing and administrating the contract on Council's behalf rests with the Facilities Department.

The current contract was set up to be prescriptive with Council providing the maintenance and frequency of activities. This approach failed to allow Council to achieve value from the Contractor's knowledge and experience of the maintenance required for the building portfolio. The contract was a lump sum contract for planned maintenance with schedule of rates for reactive works and Council assigned works. In essence the contract, while not intended; rewarded the Contractor and its sub-contractors through additional payments (schedule of rates) for undertaking reactive maintenance.

A contract of this nature relies heavily on Council to undertake supporting activities such as:

- Ongoing Contractor communications;
- Contract management activities such as:
    - Contract monitoring
    - Checking of maintenance quality
    - Ongoing maintenance analysis to determine appropriate maintenance
- Monitoring of asset performance
- Effective maintenance reporting
- Review of customer requests related to maintenance

This in turn relies on Council having the skill set and resources available to undertake the above processes efficiently and continuously.

For a long time, the Facilities team lacked management support incorporating the dedication and commitment needed to manage the contract at a high level. The legacy that was left can only be improved by providing strong management support to the team.

5.2.2 Maintenance Activities

The maintenance activities defined in the current contract refer to the following:

Routine maintenance: Routine maintenance activities occur on a regular cycle. These activities are undertaken in order ***to preserve*** the life of the asset and ensure the asset retains its functionality. A regular gutter cleaning program is an example of a routine maintenance activity which is implemented to preserve the life of the gutter with the objective of preventing damage to the building that can occur if rainwater gets into the roof, walls and foundations.

Reactive maintenance: Reactive maintenance works are undertaken to provide temporary or permanent repair to a failed asset or component in order to provide protection against potential risks and/or to rectify a failure ***to restore*** the asset's functionality.

Essential Services maintenance: Maintenance required to enable compliance with the legislative requirements of the State Government.

5.2.3 Maintenance Expenditure

The following price structure was agreed as part of the existing contract excluding GST. The current contract committed Council to the following expenditure excluding GST for planned maintenance.

Lump Sum	Per Month	Per Year
Building Services Lump Sum	$72,805.71	$873,668.57
Mechanical Services Lump Sum	$10,110.85	$121,330.26
Essential Services Lump Sum	$7.030.20	$84,362.39
Total:	$89,946.76	$1,079,361.22

Table 10 - Lump Sum Values from Contract No. 2011/12-1

In addition, the contract allowed a schedule of rates excluding GST for reactive maintenance or requests.

Schedule of Rates	Per Month	Per Year
Building Services	$70,250.00	$843,000
Mechanical Services	$42,750.00	$513.000
Essential Services	$2,083.33	$25,000
Total:	$115,083.33	$1,381,000

Table 11 - Schedule of Rates from Contract No. 2011/12-1

The combined maintenance expenditure allocated was therefore **$2,460,361.22** per year excluding GST.

A review of the maintenance data identified that only variation requests and reactive maintenance had been recorded in the Contractor's maintenance system. However, using this data we are still able to review the impacts the reactive maintenance has had with regard to Council's building stock.

5.2.4 Maintenance Reporting

The existing contract required a number of reports to be produced as follows:

- Fault reports;
- Environmental reporting;
- Equipment condition reports;
- Weekly reports;
- Monthly reports; and
- Annual reports.

While the reporting provided information such as:

- OH&S;
- Maintenance planning;
- Financial management;
- Contractor management; and
- Value adds.

There appeared to be insufficient detail to analyse the work being completed such as meeting KPI requirements and the reasons and needs for the quantum of reactive maintenance and associated outcomes to undertake any meaningful interpretation.

5.2.5 Maintenance Analysis

In the period 2012 to December 2015 there were a total of 11,504 reactive work orders. Of these work orders there were 704 (6.1%) variation work orders with a cost of $1.2M and 186 (1.6%) capital variations with a cost of $806,085 over the 4 years. The total cost to Council was $2M of the total maintenance cost of $6.06M. This is identified in the table below.

	2012	2013	2014	2015	Grand Total
Variations	$85,029	$171,450	$407,662	$534,356	$1,198,498
2012	$85,029				$85,029
2013		$171,450			$171,450
2014			$407,662		$407,662
2015				$534,356	$534,356
Capital Variations	$185,902	$520,700	$81,397	$18,086	$806,085
2012	$185,902				$185,902
2013		$520,700			$520,700
2014			$81,397		$81,397
2015				$18,086	$18,086
Total Variations	**$270,931**	**$692,150**	**$489,059**	**$552,442**	**$2,004,582**

Table 12 - Variations from Maximo (2012 – 2015)

It should be noted that the capital variation requests have reduced significantly in the past two years due to a push from Council to better manage those requests and fund appropriately from the renewal program.

In addition to the variations above there were 461 (4.0%) work orders for sites not listed in the contract and 2,718 (23.6%) work orders that were not assigned to assets for a total of $1.87M.

The total reactive maintenance cost distributed over the four years is as follows:

	2012	2013	2014	Dec 2015	Grand Total
Total Work Orders	2,120	3,829	2,864	2,691	11,504
Total Cost	**$1,022,479**	**$2,128,997**	**$1,530,608**	**$1,383,901**	**$6,065,986**

Table 13 - Total Work Orders (2012 – 2015)

Of the total cost of reactive maintenance there is $339K in maintenance that may be requests by Council officers to assist in operational activity such as moving furniture. The figures are as follows:

- 2012 - $23K;
- 2013 - $96K;
- 2014 - $126K; and
- 2015 - $94K.

The following analysis needs to take the above factors into account.

An assessment of the activities that could possibly be charged as renewal or new activities is provided in the following table.

	2012	2013	2014	2015	Grand Total
Disposal	$4,104	$36,893	$2,650	$3,337	$46,984
New	$73,944	$265,381	$154,815	$248,486	$742,626
Renewal	$86,987	$232,193	$98,071	$69,027	$486,279
Maintenance	$857,444	$1,594,530	$1,275,073	$1,063,050	$4,790,097
Total	**$1,022,479**	**$2,128,997**	**$1,530,608**	**$1,383,901**	**$6,065,986**

Table 14 - Total cost of activities attributed to Maintenance and Capital (2012 – 2015)

As some of the activities deemed "sites not in the current contract" within the renewal or new activities are deemed operational as well, approximately $14,000[17] over the four years needs to be deducted from the operations activities (average $3,500 per year). This implies operational activity in the work orders provides for $325,000 over the 4 years (average $81,250 per annum).

Based on the analysis of the work orders the approximate adjusted maintenance cost excluding capital and operational activity is therefore,

- 2012 - $776K (last 6 months)
- 2013 - $1,513K
- 2014 - $1,194K
- 2015 - $982K

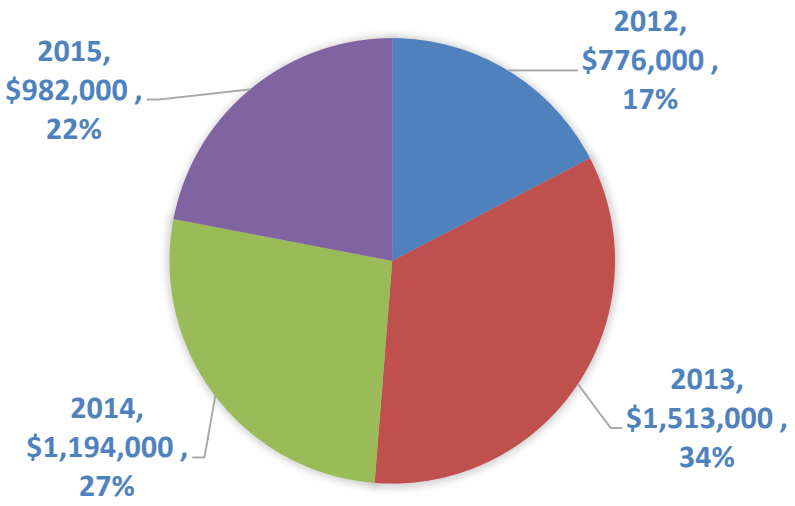


Figure 11 - Annual Reactive Maintenance Costs

Based on the reactive maintenance costs above, the percentage of actual planned to reactive maintenance is approximately 49% ($4.316M) to 51% ($4.465M).

Unfortunately, as routine maintenance has not been recorded by activity it is difficult to relate the reactive maintenance with the routine maintenance to see if there is any relationship between them. However, using the data provided above the following can be assumed:

- Total reactive maintenance cost could be reduced by eliminating activities that fall outside maintenance such as operational activity ($325K over 4 years)

[17] Costs incurred to Council have a loading of 8% of the $698,000 over 4 years for materials and consumables.

- Total reactive maintenance cost could be reduced by eliminating capital work being part of maintenance ($1,275K over 4 years) - potential average reduction of $300K per year
- Providing strategies to address high cost/high activity reactive maintenance on assets could generate reactive maintenance savings although at this time the precise amount cannot be determined
- Including "sites not in the current contract" into the new contract would generate overhead savings of 8% materials and consumables of $698,000 over 4 years = $14,000 per annum
- Modifying routine maintenance schedules based on the current reactive data may generate reactive maintenance savings

5.2.5.1 Summary of Maintenance Costs

The following table illustrates the breakup of maintenance costs in the Contractor's Maximo system against the "real" cost to Council.

Cost Factors	Description	Calculations	Cost 2016/17
Reactive Maintenance	Average of 2014 and 2015 calendar years	(1.53 + 1.38)/2	$1.45M
	Reduce operational activity	0.325/4	-$81K
	Remove capital works from maintenance contract	1.28/4	-$320K
	Add overhead for sites not currently in contract current cost $698K over 4 years	8% of $698K/4	-$14K
	Develop strategies to address high cost facilities	From experience elsewhere reduce reactive maintenance activity by 5%	-$72K
	Migrate to performance based contract model	10 – 40% (allow 10%)[18]	-$145K
		Sub-Total Reactive Maintenance 2016/17 Cost	$818K
Routine Maintenance	Existing contract including an	314/280 * $1.08M	$1.21M

[18] Source: P. Pakkala cited in World Bank Transport Note No. TN-27, Sep. 2005 for Australia

Cost Factors	Description	Calculations	Cost 2016/17
	additional number of buildings not in the current contract = 34[19]		
	Modify routine maintenance schedules based on current reactive activities	Assumed 10% increase	+$121K
		Sub-Total Maintenance 2016/17 Cost	$2.15M
Cleaning	Existing contract including an additional number of buildings not in the current contract = 34	314/280 * $1M p.a.	$1.12M
Security	Existing contract including an additional number of buildings not in the current contract = 34	314/280 * $250K	$0.28M
		Total 2016/17 costs	$3.55M

Table 15 - Potential Maintenance Savings Per Annum

Note: There could be further savings in contract and administration costs by combining the three contracts above into one contract. The real cost will become known through the tender process.

5.2.6 Maintenance Inspections

A maintenance contract such as the current delivery model requires significant supervisory effort by Council including maintenance inspections to validate the maintenance is being completed to the required standard.

- From all accounts there has been minimal auditing of the contract or the Contractor to ensure compliance to the requirements of the contract. A review of the maintenance data identified that essential service maintenance had not been completed. A separate audit undertaken by council in 2014 found noncompliance with the Building Code of Australia 2012 (BCA). Details of the findings are identified in section 6 of this plan.
- Any auditing that has taken place within the contract has at best been informal.

[19] Source – Paul Saly

5.2.7 Previous Resources (Service Delivery Model)

The current service delivery model is identified in the following figure. Many industries have migrated away from this type of model to models that place the emphasis on the contract to deliver outcomes more in line with an authority's strategic direction. The performance of the Contractor is the measured against the outcomes.

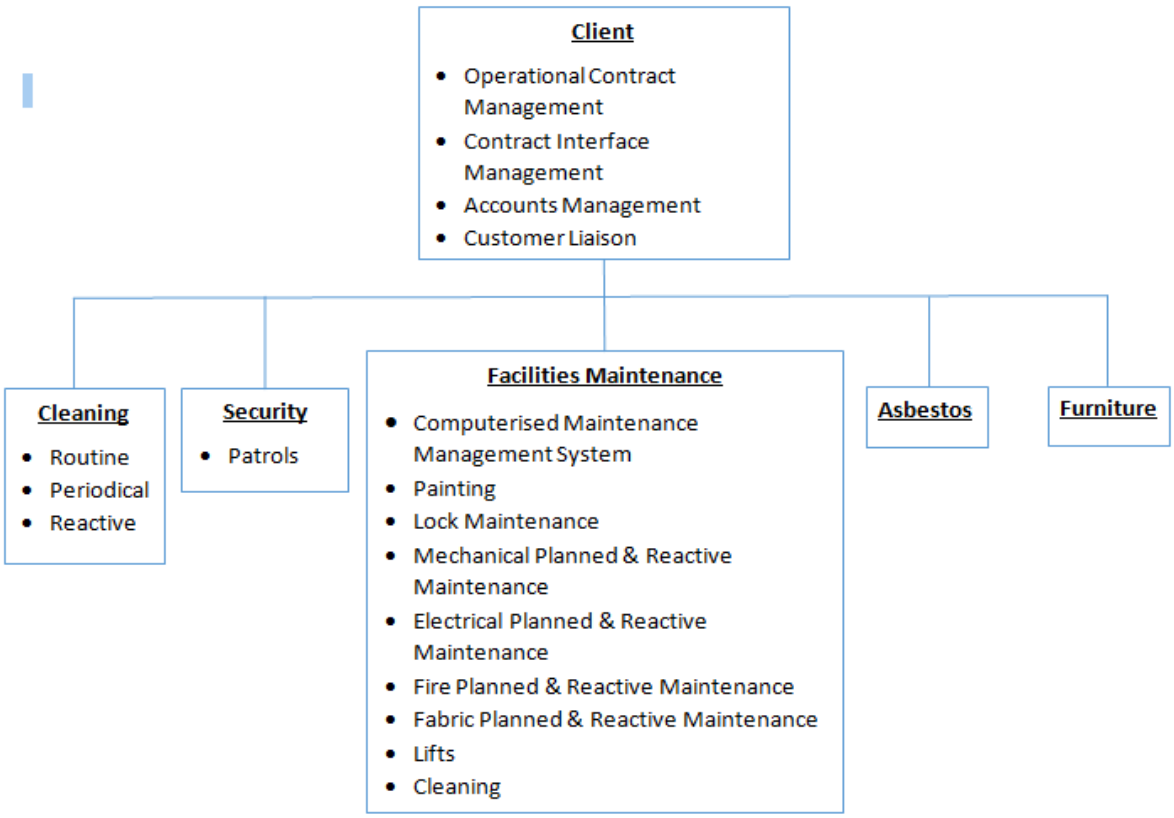


Figure 12 - Current Service Delivery Model

The structure of the current contract model is shown above. Key features as identified in the recently completed facility maintenance contract review include:

- Cleaning, security and the rest of the typical Facility Maintenance services are delivered under separate contracts.
- The inclusion of painting in an Facility Maintenance contract is unusual.
- The maintenance of catering equipment is included in the Facilities Management contract, this might best sit with a commercial caterer, if one is appointed, to ensure single point of accountability re: catering risks.
- The role of Council is largely tactical, due to:
    - The contracts inability to transfer risk effectively.
    - The contracts inability to incentivise the service provider to contain costs on behalf of the client.

- Challenges around keeping the contract strategically aligned over the contract term.
- The contracts failure to leverage self- monitoring by compulsion.
- The contracts failure to incentivise innovation.
- The lack of a 'single source of truth' through which to leverage asset management data.
- The lack of real time asset data.

In short council has adopted a strategy which is at odds with best practice. Consequently, it is failing to effectively leverage available benefits around cost, quality and risk management through strategies like:

- Consolidation of the supervisory overhead;
- Multi- skilling/multi- tasking of Council's officers; and,
- A holistic approach to service delivery in areas like:
  - Monitoring the condition and nature of area usage.
  - Reporting issues.
  - Responding effectively to incidents that require a range of sub- contractors to attend in an integrated manner. An example might be a break in which requires a handyman to board up a broken window, a cleaner to clean up the mess caused by the break in and a security contractor to respond to the incident and ensure that the integrity of the area is maintained.

Chapter 9 details Council's future approach to managing building maintenance which will address the issues as raised above.

5.2.8 Past Building Performance (Maintenance Data Analysis)

The following properties were identified as the highest cost facilities at greater than $80,000 in reactive maintenance in the four years.

	2012	2013	2014	2015	Total
City Library	$20,456	$23,847	$32,308	$15,735	$92,346
Civic Centre	$84,423	$73,857	$111,610	$104,759	$374,650
Civic Centre Annex	$29,547	$9,174	$42,670	$26,916	$108,306
Cube 37	$77,855	$90,426	$19,516	$8,221	$196,018
Ebdale Community Hub	$31,455	$26,351	$27,110	$53,046	$137,962
Frankston Arts	$74,062	$98,678	$196,548	$64,484	$433,772

Centre	2012	2013	2014	2015	Total
Karingal Place Neighbourhood Centre	$18,597	$19,334	$33,681	$31,067	$102,679
Mahogany Neighbourhood Centre	$21,573	$31,145	$21,220	$20,621	$94,559
Ops Centre (Administration Block)	$22,025	$26,037	$31,943	$13,305	$93,310
Seaford Life Saving Club	$5,371	$7,426	$3,309	$96,972	$113,078
Sites not listed in contract	$43,898	$140,174	$291,927	$222,869	$698,868
(blank)	$162,660	$515,547	-	-	$678,207
Total	$591,922	$1,061,997	$811,842	$657,994	$3,123,755

Table 16 - High Cost Facilities

The table above is presented in Figure 13 below.

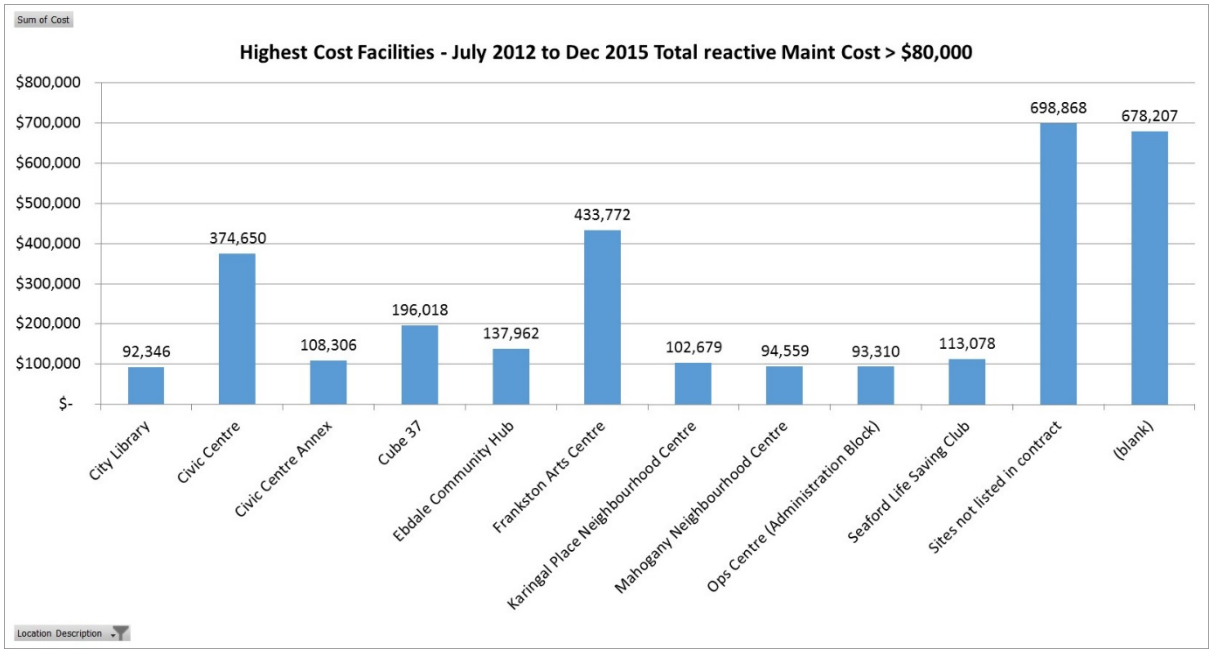


Figure 13 – Highest cost facilities

The following table represents the facilities with the highest number of work orders. It is clear from this table that excluding 'Sites not listed in contract', Blank (work orders for activities undertaken within contract but not assigned to a building component – vermin, TV cables, etc), Civic Centre and the Frankston Arts Centre have historically got the most attention from the Contractors.

	2012	2013	2014	2015	Grand Total
City Library	92	111	89	89	381
Civic Centre	255	317	309	353	1,234
Civic Centre Annex	49	24	77	53	203
Cube 37	117	95	51	22	285
Ebdale Community Hub	47	95	89	98	329
Frankston Arts Centre	128	123	183	124	558
Ops Centre (Administration Block)	41	58	65	44	208
Sites not listed in contract	56	126	219	158	559
(blank)	268	719			987
Grand Total	**1,053**	**1,668**	**1,082**	**941**	**4,744**

Table 17 - Facilities with the highest number of work orders (2012 – 2015)

The following figure illustrates the facilities with a high number of work order activities.

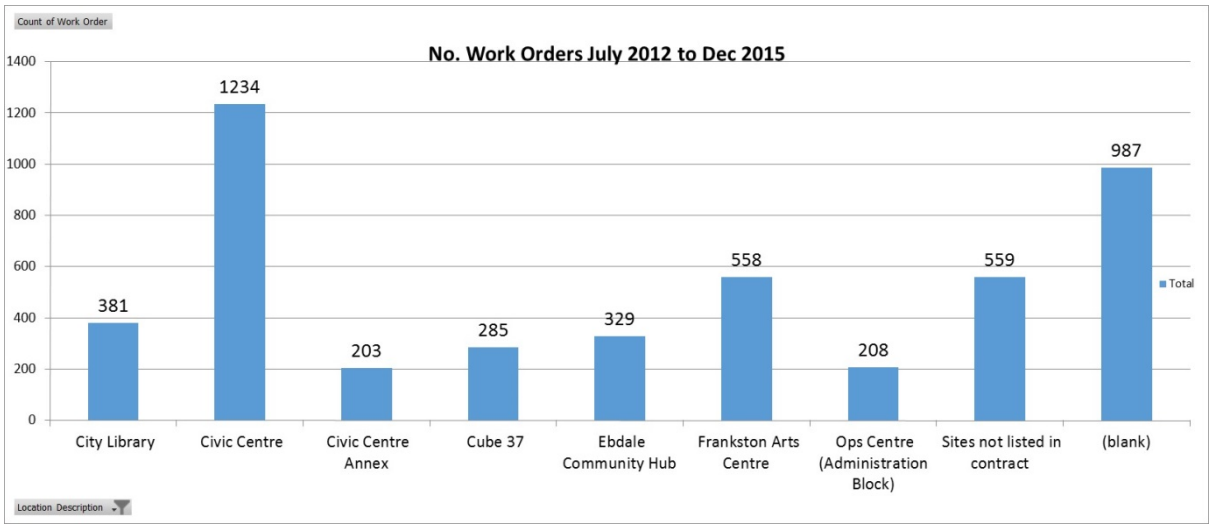


Figure 14 - No. of Work Orders issued by Facility

The high cost components that generated costs greater than $100,000 excluding the work orders where components were not identified are identified in the following figure.

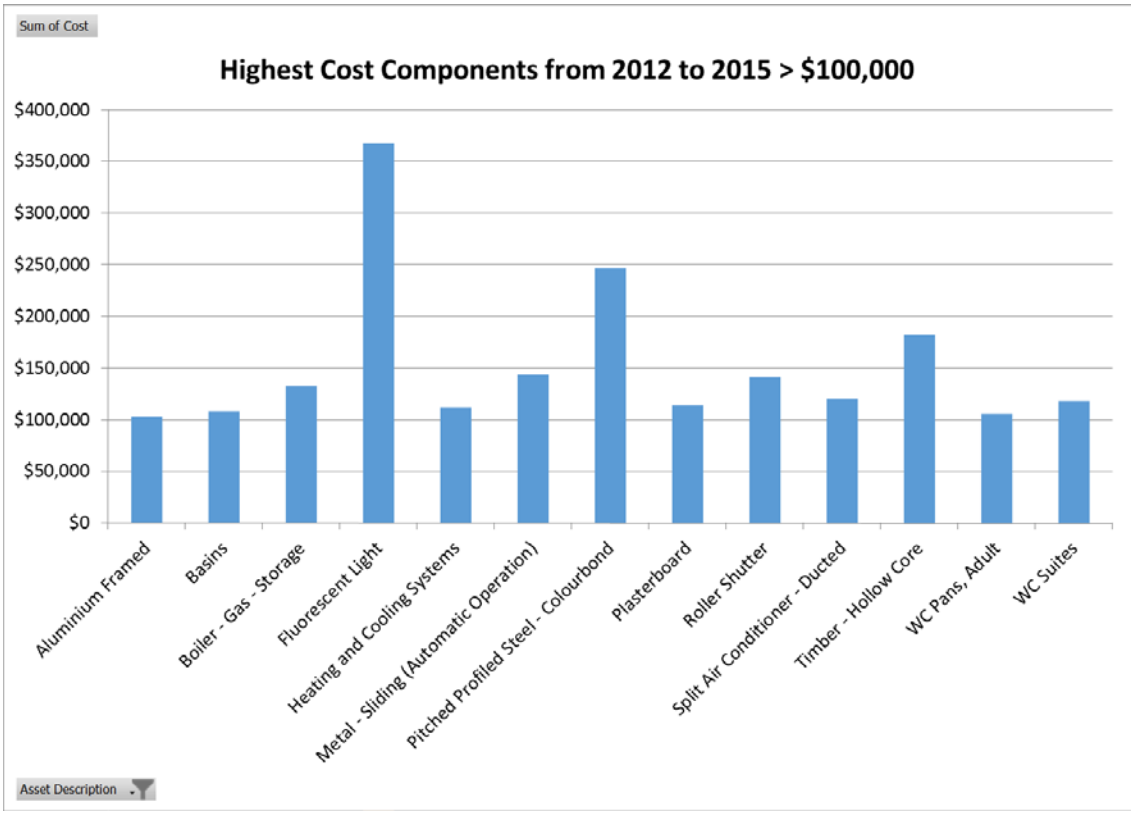


Figure 15 - High cost components

With this information together with locations, strategies should be able to be generated to improve the performance of the high cost components.

5.2.9 Previous Maintenance Issues

During the contract period a number of issues were identified by Council that have impacted on the current contract. The issues are identified in the following table and are being addressed at this time.

ISSUES	DESCRIPTION
Licences and Leases	Council's facilities house tenants that are responsible for their own maintenance however each tenant is subject to individual tenancy agreements. This has led to difficulty for the Contractor undertaking maintenance and Council personnel issuing maintenance requests.
Lack of data and maintenance	The contract has suffered from the lack of facility and asset data included in completed work orders. This has resulted in difficulty in analysing work orders to determine trends for facilities and worse still being able to determine response times for the Contractor responding to and completing work orders.

ISSUES	DESCRIPTION
Renewal programming and delivery	There is evidence through the work order data that renewal and new capital works have been recorded as part of the maintenance contract. The amount of capital works has been estimated to be approximately $320,000 per annum.
Service Manager Relationships	There is a distinct lack of understanding and input into the maintenance contract by the service managers. The existing maintenance contract has been used in various ways outside the scope of the contract including: Moving furniture from one location to another; and Completing capital works. This has resulted in difficulties managing the contract from both a resourcing and administrative process.
Contract Management	The level of understanding of contract management concepts varies throughout the organisation. The skillsets and resources required to manage a contract such as the maintenance contract is minimal within Council. It is challenging to keep the contract aligned with changing issues like statutory obligations over time, this is because the contract replicates the contents of current obligations, a contract variation therefore needs to be issued, as and when obligations change, to ensure the contract remains current. Because of the technical nature of the obligations specified Council needs to employ a technically competent person to monitor the service provider's performance against these obligations. The current contract demands a high level of in house resources to effectively manage.
Asset Register (Insurance and Valuations)	There are currently 4 building registers, all developed for different purposes with different numbers of facilities and to some extent different names for the same buildings. The lack of one consistent asset register for use by all personnel and contractors has led to confusion for all involved. There is currently significant effort being undertaken to consolidate the registers into one corporate register within FAMIS Council's asset management system to be used by all personnel.
Reactive versus Routine Maintenance	Currently only reactive maintenance is recorded in Maximo. Routine maintenance has been addressed in an informal manner outside the system. As such other than statements in the monthly report to Council have no evidence that the Contractor has been doing the routine maintenance as specified in the contract.

ISSUES	DESCRIPTION
Procurement of Trades	The current delivery model includes activities such as painting which is unusual. Cleaning, security and the balance of typical FM services are delivered under separate contracts. The maintenance of catering equipment is included in the Facilities Management contract, this might best sit with a commercial caterer, if one is appointed, to ensure single point of accountability re: catering risks. The current mix of activities or lack of introduces inefficiencies into the maintenance contract such as the need for multiple purchase orders for a number of contractors to attend to a job e.g. in the case of a break-in.
Design Standards	Design standards provide Council with the ability to facilitate improvement in the design of buildings and reduce maintenance costs. The absence of design standards as currently being experienced within Council prevents the use of processes such as lessons learned to modify design standards and reduce maintenance issues from recurring.
Maintenance Standards	Council needs maintenance standards that define its expectations and levels of service required to meet when completing maintenance. Within Attachment 13.10 there is a template of service levels to assist in the development of the required future standards. This body of work will need to be completed in partnership with building stakeholders, service and asset managers.

Table 18 - Maintenance Issues identified during the Contract Period

5.2.10 Previous Maintenance Expenditure

A number of issues relating to maintenance expenditure are identified in the following table.

ISSUES	DESCRIPTION
Previous Maintenance and Renewal Relationship	Other than the renewal works undertaken under the maintenance contract, the relationship between maintenance histories and renewals is at best tenuous. It is therefore not possible to relate maintenance and renewal activities or make effective decisions from a cost basis. Work is being undertaken to ensure communications between Asset Planning and the Facilities teams includes the outcomes from the maintenance analysis and the resulting renewal works.

ISSUES	DESCRIPTION
Previous Building Code of Australia Compliance History	The faults identified related to fire services, no evidence of essential service maintenance being completed, non-compliant fit-out and fittings. This is covered in more detail in section 6.
Implementation of Environmentally Standard Design Principles into Maintenance	The 2014 audit identified that many Council facilities include inefficient fixtures and fittings and poor heating. This is covered in more detail in section 6.
Accessibility (Mobility impaired)	The accessibility audit found over 1,000 issues across the portfolio. Future capital works should incorporate rectifications in line with future upgrades and renewals. This is covered in more detail in section 6.
Reactive works (including high risk issues)	From the data analysis, it is clear that there are gaps in data for reactive works. Data such as start date and time and completed date and time are missing and as such it is not possible to determine whether the required performance has been met. In addition, fault, cause and effect codes are not available to undertake a detailed analysis of the reactive works.
Routine maintenance	The Contractor has not entered the routine maintenance into Maximo or scheduled the maintenance accordingly. Therefore, it is impossible to know whether the work has been completed within the performance timeframe or to the requirements specified by the contract. The invoicing of routine and reactive maintenance in the past specified the work completed and the invoice amount in a manner that allowed Financial Services to check the activities and the invoice amount. This approach has changed which makes it impossible for Financial Services to validate the work completed.
Referrals to Capital Works Planning	It has been acknowledged in the previous section that maintenance and renewal expenditure has been cross pollinated previously and there are still cases of this practice occurring. Further work needs to occur to better manage the allocation of works to appropriate budget. The 2014 audit identified works and subsequent costs to be incorporated into future capital works programs.

ISSUES	DESCRIPTION
Risk Management	Council has been fortunate that there has been no insurance claim in the past four years as a result of poor maintenance or asset failures as it would have been extremely difficult for Council to contest. This is largely due to the inability of Council to be able to prove that scheduled maintenance including essential services maintenance had in fact been completed and that reactive maintenance had been promptly addressed once identified. Previous insurance claims are covered in detail in chapter 6.
Project Management	A gap analysis was undertaken in 2015 to identify current gaps in project management processes. The findings of this review identified many improvements through each stage of project management including: Establish a stronger, more transparent link between service planning and the feasibility of: building disposals, and building creation, upgrade and expansion projects Improve capital works project planning so that there is more integration of the timing and scope of building renewal programs with new, upgrade and building expansion projects. This will enable better use of non-discretionary renewal funds whilst simultaneously improving building condition and functionality.

Table 19 - Issues related to Maintenance Expenditure

5.2.11 Lessons Learnt

The current maintenance contract has over the past 4 years provided significant insight into the lessons to be applied in the next maintenance contract. The lessons include:

5.2.11.1 Systems and Data

- The lack of a 'single source of truth' through which to leverage asset management data;
- The lack of real time asset data;
- The need to have FAMIS implemented with a cohesive single building register prior to the commencement of the next contract is essential and data transferred from the Contractor's system on a regular basis;
- There are insufficient codes to allow the breakup of work orders into failure, cause, effects;
- Insufficient data on work requested/completion therefore difficult to determine whether deadlines are being met;
- The data attributes required to be collected against an activity should be established before the contract commences;

- Identify the asset hierarchy e.g. at what level maintenance should be reported. E.g. Facility, system, asset;
- Triggers should be developed that will lead to capital / renewal works and use them to flow into the capital programs;
- The maintenance contract should consist of data for all Council buildings; and
- There needs to be a breakup of costs within the data received from the Contractor e.g. labour, material, plant hire etc.

5.2.11.2 Processes

- Council, through the Asset Management Leadership Team (AMLT) and the Executive needs to establish a stronger, more transparent link between service planning and the feasibility of:
    - building disposals, and
    - building creation, upgrade and expansion projects;
- Council needs to improve capital works project planning so that there is more integration of the timing and scope of building renewal programs with new, upgrade and building expansion projects;
- The fiscal requirements and implications of the maintenance contract (invoicing and systems costs) need to better understood;
- The implications of the contract management requirements (scheduling and planning) also need to be better understood;
- There appears to have been capital works assigned to maintenance and as a result it is difficult to differentiate the work orders;
- The Contractor has not met many of their requirements in the contract however the level of monitoring by Council has been at a minimum;
- Trend analysis should be used as part of the monitoring of the contract to determine future actions on the assets;
- As the systems and assets have not been identified in all work orders, the performance of these assets cannot be easily monitored or identified.
- For the next contract routine maintenance should be captured within the maintenance system;
- For the next contract all work orders should contain the required data needed to undertake a detailed analysis;
- Have a team that monitors the contract and analyses the data;
- The impact of routine maintenance on the reactive maintenance and vice versa should be easily identified;
- Council needs to have regular strategic sessions with the Contractor to jointly be able to implement them;
- Council personnel and the Contractor should agree the desired service standards being delivered;

- Council should refrain from requesting the Contractor do operational activity unless there is a valid account; and
- Notwithstanding commercial information, the information provided to Council should align with the information in the maintenance system used by the Contractor.

5.2.11.3 People

- People involved in the selection of the successful tenderer should understand what the Contractor is offering.
- People involved in the selection of the successful tenderer should understand what the Contractor's offer translates to from a Council perspective.
- People need to understand how it establishes the performance indicators and the Contractor delivers on them;
- Have the skillset required to manage the contract;
- People need to be supported by the management team during the contract;
- Service managers need to input into the maintenance contract from their perspective e.g. service delivery requirements;
- Service delivery outcomes should be delivered within a committed framework that is dedicated and integrated within a holistic delivery model;
- Council personnel should input into the development of monthly, quarterly and annual reporting that aligns with the objectives of the maintenance contract;
- Council personnel should understand the content of the contract and the Contractor's responsibilities; and
- Council personnel should understand changes will be staged in the future contract with the contract being flexible to allow the staging to occur.

5.3 Renewal Expenditure

Renewals are undertaken under the following recurrent capital programs:

Renewal Sub Program	2014/15	2013/14	2012/13	2012/11	2011/10
Parks & Leisure Pavilions Renewal Program	$569,657	$258,253	$318,801	$124,179	$84,978
Communities Facilities Renewal Program	$105,121	$330,988	$67,080	$104,419	$361,296
Civic Facilities Renewal Program	$206,617	$25,945	$96,307	$-	$-
Facilities Roof Renewal Program	$193,525	$100,268	$96,779	$-	$-
Scouts and Guide Halls Renewal and Upgrade	$-	$3,616	$22,035	$-	$-
Family and Youth Facilities Renewal Program	$130,869	$182,110	$-	$-	$-
Frankston Arts Precinct Renewal Program	$70,698	$8,554	$-	$ -	$-
Bathing Box 10 - Frankston Foreshore	$-	$-	$-	$-	$-
Facilities - Fit-Out Renewal Program	$172,117	$-	$-	$-	$-

Renewal Sub Program	2014/15	2013/14	2012/13	2012/11	2011/10
Family and Youth Facilities Renewal Program	$229,403	$-	$-	$-	$-
Total	$1,678,007	$909,734	$601,001	$228,597	$446,274

Table 20 - Building Renewal Expenditure 2010/11 to 2014/15

Compliance Sub Program	2014/15	2013/14	2012/13	2012/11	2011/10
Parks & Leisure Compliance Program	$45,384	$-	$-	$-	$-
Communities Facilities Compliance Program	$15,904	$-	$-	$-	$-
Frankston Arts Precinct Compliance Program	$68,131	$-	$-	$-	$-
Aged Services Facilities Compliance Program	$5,699	$-	$-	$-	$-
Civic & Operations Facilities Compliance Program	$38,631	$-	$-	$-	$-
Parks & Leisure Compliance Program	$45,384	$-	$-	$-	$-
Total	$173,748	$-	$-	$-	$-

Table 21 - Building Compliance Expenditure 2010/11 to 2014/15

Table 20 above demonstrates Council's commitment to funding renewals however these figures need to be considered with caution. Section 5.2.3 has highlighted there has been some cross pollination between maintenance and renewal expenditure where it is estimated that over the last four years $486.3K of renewal work has been completed within the maintenance budget. Also the inability to record renewal expenditure into a unique account to maintain historical expenditure has been diluted and has understated the true value of funding expended over the last five years. The figures as presented in Tables 20 and 21 above demonstrate a lack of consistency in recording the renewal expenditure into a designated account. Further work is required to educate staff (service and maintenance managers) on the various expenditure classifications and the impact of not recording this information correctly on renewal modelling, valuations and budget management.

Renewal programs have a number of inputs to inform the body of work required to sustainably replace building components as they fail or approach the intervention level, they are as follows:

Renewal modelling – required to determine the quantum of funding required to maintain the buildings at a desired minimum standard;

Condition audits – required to collect data on the building stock to inform where components need to be replaced and if the level of renewal funding is appropriate;

Unplanned high risk failure – there will be situations where components will fail and create a high risk issue, these works will be addressed via the renewal program;

Maintenance Manager referrals – in the event it is no longer feasible to repair a component it will be referred to the renewal program for replacement; and

Service Manager referrals – in some cases a component's pending or complete failure may have ramifications for service delivery in which case it will need to be referred to the renewal program

The success of the renewal program is highly reliant on collecting, analysing and modelling the above inputs on a ongoing basis to ensure any adjustments that are required are done so in a timely manner. The condition audit data as presented in section 6.3 demonstrates that at least 70 – 75% (range over four major building components) of Council's building stock is in Excellent to Moderate condition. Should the renewal program be reduced or inappropriately used it is expected that the network would deteriorate further and compromise service delivery to the community.

Underspending on renewals will drive up spending on reactive repairs as 'band aid' maintenance is used to retain assets in service beyond the end of their design life and will subsequently increase or create a renewal gap. For example, patch repairing a roof each time it develops a new leak rather than funding its replacement. Delays in renewals places increasing pressure on maintenance budgets and resources, as failed components need to be repaired or replaced so that the buildings remain serviceable. To avoid huge renewal liabilities being imposed on future generations, it is considered prudent for Council to invest in preserving existing buildings to maximise their serviceable life. This will, in turn, ensure continued service provision for the community.

There is also a tendency, on occasion, to delay expenditure on renewals when there is a potential that the building will be disposed of or undergo a major upgrade. This is sensible approach as long as prompt decisions regarding upgrades and disposal are made (taking no longer than 12 months). Delays in such decisions however can reduce the serviceability of the building and expose Council to risks as building components deteriorate and disruptions to service become more probable. Therefore it is recommended that unless a building is to be disposed or upgraded within the next 12 months the renewal works should progress to manage any potential risk or compliance issues expediently.

Another challenge currently faced by Council is the utilisation of renewal funds to address fitness for purpose issues. In line with sustainable and responsible asset management Council provides renewal funding to replace assets when it fails to function adequately. There have been instances where this funding has been allocated to either upgrade or expand an asset to make it fit for purpose. Whilst these works are important and supports service provision this practice has the impact of diverting funds inappropriately from the renewal program. As a result less renewal work is completed and the potential to either create or increase a renewal gap is amplified. It is imperative that service managers understand the different funding categories and the correct process to apply for upgrade and expansion funding within the capital works budget.

A best practice approach to renewal funding would see a budget established based on lifecycle modelling of the portfolio informed by building condition audits (undertaken at appropriate frequencies), input by service and maintenance managers and the completion of analysis and modelling. It is also considered good management to integrate any upgrade and expansion projects with identified renewals works to minimise disruption to users, reduce the upgrade and expansion budget and resolve all building issues in one cohesive action.

5.4 New/ Upgrade/ Expansion Expenditure

Over the last few years Council has increased its expenditure on key upgrade, expansion and new building assets which have been driven by identified service needs see Table 13 below. Investment in the Peninsula Aquatic Regional Centre (PARC), Banyan Fields Family Centre, Frankston Park Function Centre, Frankston Yacht Club, Delacombe Park Early Years Centre, Frankston Regional Resource and Recycling Centre and Baxter Park Pavilion have been completed or is close to being finalised. Looking forward Council has committed to the Frankston District Basketball Stadium ($12.45M), implementation of the Sports Development Plan (2013) and the forthcoming Community Infrastructure Plan.

Year	New/ Upgrade Expenditure (actual) $'000
2014/15	4,207
2013/14	39,944
2012/13	12,191
2011/12	1,497
2010/11	740

Table 22 - Building Upgrade & New Expenditure 2010/11 to 2014/15

The realisation of these new , upgraded and expanded assets have been a result of identified service demand or the acknowledgement that the existing assets were no longer fit for purpose or had utilised its service life. Unfortunately, not to dissimilar to other Local Government entities, these decisions have been somewhat hurried and in some cases have impacted service delivery via late delivery or budget overruns. As Local Government in Victoria moves into a Rate capped environment service planning will become critical which will ultimately inform asset decisions. It is anticipated that as Council introduces service planning and officers become more skilled and adaptive in managing Council services, asset needs will be identified a lot earlier and will facilitate better forward planning to ensure delivery occurs in a more timely fashion with minimal disruption to service provision.

Whilst Council has tempered the creation of new assets with a number of disposals, see section 5.5 below and has been active in seeking external grants it has entered into these projects without fully understanding the lifecycle cost implications of asset ownership. In 2013 Council revised its Asset Management Policy to acknowledge the importance of not only providing the initial creation or acquisition budget but also the subsequent renewal, compliance, operation and maintenance costs to manage the growth of its building network. The Asset Management Strategy (adopted 2013) recognised this improvement action and listed this body of work amongst its recommendations. At present the Lifecycle cost policy and process is in a draft form.

The previous section discussed the importance of exploiting opportunities to amalgamate expansion and upgrade works with renewal (and where relevant compliance) projects to achieve a more timely and efficient outcome for service providers and the community. Recent efforts have improved the integration of these works with further opportunities to enhance the asset and capital planning processes moving forward.

5.5 Disposal Income/Expenditure

Disposals generally occur in three scenarios, as part of renewal or compliance works, as a complete disposal (Council retains land) or via a sale (Council divests both building/asset and land). Over the last few years Council has disposed or demolished the Carrum Downs Hall, Karingal Neighbourhood House, Gretana Tennis Pavilion, Frankston Yacht Club, Margate Avenue and the Jubilee Park Swimming Pool.

The following table shows the number of buildings disposed of in the years from 2012/13 to 2015/16 and the corresponding cost or income. This information has been extracted from Council's accounting software package Technology One.

Year	Number of Buildings	Disposal Cost $	Disposal Income $
2015/16	7	$36,425	$1,400,101
2014/15	6	$257,490	$0
2013/14	6	$117,858	$0
2012/13	1	$15,000	$0
Total	19	$426,773	$1,400,101

Table 23 - Building Disposal Income 2012/13 to 2015/16

Disposal of buildings is crucial in maintaining the right balance of asset stock (by managing lifecycle costs for operating, maintenance and renewal) and can provide a once off source of funding for other projects. The disposal of buildings and importantly the land it is sited on must be managed in a strategic and deliberate manner with the knowledge the assets are truly surplus to Council's needs. The role of service planning needs to consider the proposed disposal assets and sites to ensure that future demand is not present and can be accommodated by existing stock or alternative arrangements. The Asset Management Strategy (adopted 2013) recognised this improvement action and listed this body of work amongst its recommendations. At present the disposal/rationalisation cost policy and process is in a draft form.

5.6 Improvement Recommendations

It is recommended that Council implements the following recommendations to improve its previous maintenance expenditure history:

5.6.1 New Improvement Actions

13. Implementation of Facilities Maintenance Service Review – responsible officers considers the issues as raised in sections 5.2.9 – Previous Maintenance Issues, 5.2.10 – Previous Maintenance Expenditure and 5.2.11 – Lessons Learnt and addresses the identified gaps
14. Budget Management – responsible officers allocates work to the appropriate budget accounts and avoids cross pollination of funds so that better trend analysis can be undertaken
15. Timely Execution of Renewal and Compliance Works - that Council avoids delaying renewal and compliance expenditure until it has been imminently confirmed the that the building will be declared surplus to service needs
16. Expenditure of Nominated Renewal Funding - that the underspending of renewals is discouraged as it will contribute to the renewal gap and opportunities to accelerate other projects is lost

6 Current Asset Performance

6.1 Introduction

It is important for Council to understand the current performance of the building portfolio in order to properly manage value and maintain them for the benefit of current and future generations.

This Chapter summarises the current performance of Council's building assets as determined by a comprehensive building audit, conducted during 2014/15. The following information is also presented to provide a snapshot of the current state of affairs.

- Insurance claims history
- Preliminary assessment of capacity and fitness for purpose

6.2 Building Audit Scope

In 2013/14, a building audit was conducted. The audit was completed on 30 June 2014. It considered 251 of the 280 buildings[20] included in this Plan (refer Attachment 1). The purpose of the audit was to provide improved information about Council buildings, with specific regard to the following:

- **Condition -** The Auditors collected an inventory of building components. They also identified the severity and extent of visible component defects in order to rate the component condition.
- **Compliance –** Auditors identified noncompliance with the Building Code of Australia 2012 (BCA).
- **Accessibility -** Auditors identified the extent of each building's compliance against provisions of the Disability (Access to Premises – Buildings) Standards 2010. Due to funding constraints only selected significant buildings were audited.
- **Environmental sustainability –** Auditors collected basic information regarding shading, air leakage, lighting, plumbing fixtures, heating, cooling, insulation, refrigeration and utility connections.

Council intends to repeat this audit on a 4-year cycle. Repeated condition, compliance and accessibility auditing over the long term will enable Council to monitor the effectiveness of its building maintenance and renewal programs. It will also improve Council's ability to predict future asset deterioration and provide updated data to assist in the planning of Council's capital program.

The audit results have been used in the predictive financial modelling presented in Chapter 11.

[20] A number of buildings were not audited. The reasons for this included: The buildings were not accessible by the auditors-. In some cases access was not permitted by the occupant in other cases the building was undergoing major works. Some buildings not audited were either new, under construction, earmarked to be demolished or not recognised prior to the audit being conducted due to the building not being included in Council's asset register.

6.3 Building Audit Results

In this section of the Plan, the results of each part of the audit are summarised. The graph below provides a snapshot of the issues identified. The Condition audit identified 36% of all recommended works, whilst the BCA Compliance and Accessibility audits found the other 19% and 45% respectively.

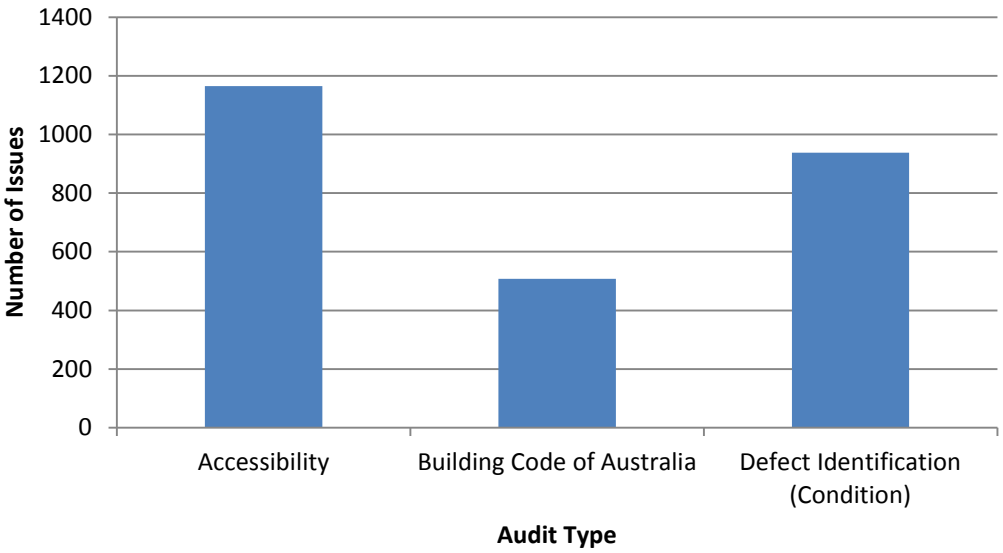


Figure 16 – Number of issues Identified by the Audit

The audit identified 938 defects that require some maintenance intervention in order to restore the asset to its original condition. 508 non-compliances with the Building Code of Australia were found and 1,165 opportunities to improve accessibility were identified.

Auditor estimates of the cost to address all identified issues were in the order of $9.6M. Defect rectification works only equate to 8% of the total sum with BCA Compliance and Accessibility improvements equating to 28% and 64 % respectively. Repairs to Fit-out and Finishes comprise 74% of the total estimated cost for all works identified.

Audit Type	Sum of Total cost to repair / replace ($)	%
Accessibility	$6,128,108.00	64%
Building Code of Australia Compliance	$2,710,460.00	28%
Defect Identification (Condition)	$735,720.00	8%
Total	**$9,574,288.00**	**100%**

Table 24 – Estimated Cost to Address Issues Identified by the Audit

As a priority, Council should seek to address the BCA compliance issues and defects via investment in renewal. Feasible, accessibility improvements should be incorporated into building upgrade projects that improve fitness for purpose.

6.3.1 Condition

The condition rating system, described texturally in the table below, was used to rate the condition of all visible building components that make up the following component groups:

- Building Services
- Fit out & Finishes
- Structure/ Building Envelope
- Site Infrastructure

Condition Rating	Description	Expected Remedial Action	% Remaining Life (approximately)
1 – Excellent	Asset is as new and can be expected to perform adequately and reach its expected life.	No additional maintenance required Routine maintenance required only	95%
2 – Good	Asset is sound, operationally safe, functional and displays superficial defects only	Minor maintenance intervention required. No component replacement required.	75%
3 – Moderate	Asset is functional but shows signs of moderate wear & tear. Deferred maintenance works are evident	Minor maintenance intervention and/or minor component replacement required	50%
4 – Poor	Asset functionality is reduced. Asset has significant defects affecting major components and runs a serious risk of imminent breakdown	Significant ongoing maintenance intervention or major component or asset replacement required	25%
5 –Very Poor	Asset is not functional. Condition cannot be improved without replacement	Asset requires decommissioning and/or replacement	5%

Table 25 – Condition Rating Descriptions

This information is a key input into replacement modelling, development of renewal programs and a key indicator of asset performance. It should be noted that in general asset deterioration (or asset consumption) is proportional to age, not withstanding exceptional circumstances which accelerate deterioration prematurely. Condition rating s are used to explain an asset's or component's journey through its lifecycle. The table below provides a visual explanation of the condition ratings as utilised by Council.

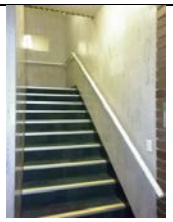
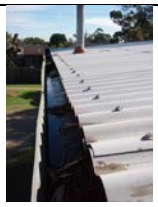
Condition Rating	Building Services	Fit out & Finishes	Structure/Building Envelope
1 – Excellent			
2 – Good			
3 – Moderate			
4 – Poor			
5 –Very Poor			

Table 26 – Condition Rating - Photographs

The table below summarises the overall results from the 2013/14 audit.

Condition Rating	% of Audited Components
1 – Excellent	0.2%
2 – Good	3.5%
3 – Moderate	72.2%
4 – Poor	20.5%
5 –Very Poor	3.6%

Table 27 – Condition Audit Result Summary

The reported conditions are a reflection of previous building maintenance and renewal (both by Council and tenants) practices, the age profile of the building stock, materials, construction quality, environment and quantum of renewal funding provided. In recent years, Council has focused building renewal works on replacement and remediation of

components that were found to be in Very Poor condition. With a result of only 3.6% of components as being rated as Very Poor it could be argued that this has been a legitimate approach. However, there can be implications of service disruptions when components are only renewed after failure and the reliability of the building and subsequently the service it supports is therefore jeopardised.

Just over 20.5% of the audited components were considered to be in "Poor" condition. With significant visible defects affecting major components and evidence of reduced functionality. Maintenance intervention and component replacement must focus on addressing the components in Poor and Very Poor condition to minimise the impact on Council services and protect the integrity of the asset. Failure to commence addressing the Poor rated components (20.5% of all building components in 2013/14) over the next four to five years will see a significant portion of building assets move into a Very Poor condition rating which may compromise the integrity of the building, increase disruption of services to the community and increases to the required renewal budget which may create a renewal gap.

A negligible percentage of all building components audited were considered to be in excellent condition (since the 2013/14 audit Council has commissioned a number of new buildings). Only 3.5% of components were rated as Good displaying only superficial defects that do not require intervention. The majority of components (72.2%) were found to be in "Moderate" condition. These components display visible evidence of moderate wear and tear, and while the components are able to function, there is an evident need for ongoing maintenance intervention and component replacement at the optimum time to mitigate risk and service disruption.

The average condition of each component group is Moderate. The graphs below illustrate the condition distribution for the following component groups and demonstrate that the condition distribution is common across all building component groups:

- Building Services – (e.g. mechanical and electrical services)
- Fit out & Finishes – (e.g. floor coverings, doors, ceilings etc.)
- Structure/ Building Envelope (e.g. foundations, roof, structural walls)

5.6% of Building Services components were found to be in Very Poor Condition. The majority of these were electrical services or plumbing, with loose or missing minor components.

3.6% of Fit-out and Finish components were found to be in Very Poor Condition. These were mostly surface finishes (such as plastering and paintwork) and floor coverings.

2.9% of structural components that were found to be in Very Poor condition were related to roof elements.

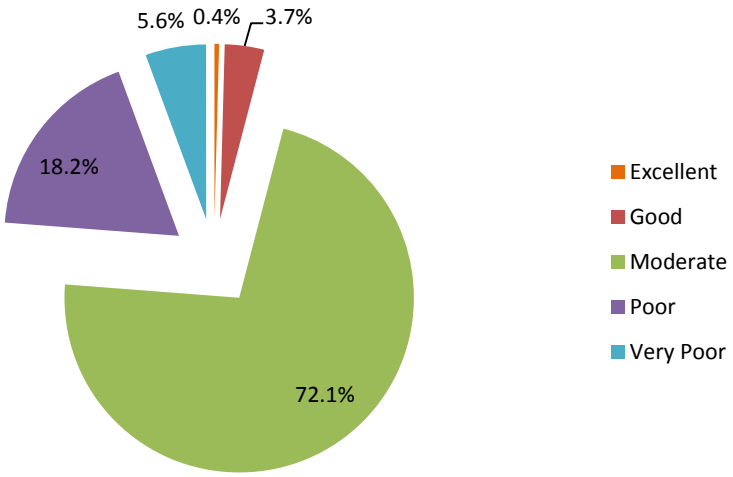


Figure 17- Condition – Building Services

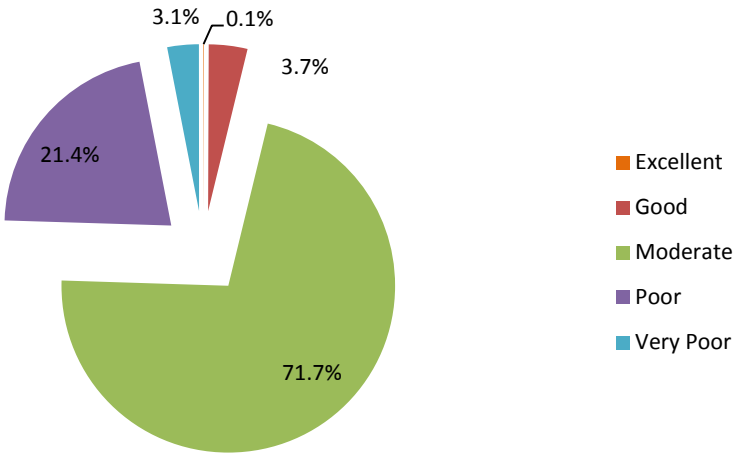


Figure 18 - Condition – Fit-out & Finishes

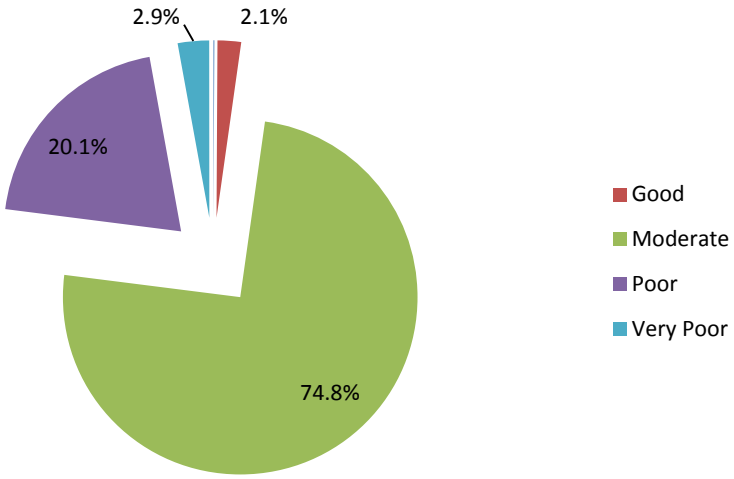


Figure 19 - Condition – Structure / Building Envelope

The graph below illustrates the condition distribution for the audited site infrastructure is similar to that of the building component groups

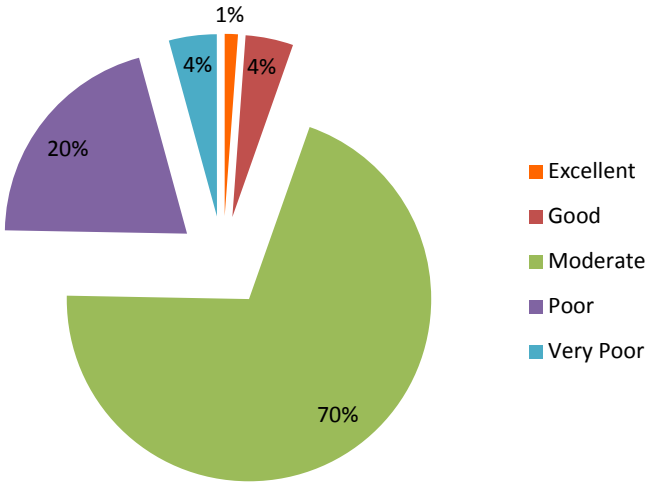


Figure 20 – Condition - Site Infrastructure

Attachment 13.8 provides a list of buildings that were found to have a significant number of components in Very Poor Condition. Care is required when developing future renewal programs to ensure that these buildings are given a high renewal priority, or alternatively are scheduled for disposal if further investigation finds that they are no longer required to support service needs. Thought also needs to be given to the 20.5% of total components in Poor condition as they work through the lifecycle phase and move into a Very Poor rating. Adjustment to the renewal budgets will need to occur to accommodate the deterioration of the building network and where possible start to address the Poor rated assets earlier to mitigate a future renewal peak. Ongoing condition auditing and modelling is the only way to monitor deterioration accurately. The last consideration is the appropriate allocation of

renewal funding to bona fide renewal works. Misallocation of renewal funds to upgrade or expansion works could aid in the further deterioration of the building network and subsequently add to a prospective renewal gap. Chapter 11 discusses the preferred funding option and the desired intervention level to initiate renewals at the optimum time.

6.3.1.1 Defects Identified

In order to assist Council to improve the condition of its building portfolio, the auditors identified all visible defects and provided a recommendation of the type of remedial action recommended in order to repair each defect and restore the original condition of the asset. For the purposes of the audit, a defect was considered to be any imperfection that impacts on a component's intended use and which may be caused by poor installation, age, use, environmental or other factors.

The auditors provided a total of 938 recommendations to address defects identified. By far the most significant volume of defects related to fit-out and finishes where defects such as rising damp, peeling or flaking paint and stains were most prominent. The distribution of defects and the estimated cost to repair is shown in the table and figure below.

Asset Component Group	Number Of Defects	Estimated Cost to Repair All Defects($)	Most Common Defect Type
Building Services	86	$31,585.00	Loose or Missing component / Component not Operating
Fit-out & Finishes	515	$446,135.00	Peeling / Flaking / Stains / Rising Damp / Damaged Tiles & Bricks
Site Infrastructure	4	$1,700.00	Missing Components
Structural / Envelope	333	$256,300.00	Corrosion / Rotting Timber / Peeling /Flaking Paint / Blockages
Total:	938	$735,720.00	

Table 28 –2013/14 Defect Classifications (All)

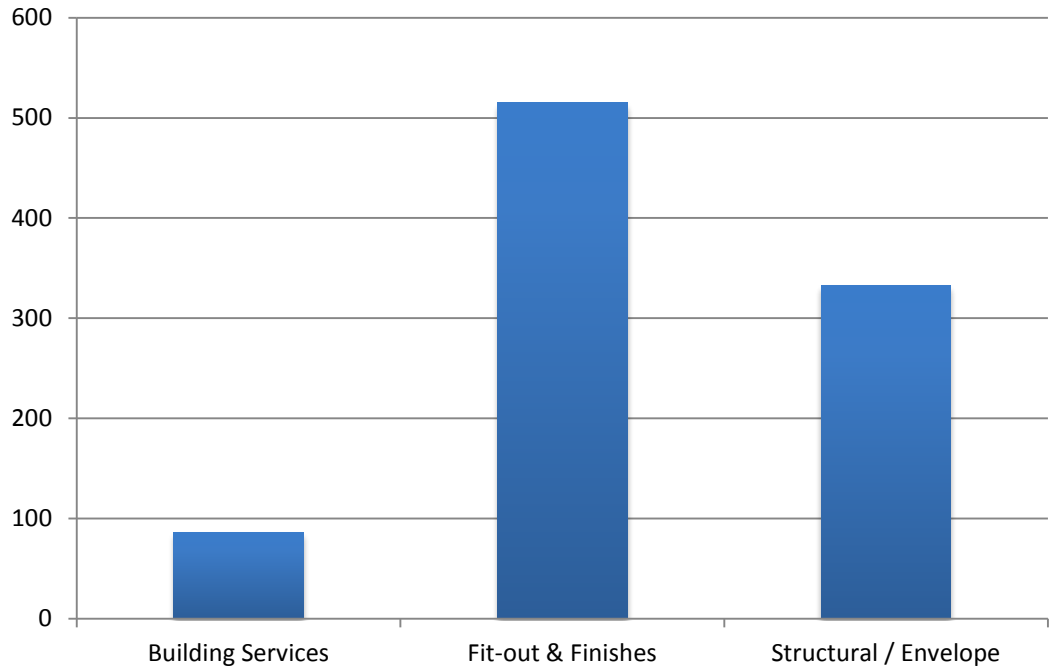


Figure 21 – Number of Defects per Building Component Type

The detailed defect data captured during the condition audit, and summarised above will form the basis for the development of future maintenance and renewal works programs. Whilst indicative estimates (disposal costs not included) have been provided by the auditors consideration and review by a suitably experienced and qualified building manager is required to refine the scope of works and costing.

6.3.2 Compliance with Building Code of Australia (BCA)

The auditors identified 508 non-compliances with the Building Code of Australia (BCA). The table below summarises the non-compliances and estimated rectification costs.

Component Group	Number of Non-Compliances	%	Estimated cost to Repair
Building Services	399	79%	$508,440.00
Fit-out & Finishes	74	15%	$1,382,720.00
Structure / Building Envelope	35	7%	$819,300.00
TOTAL	508		$2,710,460.00

Table 29 – Number of BCA Non- Compliances & Estimated Cost to Repair

Of the 508 not compliances reported, 303 were related to Fire Services. Of these, 249 issues were related to Portable Fire Extinguishers. Other non-compliant fire services related to fire blankets, fire hose reels and hydrants.

The main reasons for non-compliance were:

- Incorrect extinguisher location
- No evidence that scheduled essential maintenance had been carried out

- Signage directing the user to an extinguisher that was either missing or otherwise non-compliant.

Non-Compliant Fire Services were found in 119 buildings. The 5 buildings with the highest number of non-compliant fire services is listed below, these represent 22% (89 instances) of the total. Pavilions are overrepresented in this area of non-compliance suggesting a need for improvement in the way these sites are managed.

Building Name	Instances of Non-compliance
Frankston Arts and Library Building	46
Seaford Park Football/Cricket Pavilion	12
Keast Park Community Pavilion	11
Operations Centre - City Works Maintenance	10
Lawton Park Reserve Soccer Pavilion	10

Table 30 – Buildings with the Highest Number of Non- Compliant Fire Services

Non-compliant fire services are a very significant issue. The audit result highlights a need for Council to review its approach to monitoring and maintaining fire services (or potentially licences and leases where it is the responsibility of the tenant or licensee to manage fire services) within Council buildings. Work has commenced to address these issue with Council's maintenance Contractor. The review of Council's overall Facility Maintenance Services by an experienced facilities consultant was underway at the time of writing this Plan. It is expected that the review will provide Council with a means of improving compliance of fire services.

Identified BCA non-compliances related to the Fit-outs & Finishes or the Structure/ Building Envelope. These were generally related to stairs and landings (31), doors (25), handrails balustrades and ramps (9) or toilets. Generally the non-compliances have arisen because the affected buildings are old and therefore were not constructed to current standards. The main issues were found to be:

- Balustrades and handrails not provided or set at non-compliant heights
- Design/layout issues where spaces were deemed to have an inadequate amount of exits or the distances to an exit were too far
- Inadequate provision of non-slip nosings and tactile indicators or stairways
- Doors unable to be opened by the handle with a single-handed downward action located between 900mm-1100mm from the floor
- Door handles that are lockable from the inside (making them not compliant)

Rectification of these elements generally requires component removal and replacement and should therefore be incorporated into future capital works programs, wherever possible, these works should also seek to implement fitness for purpose improvements and accessibility improvements concurrently.

6.3.3 Accessibility Audit Results

The auditors considered Council compliance with the standards set out in the Disability (Access to Premises – Buildings) Standards 2010. The objectives of the Premises Standards are to ensure that 'dignified, equitable, cost-effective and reasonably achievable access to buildings, and facilities and services within buildings, is provided for people with a disability'. It also aims to give certainty to building certifiers, building developers, building managers and other practitioners that compliance with the Access Code, forming Schedule 1 of the Premises Standards will achieve compliance with Section 23 of the Disability Discrimination Act 1993 (Access to Premises). The Premises Standards apply to new buildings and existing buildings undergoing building work.

The Accessibility audit identified 1,165 accessibility issues across the portfolio. The table below provides a summary of identified accessibility improvements that would need to be implemented whenever the affected buildings undergo works to improve fitness for purpose.

Component Category	Accessibility Improvements	%	Estimated Rectification Cost
Building Services	42	4%	$154,040.00
Fit-out & Finishes	824	71%	$5,239,554.00
Structural / Envelope	88	8%	$172,489.00
Site Infrastructure	211	18%	$562,025.00
Total:	1165	100%	$6,128,108.00

Table 31 – Number of Accessibility Issues & Associated Estimated Rectification Cost

By far the majority of accessibility improvements are associated with the fit out and finishes of the building. The three most common improvements relate to the following components:

- Doors (30% - 348 issues)
- Toilets (29% - 341 issues)
- Stairs and Landings (13% - 156 issues)

The issues with these components make up 88% of the total estimated rectification cost.

For Doors the most common issues found were:

- Circulation space at doorway did not meet minimum criteria.
- Doorway openings were less than the minimum width of 850mm.

For Toilets the most common issues found were due to inadequate space:

- Assets (e.g. back rests) or space (e.g. ambulant sanitary compartment) were often not provided or provided but not in accordance with the standards.
- Circulation space within the cubicle or room was inadequate either due to the dimensions of the space or because the space was obstructed by other fixtures

For Stairs and Landings the most common issues found were:

- Tactile ground surface indicators were not installed or not compliant.

- Handrails/grab rails were either not provided or not compliant.

All future building capital works programs, should seek to implement the identified accessibility improvements to improve fitness for purpose.

The 1,165 accessibility improvements were found across 178 buildings. The 5 buildings with the most accessibility improvement recommendations are listed in the table below. These represent 36% (416) of the total accessibility improvement recommendations.

Building Name	Identified Accessibility Improvements
Frankston Arts and Library Building	304
Cube 37	57
Civic Centre	20
Bruce Park Pavilion - Football/Cricket	18
Frankston Croquet Club	17

Table 32 – Buildings with the Highest Number of Identified Accessibility Improvements

The timing of accessibility improvements should be linked to the delivery of upgrades and expansions that address fitness for purpose issues as identified in future service plans.

6.3.4 Environmental Sustainability

The audit included a high level assessment of energy and water efficiency and thermal performance items. The audit highlighted that many Council facilities still demonstrate characteristics of poor Environmentally Sustainable Design (ESD), including:

- Inefficient and ageing electric hot water services
- Heating and cooling systems that were oversized and poorly positioned due to changes to layout and use; some with low energy ratings
- Low water efficiency rating taps, toilets and urinals, such as single flush toilets that could be replaced with dual flush alternatives
- Halogens and metal halide lighting that could be replaced with energy efficient LEDs with installation of automatic sensors
- Low energy rating (or no information) fridges and freezers and other appliances
- Buildings with poor thermal performance, for example, low levels of insulation, unsealed draughts, single glazed windows

The audit identified energy and water efficiency works that can be carried out as part of Council's maintenance and renewal program. The audit results have been considered during the development of Council's *ESD Standards for Council Buildings* and further detail is included in Chapter 10.

6.4 Insurance Claims History

The following types of insurance cover are relevant for Council buildings:

- **Property Damage;** which encompasses loss of assets
- **Public liability** which covers liability arising out of negligence attributed to the condition or lack of daily maintenance of the facility.

- **Industrial Special Risks** (ISR) (more commonly known as Building and Contents – which includes business interruption). Material loss and damage: Covers the cost to demolish, either in whole or in part, and re-build the insured asset or the damaged sections within a building i.e. floor boards, windows. Cover exist predominately for the following buildings: Arts Centre / Library; 43 Davey Street; Operations Centre; Civic Centre; Karingal Place; Meals on Wheels; Visitor Information Centre; PARC; Carrum Downs Library; Langwarrin and Seaford Shops.
- **Consequential loss** covers expenses such as the cost of relocating to another premises (i.e. lease) and establishing such facilities, the loss of revenue if the site is incoming producing (i.e. an aquatic centre) or rent producing (i.e. if the site lost is leased for commercial purposes); and
- **Casual Hirers** covers the hirers for injuries to third parties or property caused by their activities

Over the last 2 years, no claims relating to buildings have been lodged against Council.

The last insurance claim was received by Council in 2013, when there was flooding of Karingal Place due to a ball stuck in a downpipe. The overall cost was $15,000.

In 2012 there were the following claims:

- Fire – Arts Centre Loading Dock (vandal set fire to rubbish bin) – Overall cost $20,000
- Flooding – Jubilee Aquatic Centre (staff left hose on and went home resulting in a flooded plant room) - Overall cost >$100,000

Prior to 2012 there were 14 claims:

- Flooding – 5 claims
- Theft – 3 claims
- Electrical Fault – 1 claim
- Fire – 4
- Damage caused by third party – 1

The most expensive of these claims was the destruction by fire of the "Bryan Mace Grandstand" at Frankston Park. This cost $1.2M to replace.

6.5 Assessment of Utilisation & Fitness for Purpose

6.5.1 Utilisation

It is considered important to assess the utilisation of Council buildings in order to manage the building stock in a manner that optimised facility use and ensures that surplus assets are disposed of. Utilisation analysis which indicates whether a building is operating at capacity, over or under capacity can also inform service collocation decisions.

When developing the building hierarchy during 2014, the Working Group provided the following information for the buildings that support the services provided:

- Current building occupancy

- How often is the building used? (number of days per year)
- Number of community services that the building currently supports

The majority of Buildings (by Building Service Area) were found to be occupied by Council staff with or without community users. Less than 2% of the portfolio was found to be vacant. Overall according to the data 98% of the portfolio is being actively occupied. Buildings identified as being vacant should be investigated further in order to improve building utilisation and service outcomes.

Building Occupancy Description	Number of Service Areas	%
Staff - with or without community users	266	84%
Storage – critical equipment	11	3%
Storage – non-critical equipment	34	11%
Vacant - but available for use	2	1%
Vacant - can't be used without major modification	3	1%

Table 33 – Current Building Occupancy

The majority (63%) of Buildings (by Building Service Area) were found to be used between 109 to 365 days per year (on average more than two days per week). Only 1% of the portfolio was found to be not used at all. Overall according to the data 90% of the portfolio is being actively used at least one day per week. Further analysis on the buildings that are used less than one day per week is recommended.

Number of days that the building is used	Number of Service Areas	%
0 - not used	2	1%
1 to 12 - one day per year to one day per month	0	0%
13 to 24 - one day per month to fortnightly	6	2%
25 to 52 - once per fortnight up to one day per week	25	8%
53 to 108 - one day per week up to two days per week	85	27%
109 to 365 - more than two days per week	198	63%

Table 34 – Building Utilisation – Number of days per year

78% of the Building Service Areas were found to only support one service. This is a legacy of the historic approach of allocating single purpose facilities to individual groups. It is inconsistent with Council's vision for multipurpose facilities. Multi-use areas which support more than one service make up only 16% of the portfolio. In order to obtain better utilisation of the building portfolio, Council should seek to provide spaces that support multiple services. Further analysis of the utilisation of buildings that support only one community service is warranted to identify opportunities to optimise utilisation of the existing building portfolio in preference to the creation of new buildings.

Number of Community Services Supported	Number of Service Areas	%
None	18	6%
One	248	78%
Two	15	5%
Three	28	9%
Four	1	0%
More than Four	6	2%

Table 35 – Number of Community services supported by Council buildings

Council buildings utilised less than 50 % of the time, comprise predominantly dedicated Scout and Guide halls that are managed by the Scouts and Guide groups with little involvement from Council. Underutilised buildings also include dedicated sporting pavilions and clubrooms. Individual sporting groups manage these with minor involvement from Council. Opportunities to increase usage (usually through casual hire) are handled by the sports club.

It is recognised that building utilisation analysis is required, as part of Council's service planning work, in order to gain an understanding of whether Council buildings are operating at the appropriate utilisation rate. By interviewing the responsible users, Council can develop a further more detailed picture of building utilisation and determine opportunities for increasing the use of some buildings

Asset utilisation data is available from a number of sources including:

- Community hall booking systems
- Enrolments at early years facilities
- Library, PARC, and sports club memberships

It may also be necessary to establish systems to collect more reliable utilisation data in order to support such analysis. This will require the implementation of systems to collect and analyse information on facility bookings and building access.

6.5.2 Fitness for Purpose

It is recognised that many Council buildings were built over 20 years ago, and that replacement designs and structures would better suit today's expectations and standards. It is also recognised that replacement of buildings as they get older is often not feasible as services and the community evolves.

Some Council officers (service managers) were asked to comment on the buildings fitness for purpose. The following anecdotal issues were raised:

- The majority of preschool facilities would benefit from additional administrative space. Older buildings were built when administrative duties were less onerous and staff numbers were fewer
- Increasing participation of females in (what was once) male only sports such as football has highlighted a gap in the change room facilities suitable for female participants and officials.

It is not unreasonable to say that if all service managers were surveyed all would be able to quote locations where the building is no longer fit for its intended purpose.

As part of a comprehensive service planning exercise, Council (via the service managers) need to identify the functionality of a building that make it suitable for specific purposes. These are called customer service levels. This requires consultation with user groups to understand their service needs and also educate the community so that it doesn't come to expect an unreasonable standard of service and asset provision and the impact on costs. An example may be that not all community-meeting spaces would contain state of the art sound system, or a commercial kitchen. Once this exercise has been completed a conversation needs to occur between the service and asset managers to translate the customer service levels into technical service levels which can then be defined, costed and measured.

Having determined the customer and technical service standards, the next step is to assess the building's fitness for purpose against the desired criteria.

It is considered necessary for the Asset Management Leadership Team to establish a detailed template and tool for documenting fitness for purpose criteria and assessment in a format that is easy for a service and asset manager to complete and can withstand scrutiny by an independent party to quantify the gaps. For example fitness for purpose criteria relating to location may include measurable factors such as 500m from public transport and within an activity centre. Facility design features may include movable walls, commercial kitchen, at least 2 meeting rooms greater than 4 square metres etc.

These fit for purpose criteria can then be used to answer the following questions for all Council buildings.

- Are the facilities located in appropriate locations?
- Are the current facility design features appropriate for current and future users?
- A potential template format could look as per Table 28 below.

Asset Fit for Purpose Criteria	Current Service Standard	Desired Service Standard	Gap
Land Size			
Location (Distance from other services)			
Access (road hierarchy)			
Access (path hierarchy)			
Distance to Public Transport			
Car Park Size			
Building Envelope Size			
Room Types			
Room Sizes			
Building Fittings			
Environmental Performance			

Asset Fit for Purpose Criteria	Current Service Standard	Desired Service Standard	Gap
Playground Size			
Playground Components			
Maintenance Standards			
Renewal Standards			
Compliance to Service Regulations			
Building Accessibility			

Table 36 - Potential Building Fit for Purpose Assessment

The fitness for purpose assessment can then be used to inform future upgrade, expansion and disposal programs.

Prioritisation of the capital works program should be given to those services that have clear fitness for purpose gaps to be rectified. At the time of writing, the following services had some fitness for purpose criteria already established and gaps identified, they should therefore be given priority for future capital works funding:

- Arts & Cultural Services
- Libraries and Learning
- Children's Services
- Structured Recreation (Sports)
- Youth Services
- Community Meeting Spaces

The format of the fitness for purpose criteria and gaps will be different for each service. Development of a standardised format or template is therefore considered important and crucial to making responsible and informed service and asset decisions.

6.6 Improvement Recommendations

It is recommended that Council implements the following recommendations to improve its current asset performance:

6.6.1 Asset Management Strategy (2013) Improvement Actions

13. Undertake Asset Rationalisation Assessment – Consider the vacant buildings (Attachment 13.7), buildings which the valuers have assigned 5 years (or less) remaining life (Attachment 13.6) and the buildings in a Very Poor condition (Attachment 13.8) for potential disposal.

6.6.2 New Improvement Actions

17. Completion of Building Defect Trend Analysis - that responsible officers investigate the common defect types as identified in the 2013/14 audit and develop strategies to better manage these component failures
18. Development of a Fitness for Purpose Assessment – the creation of a tool to assist service managers in determining if buildings that support their services are appropriate
19. Collection of Building Utilisation Data - investigate systems and processes to collect utilisation data for Council's building network to assist in identifying rationalisation opportunities

7 Understanding Community Expectations & Demand

7.1 Introduction

Community demand for services drives the provision and management of Council facilities. Service planning that includes an assessment of current service needs and a prediction of future service demand is considered important in order for Council to know which elements of demand can be accommodated within the existing capacity of resources and assets, and which elements cannot.

It is important that future Service Plans consider the current and future needs of all current stakeholders and make use of demographic forecasts and other data, including community consultation findings, to predict future demands on the service and supporting assets. By investing in service planning, Council will be better placed to deal with impacts of external forces such as rate capping and a reduction in funding support from other levels of government Armed with an improved understanding of community expectations and demand, appropriate demand management strategies can then be devised and implemented.

In the absence of comprehensive service plans, this Chapter outlines the Sustainable Assets Department's understanding of the following:

Stakeholders;

Recent community satisfaction survey results;

- Factors that impact demand; and
- Demand management strategies.

7.2 Stakeholders

Stakeholders influence both service and facility management practices and outcomes. Each stakeholder group may have differing expectations about service and building performance. Their interests and objectives with respect to building provision, location, use and

management may also vary. Council must, therefore, seek to understand and respond to stakeholder expectations in a way that provides the best possible outcomes for current and future Frankston communities.

External stakeholders that are likely to influence service planning and building asset management practices include:

- Facility users
- Council's Insurer
- Competing and Complementary Service Providers
- Developers
- Essential Services Commission
- Environment Protection Authority
- Heritage Victoria
- Neighbouring property owners
- Neighbouring Municipal Councils
- Schools and other educational institutions
- State and Federal Government Departments
- Victorian Auditor General
- Victorian Building Authority

Facility users are considered key stakeholders and, depending on the service, might include:

- Residents
- Sporting clubs
- Community groups
- Commercial business operators
- Community service providers
- Committees of Management
- Council Advisory Groups
- Visitors to the municipality
- People employed in the municipality
- People passing through the municipality

7.3 Recent Community Satisfaction Survey Findings

Council continuously aims to understand demand and adjust its service and building portfolio accordingly.

Each year Council participates in a Local Government Community Satisfaction Survey coordinated by Local Government Victoria that ranks Councils in key areas of performance

and service delivery on a scale of zero to 100. The 2014 survey results summarised in the table below, shows that Frankston City Council's performance stood out in many areas compared to outer metropolitan and Victorian Council averages.

Frankston City Council Performance Measure	2012	2013	2014	2014 State wide average	2014 Outer metro average
Arts Centres and Libraries	-	81	82	75	77
Recreational facilities	70	72	70	71	68
Environmental sustainability	65	66	65	64	64

Table 37 - Local Government Community Satisfaction Survey 2014

The satisfaction survey identified that 7% of all respondents said community facilities were the best thing about Council. Although the results of recent community satisfaction surveys indicate there is a relatively good level of community satisfaction with Council facilities in broad terms there has been no real endeavour or attempt to gauge or measure the level of community satisfaction more specifically or in more detail associated with Council's building facilities at this time.

In order to exercise responsible custodianship across its extensive building portfolio and sustainably manage that portfolio in accordance with the communities' expectations, future service plans need to delve deeper into the analysis of available community consultation and satisfaction survey findings in order to:

- Understand drivers of demand for community services;
- Identify criteria that can be used to assess whether a service and its supporting assets are fit for purpose;
- Predict future service demand;
- Predict future demand for Council building assets; and
- Inform determinations and priorities in relation to asset rationalisation and disposal considerations.

In order to achieve this it will be necessary as part of the service planning to actively engage with both the broader community and users of facilities through targeted and specific consultation processes.

7.4 Factors Impacting Demand

Council delivers services and manages its building portfolio within a complex environment. When making decisions that affect service delivery, all aspects of the environment illustrated in the figure below must be considered.

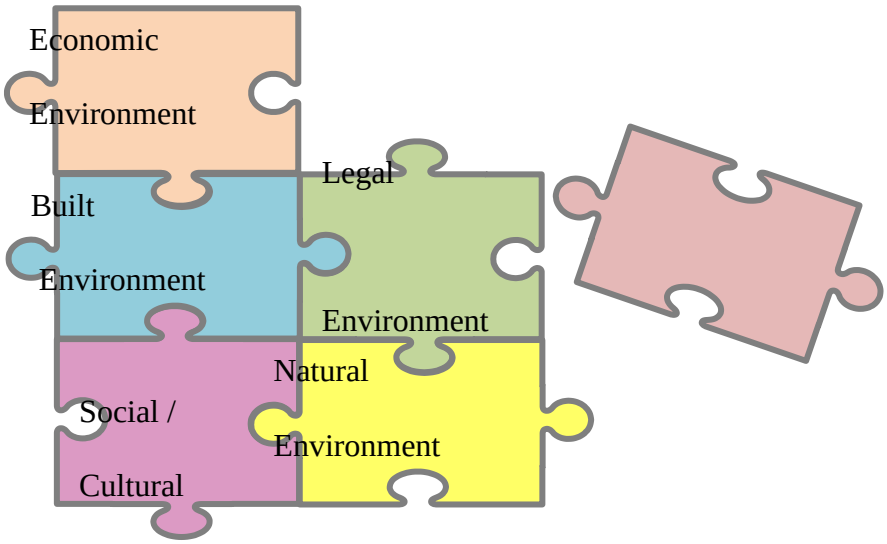


Figure 22 - Operating Environment

7.4.1 Political & Economic Environment

Short political terms result in a frequently changing political landscape. Federal and State Government influence Council's approach to service and facility management. This influence is exerted through grant funding support and policy. The rate capping policy, recently introduced in 2016/17, is expected to have a significant impact on Council services.

7.4.1.1 Grant Funding Support

The Victoria Grants Commission allocates revenue provided by the Commonwealth Government to municipal councils in Victoria. The principles that currently govern funding allocations are:

- Horizontal equalisation - This aims to ensure that each council is able to function, by reasonable effort, at a standard not lower than the average standard of other councils in the State
- Effort neutrality - As far as practicable, the policies of individual councils in terms of expenditure and revenue efforts will not affect the grant determination.
- Minimum grant - Is not less than the amount to which a council would be entitled if 30 per cent of the total amount of general purpose grants were allocated on a per capita basis.
- Other grant support - In allocating general purpose grants, other relevant grant support provided is taken into account.

- Aboriginal peoples and Torres Strait Islanders - Financial assistance is allocated to councils in a way which recognises the needs of Aboriginal peoples and Torres Strait Islanders within their boundaries.[21]

7.4.1.2 Rate Capping Policy

A rate cap was introduced by the current State Government in December 2015 to be imposed for the first time in the 2016-17 financial year. If Council wishes to raise rates above the annually set cap, it will be required to seek permission from the Essential Services Commission. Now that rates are capped from 2016-17, this will reduce Council revenue by a cumulative amount of about $28M over a four-year period. This will have a severe impact on Council's ability to maintain services, deliver key initiatives and maintain current levels of maintenance and capital expenditure. Given Council's current debt exposure the rate cap will limit Council's ability to provide improved buildings and services. In 2013/14 Council spent some $46.5M in total on maintenance, renewal, new/ upgrades.

The current rate cap in NSW and a previous cap in Victoria was seen as having "devastating long term consequences, including a reduction in capital spending on necessary maintenance and assets", such as roads, parks, sport facilities, footpaths and community centres. [22] This highlights a need for Council to have in place a service planning mechanism to determine which services Council can continue to provide and to what standards Council assets will be provided. This requires development of service levels that are measurable and can be costed. (Draft maintenance service levels are included in Attachment 10). Service planning may find that the sale of land and buildings is feasible in order to meet community needs and support Council expenditure. It is important that surplus assets are identified via a comprehensive analysis of current and future service needs.

7.4.2 Legal Environment

The regulatory framework under which the provision of Council services, buildings and associated assets is not static. It includes legislation, regulations, policies, standards and guidelines. Council has a duty to remain abreast of all changes in regulations, standards and guidelines that affect the management of Council buildings and services.

The current relevant documents (as amended) include but are not limited to:

- The Building Act 1993
- Building Regulations 2006
- Building Code of Australia (BCA2011)
- Part 7 Children's Services Regulations 2009
- Disability Discrimination Act 1992
- Disability (Access to Premises – Buildings) Standards 2010

[21] Source: Victorian Grants Commission website.

[22] Quote from the president of the Municipal Association of Victoria – source: The Age by Lucy Battersby January 21, 2015 - article "Council rates capped from mid-2016"

- Australian Standards
- National Construction Code 2015

Under a number of Acts and policies, local government is required to provide inclusive services and facilities. This has imposed increased capital costs on Council's when undertaking works on Council buildings. The Disability Act outlines Councils' responsibilities to people with a disability in their local area. It provides guidelines regarding the development and implementation of Councils' Disability Action Plans. The Building Code of Australia also requires public and commercial buildings to provide access for people with disabilities via continuous, uninterrupted paths of travel, so that the person can use the facility independently and with dignity. Access provisions apply to all buildings or parts of buildings without Building Permits issued prior to 1 May 2011, unless substantial design in accordance with Section 10 of the Building Act 1993 can be substantiated. Section 10(2) of the Building Act allows the Building Surveyor to exempt buildings that were 'substantially designed' prior to the adoption of a new regulation or amendment (i.e. BCA2011 on 1 May 2011). Disability (Access to Premises – Buildings) Standards 2010 applies to all buildings or parts of buildings for which a building permit is applied for on or after 1 May 2011, except for private dwellings and internal parts of apartments.

7.4.3 Built Environment

Frankston's current built environment is the result of a long history of urban development. Key features of the built environment that pose a challenge for building asset management include:

- Ageing infrastructure
- Land development projects
- Service level standards

7.4.3.1 Ageing Assets

Ageing infrastructure poses a significant challenge, as many assets reach the end of their serviceable life and require rehabilitation or replacement. For the municipality to remain liveable, ageing buildings, roads, pathways and drainage networks must be maintained in serviceable condition. This requires proactive disposal of surplus assets and ongoing capital investment that matches the rate of deterioration of the retained assets.

Council has a large portfolio of old buildings, including several that were constructed more than 50 years ago. Many of these buildings do not meet current best practice design and construction standards. This impacts their aesthetics, usability and the cost of maintaining and renewing them.

In cases where ageing buildings do not have historical significance, predicted future service demand should be a key consideration when determining the best way of managing the ageing building portfolio. In some instances, disposal of old and under-utilised buildings, that are poorly located or difficult to reconfigure, may be warranted. Modernising and improving the condition, functionality, accessibility and sustainability should be targeted at those buildings that are located in an appropriate location for future service provision.

7.4.3.2 Future Residential Land Development Projects

Land development projects significantly impact population characteristics and demand for services provided in Council facilities. Based on recent (2011) census data, id consulting has forecasted that the number of dwellings will increase to 65,349 by 2036. New housing opportunities exist across the City. This is expected to attract a range of household types, predominantly young couples, young and maturing families. Id consulting suggests that the biggest percentage increase in dwellings is expected in Sandhurst (55.2%), Carrum Downs (38.7%), Frankston Central (34.2%) and Langwarrin- Langwarrin South (24.6%).

7.4.3.3 Service Level Standards

Current service level standards are not clearly documented. The existing building maintenance contract provides some details as do a range of service specific documents such as the Sports Development Plan (2013).

Draft desired technical service levels were documented when the State of the Assets Report was prepared in 2014 and are provided in Attachment 10. A review of the draft service levels is considered necessary for Council to be able to have a clear understanding of the standards provided and the associated cost Joint review of these service levels by the Service Managers and the Facilities department is considered necessary so that agreement on the standard can be reached. It is expected that these service levels will be considered as part of the re-tendering of the building maintenance contract with is due in 2016.

7.4.4 Natural Environment

7.4.4.1 Climate Change

Climate change poses significant challenges on the future management of Council buildings. Changing climate patterns are expected to lead to: increases in the frequency and intensity of weather events such as storms and heatwaves, changes to rainfall patterns, as well as rising sea levels and increased risk of bush fires.

These changes have specific potential implications for the performance and management of Council buildings including:

- Structural instability due to increased ground movements and changes in groundwater levels
- More regular and extensive flood, wind and hail damage
- More rapid deterioration of components and materials exposed to changed weather conditions
- Changes in building heating and cooling costs
- Damage to structures located near the coastline and areas subject to flooding and inundation
- Increased insurance costs
- Early retirement of capital infrastructure due to irreparable damage

Council is currently responding to climate change through a dual approach:

- Management and reduction of Council's greenhouse gas emissions (mitigation); and
- Making adjustments to existing and future activities and practices to reduce Council and community vulnerability to the impacts of a changing climate - (adaptation).

For building projects with a lifetime greater than 50 years, it is recommended that asset designs enable ease of future adaptation to address climate change impacts, for example, create capacity to add or remove shade from building facades.

Knowledge of the impacts of climate change and best practice management approaches are continuously evolving as research is conducted. It is therefore important Council stays abreast of new and emerging risks and research to inform what changes may be required to the design or management of Council buildings.

More detail regarding Council's approach to improving environmental sustainability is provided in Chapter 10.

7.4.5 Social & Cultural Environment

A brief outline of the local demographics is presented here. Detailed analysis, which includes consideration of the impacts on each Council service, is important and should be incorporated into future service planning work.

The figure below shows the predicted population within the municipality. Moderate growth is expected in all areas particularly Carrum Downs, Langwarrin and Frankston Central.

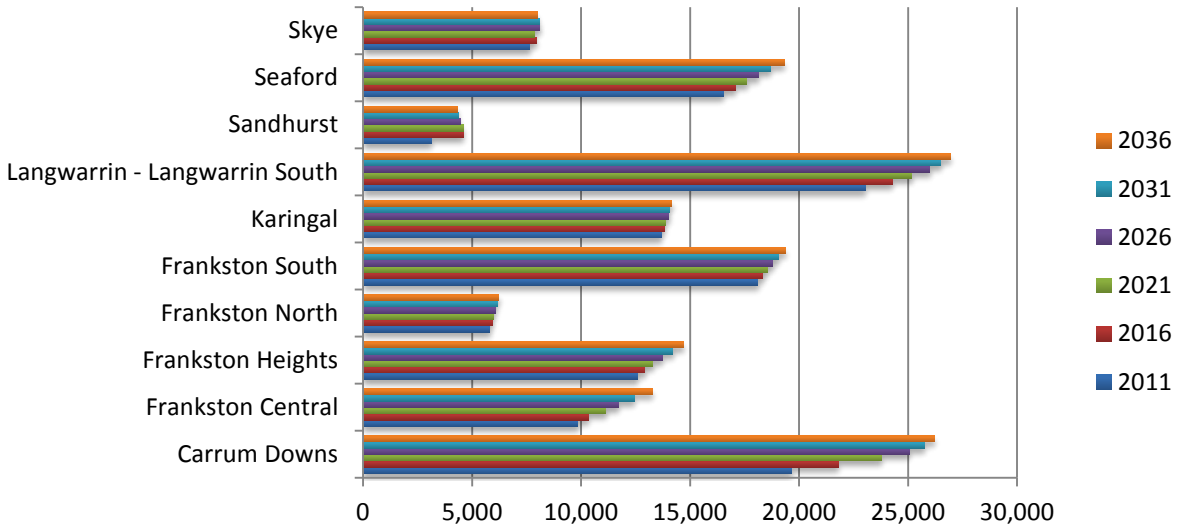


Figure 23 – Predicted population[23]

The table below summarises household structure of the municipality's population at the time of the most recent census (2011). Lone person and couples both with and without children make up the majority of households.

[23] Population and household forecasts, 2011 to 2036, prepared by .id the population experts, October 2013.

Household Structure	Couples with children – 29.8% Lone person – 25.1% Couples without children – 23% One parent – 13.7% Group household – 3.4 % Other – 4.4% Visitor only – 0.6%

Table 38 – Census Data (2011)

The median age of the local population was 37 at the time of the last census. As illustrated in the figure below, the City is expected to experience an increase in youth (20-24 year olds) and a reduction in older adults and retirees (50-79 years) as well as young children (0-9 years). This suggests a likely increase in the need for services for 20 to 24 year olds as well as a continued need to provide services for all age groups.

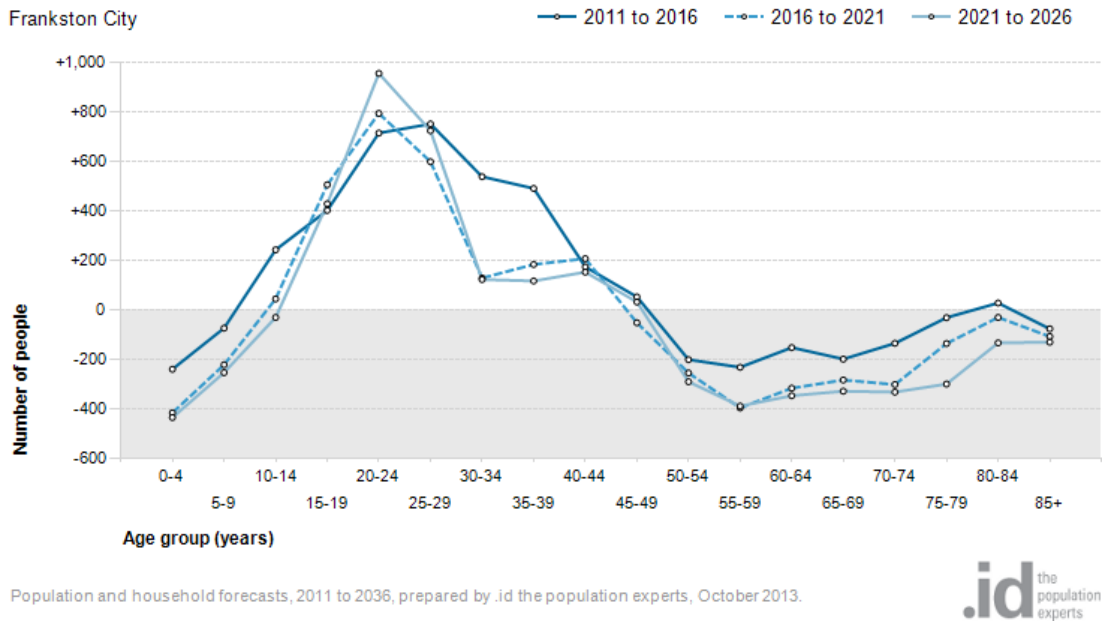


Figure 24 – Forecast Net Migration by Age Group

In the September 2014 quarter the unemployment rate in Frankston City was 7.61%. This is above the Victorian and Australian average Economic hardship associated with unemployment puts pressure on Council to support residents, particularly disadvantaged residents, who tend to have a high demand for Council services and community facilities. Disengaged youth is a particular challenge for Frankston.

The Frankston City SEIFA Index of Disadvantage measures the relative level of socio-economic disadvantage based on a range of Census characteristics. It provides a general view of the relative level of disadvantage in one area compared to others and can be used to advocate for an area based on its level of disadvantage. The index is derived from attributes

that reflect disadvantage such as low income, low educational attainment, high unemployment, and jobs in relatively unskilled occupations.

In 2011 the following areas had high levels of socio-economic disadvantage: Frankston North, Frankston Central, Karingal, Seaford, Carrum Downs, Frankston Heights and Frankston City[24] indicating a need for a higher level of community support services. When targeting services to disadvantaged communities, it is important to also look at the underlying characteristics in order to provide an appropriate response.

It is generally accepted that wherever Councils provide for a broad mix of accessible quality facilities and community services the local economy is stimulated. Private sector investment is attracted to the area, local employment opportunities grow and community wellbeing improves.

7.5 Demand Management Strategies

Assessment of future requirements for facilities is necessary to determine the future funding requirements for expansion or upgrade and to identify opportunities for rationalisation and disposal. Non-asset solutions to manage demand should also be considered in all service and facility planning work.

Review of available planning strategies has highlighted that Council has a tendency to seek asset-based solutions to respond to changes in demand. Recommendations tend to focus on plans to:

- Upgrade an existing facility
- Construct a new facility

Development of partnerships with outside agencies and the private sector is one way for Council to encourage further development of community services without investing in assets.

It is recommended that partnerships and non-asset demand management strategies be given equal consideration in future service planning projects. Other demand management strategies might include:

- Rationalise Council's service portfolio - Withdraw from provision of some services
- Rationalise Council's asset portfolio
- Change facility use and increase service collocation to maximise utilisation
- Increase partnerships with alternative service providers
- Advocate for others to provide services or facilities for community use (e.g. relocation of preschools {where appropriate} adjacent to existing primary schools.)
- Consolidation of old, small stand-alone single purpose buildings into larger multipurpose facilities.

[24] Source: Australian Bureau of Statistics, Census of Population and Housing 2011. Compiled and presented in profile.id by .id, the population experts (Usual residence data).

7.6 Improvement Recommendations

It is recommended that Council implements the following recommendations to improve its understanding of community expectations and demand:

7.6.1 New Improvement Actions

20. Development of Building Service Levels - joint review of the draft service levels (refer Attachment 13.10) by the responsible officers so that agreement on the standard can be reached, defined and delivered
21. Provision of Demand and Trend Analysis Training - that each Service Manager be trained in analysing and assessing the drivers and demand for their services which will inform their Service Plans and asset needs
22. Investigation of Building Demand Management Strategies – responsible officers consider and develop demand management strategies to relieve pressure on existing buildings and improve utilisation for others without needing to increase building numbers

8 Risk Management

8.1 Introduction

As an owner of property that is available for Council and community use, Council must manage its property portfolio in a manner that reduces risk and meets community expectations.

Council's Asset Management Strategy, 2013-2017 identified the following key risks that the implementation of effective asset management principles and practices seek to mitigate:

- Inadequate management of unsafe assets;
- Continued investment in infrastructure that is not fit for purpose, or no longer needed by the community;
- Increasing likelihood of unexpected maintenance expenditure to address failing assets;
- Increasing likelihood of asset deterioration causing potential service disruption;
- An increase in the renewal gap; and
- Underinsured assets.

The ultimate aim of this Plan is to ensure that Council buildings are managed in a manner that ensures that they operate efficiently and effectively throughout their lifecycle. The underlying risk of failing to improve Council's asset management processes and procedures will impact Council's risk exposure.

A robust risk identification and management approach has the following anticipated benefits:

- A reduction in risk related "events";
- Improved building asset knowledge;
- Managers better able to understand and manage risk. That is, risk is articulated and the relationship of risk and an individual's accountabilities and responsibilities are more clearly understood;
- Improved building performance such that services are not unexpectedly impacted by component failure and associated maintenance works;
- Buildings remain in a fair condition for a longer period of time extending their economic life;
- Improved compliance levels; and
- Improved financial and environmental sustainability via more strategic investment in building asset management.

This Chapter summarises Council's risk management framework and highlights key risks associated with inadequate building asset management practices.

The current property management philosophy is noted and improvement opportunities are highlighted.

8.2 Council's Risk Management Framework

Frankston City Council's risk management framework and processes are based on the provisions of Australian/New Zealand Standard AS/NZS ISO 130 31000 Risk Management – Principles and Guidelines. This superseded AS/NZS 4360.

The principles and processes described in the standard are displayed in the figure below. The elements are further described as:

- **Risk Management Context**. Establishes the objectives, stakeholders, key issues and criteria against which risks will be evaluated;
- **Identify the Risk**. Identifies what risk events are likely to impact on assets and services;
- **Analyse the Risk**. Reviews the existing controls and then analyses the likelihood of an event occurring and the consequence of the event to determine the level of risk;
- **Assess the Risk**. Assesses and ranks the identified risks in a Risk Register;
- **Treat the Risks**. Identifies actions to reduce/control the risk.

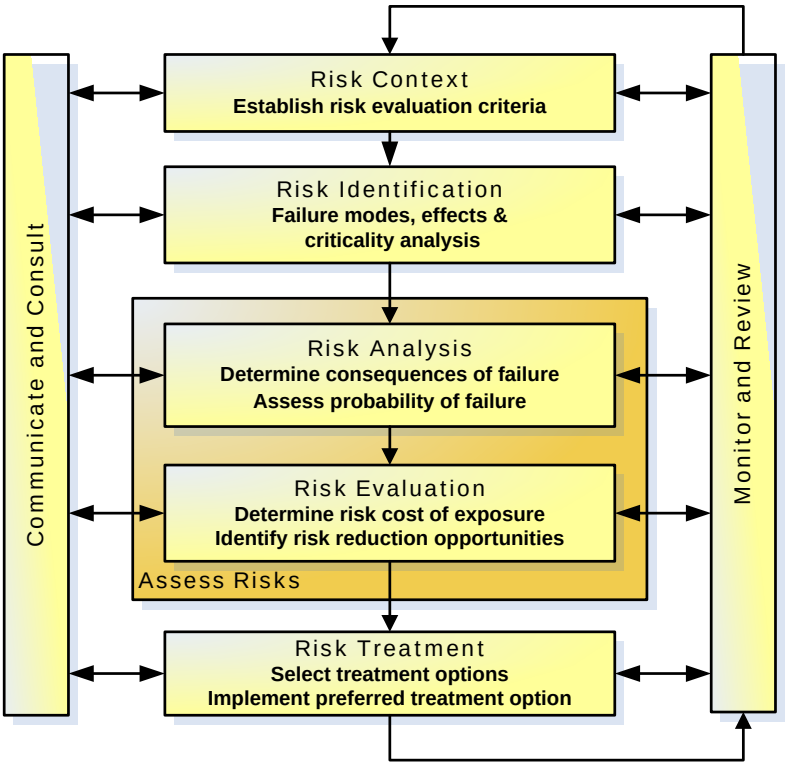


Figure 25 - Risk Management Framework (Source: AS/NZS ISO 31000:2009)

Council's Risk Management Team does not undertake any risk audits in house the Insurer does this. The Insurer undertakes random sampling when assessing buildings.

The table below summarises current risk controls in place to manage risks associated with building asset management.

Risks	Control Measure
State of building does not meet Council or community expectations or imposes an unacceptable risk on users.	Carry out regular proactive building maintenance inspections. Condition assessors visit building every 4 years and identify existing defects Building Code compliance audits conducted Capital works programs have recently been established to enable funding of works necessary to address risk items identified by Council, including non-compliance with relevant regulations and standards. These non-discretionary programs include: Facilities Compliance – to enable Council to address non-compliance with the Building Code of Australia, Occupational Health & Safety and Disability Discrimination Act.
Buildings lives do not meet desired or expected lives.	Prioritisation given to capital works which address poor condition components and extend the life of a building.
New assets are poorly designed to cater for changes to climate	Undertake building design and construction in accordance with the principles of the Environmental Sustainability Design Principles.
Possible inadequate insurance	Ensure that insured value is at least equal to Finance valuation Carry out insurance valuation every 3 years on buildings worth in excess of $1M.

Table 39 – Current Building Risk Control Measures

During 2014/15 Council engaged Pitcher Partners to undertake a review of the Council's strategic risk identification and assessment process. It was recommended that Council consolidate its risk environment into 6 areas as follows:

1. Inability to provide required service to the community;
2. Inability to provide an environment which is conducive to the achievement of a liveable and vibrant city;
3. Inability to protect the community within council scope of responsibility (anyone within the municipal boundary);
4. Inability to provide the community with required infrastructure and facilities;

5. Inability to financially govern and maintain financial sustainability; and
6. Failure to properly govern the organisation.

Council has now reclassified the risks issues and consequences listed in the risk register to fit with these 6 areas.

8.3 Building Related Risks

Council's risk register is a high level document that covers all the key risks that Council is exposed to. The table below is an extract from the risk register. It summarises the identified building related risks. The risks noted here are aligned with: *Risk Area 4 - Inability to provide the community with required infrastructure and facilities.*

Primary Consequence	Cause	Current Controls	Treatment Plans
Provision of community infrastructure does not meet current day needs or operates as originally designed or intended	Failure to provide an appropriate amount of funding to renew Council assets in a sustainable manner to maintain the desired Level of Service and support service provision Deferral of asset renewal projects due to changing priorities Surplus assets yet to be disposed of or retired	Capital Works Program/ Long Term Financial Plan Asset Management Policy & Strategy	Review and update procedures in relation to the management of Licences and Leases
Facilities do not meet user or community expectations	Poor design or design inconsistent with current guidelines, including disability access, energy and water efficiency etc.	Project Implementation Plan (PIPs) Standard Drawings for Infrastructure / Access Design Guidelines / ESD Standards	
Facilities not managed by third parties in accordance with Council's or community expectations	Tenant fails to fulfil obligations of the tenancy agreement - lack of oversight of conditions	Leases / Licences and Seasonal Tenancy Agreements	
Facilities are unsafe for tenants or the community or in a state of disrepair	Insufficient maintenance / Responsive to maintenance Requests Unauthorised or sub-	Building Maintenance Program Inspections undertaken at	

Primary Consequence	Cause	Current Controls	Treatment Plans
	standard repairs or maintenance undertaken by tenant	changeover from Winter to Summer tenants	
People who use buildings and places of public entertainment are not protected (Building Act)	Breaches are not identified or issues notices not followed up in the timeframe cognisant with the risk.	Essential Service Audits/ Local Law 17 (Dilapidated buildings) Investigate illegal building works Ensure the dangerous buildings and structures are made safe Emergency call-outs	
Failure to execute renewal works in a timely manner thereby creating a personal safety risk or premature loss of an asset	Lack of planning to develop and deliver the renewal program and delaying decisions to dispose of a building or undertake renewal works.	Implementation of an ongoing condition audit program and subsequent preparation of renewal programs.	

Table 40 – Extract Council Risk Register Risks Relevant to Council Buildings (June 2015)

From an asset management perspective the treatment plan included in the risk register is not adequate. Implementation of all the recommendations, outlined throughout this BAMP and listed in Chapter12, is recommended as a treatment plan to really address the primary consequences listed in Council's risk register.

Two key issues appear to underlie (and contribute to) the primary consequences noted in the table above:

- Decentralised incomplete or inconsistent building asset data used by different teams across the organisation
- Historical approach to property management

8.3.1.1 Decentralised incomplete or inconsistent building asset data

As noted previously, (refer Chapter 3) there are a number of building asset data issues. There is currently no centralised complete property register. There is no integrated process in place, in which a newly built or extended building is communicated to all stakeholders involved in asset management. The Risk Management Unit works with the Accounting Services team to keep the TechnologyOne (Finance Register) up to date but this is disconnected from the MS Access database used for renewal modelling and development of the capital works program. The Finance register excludes buildings that are not owned by Frankston City Council. Finance will generally only create an asset if the asset is owned by Council and the value exceeds the respective capitalisation threshold – which for buildings is $15,000. Therefore, assets leased by Council are excluded from the TechnologyOne register

as are minor assets, such as greenhouses, sheds etc. Council are therefore reliant on the Risk Management Unit identifying these minor buildings and leased buildings from other sources and entering these into the Finance Register as "dummy properties" as they cannot be capitalised. This approach is manual and officer dependant, an error has the potential to affect financial reporting.

Data cleansing work is required prior to the implementation of FAMIS for facilities in order to mitigate risks associated with poor disconnected data including:

- Potentially inaccurate or unreliable financial valuations
- Potentially inaccurate or unreliable renewal gap estimations
- Potentially inaccurate or unreliable inaccurate insurance valuations
    - If the asset is overvalued (it results in paying a higher premium than need be (i.e. each $1M is worth $1K of premium))
    - If the asset is undervalued (it results in inadequate insurance – caused by extensions not being updated in the system.) The main risk to the organisation is a financial exposure with regards to having to fund an amount that should have been covered by insurance.
- Lifecycle costs are not well understood. Building design and construction that does not adequately consider lifecycle costs leads to buildings that are not cost effective to maintain.

8.3.1.2 Historical approach to property management

The piecemeal approach to property management has a number of negative consequences including:

- A lack of clarity or awareness regarding Council and building occupant responsibilities;
- Disjointed property occupant management with seasonal tenancies treated differently to other occupancy arrangements;
- Concern regarding tenant capacity to undertake appropriate renewals in a timely manner results in a lot of officer time spent on:
    - checking and approving tenant proposals to undertake works.
    - ensuring tenants provide Council with appropriate notification of works.
- Grey areas where responsibilities are not clearly stated in an occupancy agreement or maintenance protocol; and
- The existence of occupancy agreements that make community groups liable for periodic and breakdown maintenance when the groups are not actually unable to fund the required works. This leads to delayed repair works that potentially exacerbates small defects into major works.

A more holistic approach to property management is considered necessary and changes that are in the process of being finalised prior to implementation are discussed in the following section.

8.4 Corporate Services Property Risk Management Philosophy

The creation of the Commercial Services Department, post the July 2014 restructure, now has responsibility for the management of Council's property portfolio. The key objective of Commercial Services is to ensure all properties are managed in a manner that does not expose the Municipality to unmitigated risk and realises the commercial potential of its assets.

Property Management requires specific skill sets and professional experience in land economics, development, contract, property law and negotiations. The Property Strategy and Portfolio team have responsibility for the following areas relevant to building asset management:

- Lease and Licence Management of Community Facilities and Land
- Commercial Use of Council Buildings and Land
- Acquisition and Divestment
- Pricing Policy for both Commercial and Community Facilities
- Administration of Capital Investment Requests by Occupants (Council Facilities) and Loans
- Telecommunications Towers

At the time of writing the roles and responsibilities of the new team, the policy and principles had not been finalised and endorsed by the Executive or Council. Stakeholder consultation with service managers and asset managers is necessary prior to finalisation of roles and responsibilities. It is considered important that the current responsibilities of the Property Strategy and Portfolio team be extended to include the management of all occupancy arrangements including seasonal tenancies. Clarity around expectations regarding maintenance and renewal service level standards will be also required. With support from service and asset managers, a clear link to service outcomes needs to be established.

Council intends to develop a Property Policy with the following objectives, which are considered appropriate for local government and private corporations:

- Provide transparent, consistent and justifiable tenure arrangements when leasing, licensing or allocating Council-owned and/or controlled property under a management agreement;
- In partnership with service and asset managers ensure compliance with legislative provisions and performance of the contractual obligations of the parties under each agreement;
- Explore opportunities with service and asset managers to optimise occupancy of Council-owned and/or managed buildings and land by encouraging co-location of services;
- In partnership with service and asset managers to ensure that Council owned and/or managed buildings and land are adequately maintained and developed; and

- Explore opportunities with service and asset managers to optimise Council's return through the establishment and implementation of a fair rental structure, a service plan and the equitable allocation of maintenance responsibilities.

The key principles and driving forces for change underpinning these objectives include:

- Recognition of the monetary value of Council-owned and managed buildings and land;
- Increased demand for a return on assets;
- Increased focus on the rationalisation of underperforming assets;
- Changing profile of users from 'active' to 'less-active' in terms of undertaking maintenance obligations;
- Increased complexity relating to legislative and/or regulatory compliance; and
- Competing priorities for limited resources.
- It is acknowledged that it is good governance to have such a document in place to provide guidance in these matters. Equally important is to ensure the objectives of the Property Policy do not undermine the existing Asset Management and Service Provision policies currently in place.
- The success of the Commercial Services Department is highly reliant on developing productive and effective working relationships to ensure there is commonality in property and building management objectives which support and complement service provision to the community. Should the balance prove to be incorrect risk exposure will increase and resident dissatisfaction will grow.

8.5 Improvement Recommendations

It is recommended that Council implements the following recommendations to improve its risk management:

8.5.1 Asset Management Strategy (2013) Improvement Actions

22. Introduce Rolling Program of Building Compliance Audits - Review Council's approach to ensuring compliance with the Building Code of Australia particularly with regard to the monitoring and maintenance of Fire Services. (Refer Chapter 6)
26. Review Facility Occupancy Agreements – Work is required to acquire alignment the various organisations' objectives in terms of service and asset provision and property management.

8.5.2 New Improvement Actions

23. Define Property Management Roles and Responsibilities - stakeholder discussions need to be held so that agreement can be reached regarding the roles and responsibilities of each department with respect to property management for all properties within Council's asset portfolio. The property management approach must be aligned with the objectives of Council's adopted Asset Management Policy and Strategy and aligned with desired service outcomes and community needs

24. Address Building Issues as Listed in Council's Risk Register - the responsible officers consider the building risk register in section 8.3 and implements mitigating measures to reduce and eliminate the risk where possible.

9 Lifecycle Management

9.1 Introduction

Council's Asset Management Policy included a lifecycle management model that is illustrated below and demonstrates the integrated relationship between service and asset management. It highlights the fact that Council assets are only required to support services that exist to address community needs. A coordinated approach to managing all phases of the service and asset lifecycles is considered necessary to enable delivery of outcomes that feasibly meet community expectations.

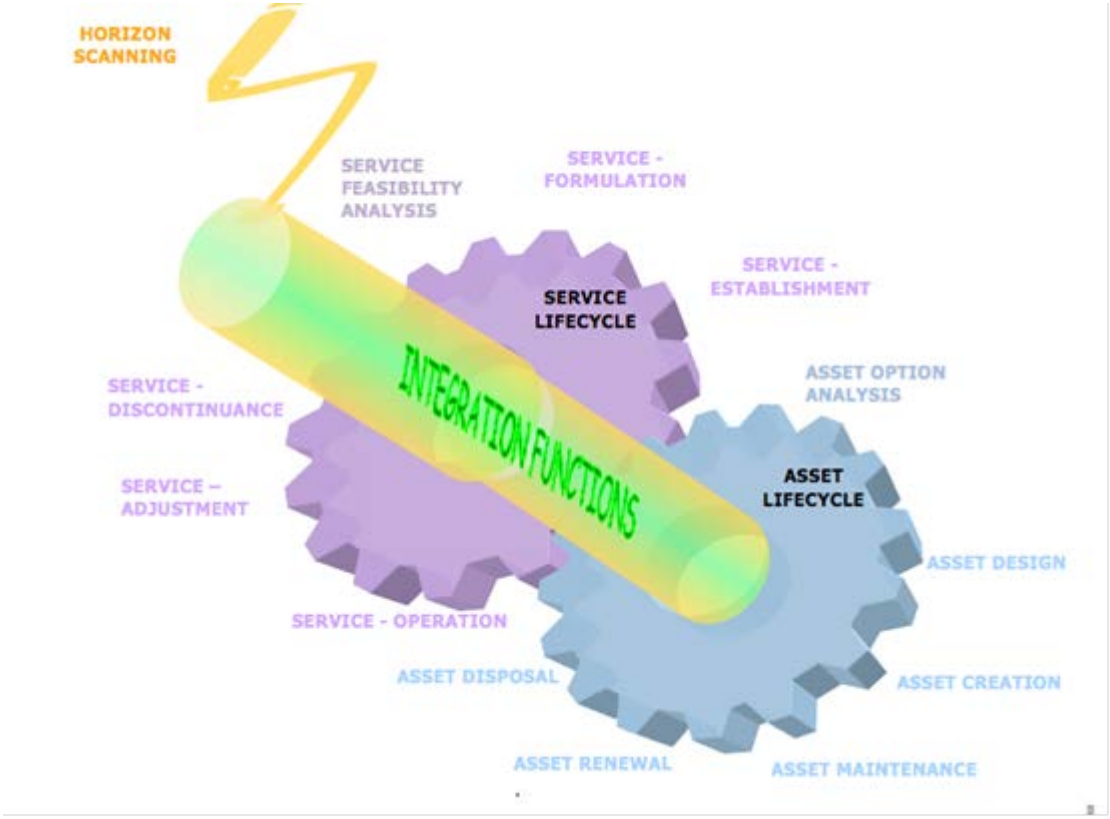


Figure 26 – Service Delivery Lifecycle Model

In this Chapter, the lifecycle model is used as a framework for the assessment of Council's current approach to the management of Council's building portfolio. Current and best practice approaches to the management of each lifecycle phase are outlined. Opportunities to improve current work practices are identified with a view to improving the outcomes experienced by the community when using Council buildings.

9.2 Service Lifecycle Management

Council's AM Strategy recommended that Council review the preliminary list of services (provided below) and clearly define the services that Council is currently involved in.

- Administrative Services
- Aged Care & Seniors Support
- Aquatic Services
- Arts & Cultural services
- Community Development
- Community Education
- Community Support
- Family & Youth Services
- Libraries and Learning;
- Structured Recreation
- Unstructured Recreation

As recommended in the AM Strategy, Service plans should then be developed for each Council service.

The service lifecycle is illustrated in Figure 27. The objectives of each phase are summarised in Table 41. It is fair to say that the current services delivered through Council buildings have been established and are primarily in the operation phase. Formulation, establishment and adjustment of these services have occurred over time in response to changing community needs.

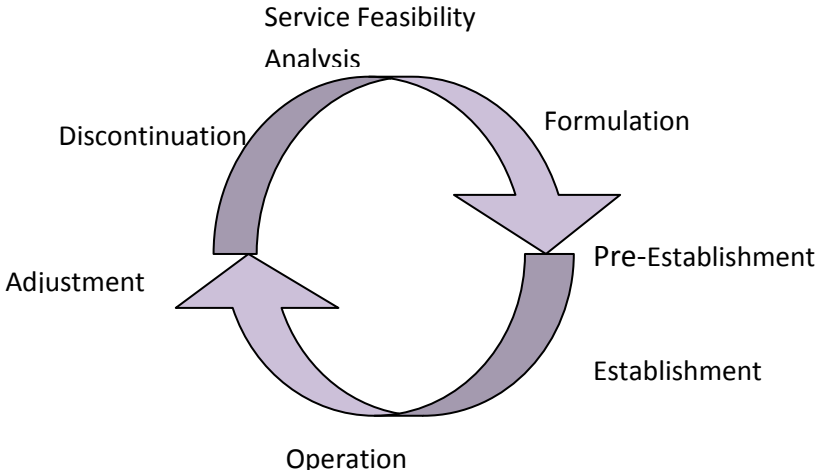


Figure 27 – Service Lifecycle

Phase	Objectives
Feasibility Analysis	Assess the appropriateness of current services. Determine the best approach for Council to meet current and future community needs. Define service objectives so that analysis can be undertaken to compare a range of options including: Introduction of a new service Alteration of an existing service (or aspects of a service) Discontinuation of an existing service (or aspect of a service)
Formulation	Broadly define all requirements to enable service delivery. Translate detailed service requirements into physical asset needs and measurable service standards and targets.
Pre-establishment	Design the organisation structure, systems, standards, skill sets, and performance measures required for operation and monitoring of the service. Communicate service delivery objectives to all stakeholders.
Establishment	Set up/revise the operating structure, systems, standards, resources and performance measures required to enable operation and monitoring of the service.
Operation	Operate and monitor delivery of the service to sustainably meet community needs.
Adjustment	Undertake a service feasibility analysis to determine whether the current service is still aligned with community expectations and the operating environment. Identify service and asset adjustments required to ensure service objectives are met. Adjust internal service agreements, organisation structure, systems, resources and performance measures to ensure service objectives can be monitored and met. Communicate adjustments to affected parties.
Discontinuation	Ensure Council has a considered approach to the termination of services (or aspects of a service) no longer required in a manner that minimises community disruption.

Table 41 – Service Lifecycle – Management Objectives

Council departments that have responsibility for services operated in Council buildings include:

- Family Health & Support Services
- Arts & Culture
- Community Strengthening
- Public Space & Leisure
- Community Relations

It is not the intention of this Plan to act as a service-planning document. It is expected that future service planning work will include service feasibility analysis. To avoid duplication, this Plan focuses on assessing Council's approach to building asset lifecycle management.

9.3 Asset Lifecycle Management

Funding to support asset management is limited and scarce. A robust strategic approach to lifecycle building asset management is therefore essential to ensure that Council assets are

appropriately managed and maintained to achieve their design life and remain fit for purpose whilst they are in service.

ISO/DIS 55000 defines the asset lifecycle as all of the stages that an asset experiences over the asset life. Lifecycle management can therefore be seen to comprise all of the activities associated with creating, maintaining and ultimately disposing of the asset as shown in the diagram below.

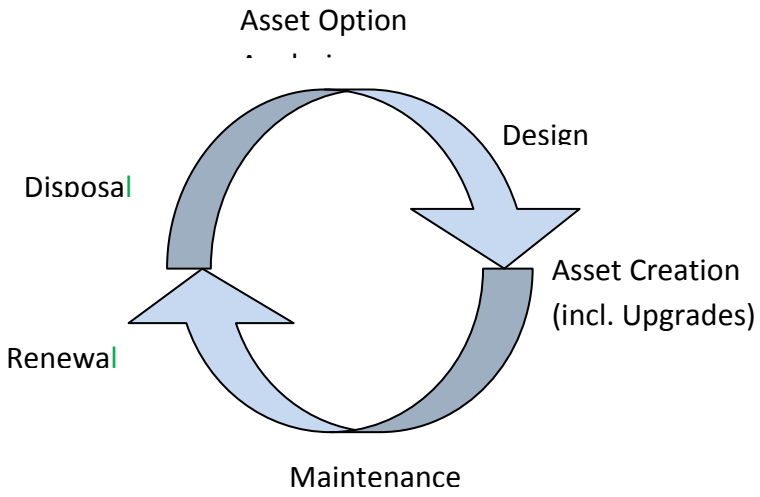


Figure 28 - Asset Lifecycle Phase

Table 42 below, summarises the current asset lifecycle responsibilities as they relate to the management of Council buildings.

Asset Lifecycle Phase					
Asset Option Analysis	**Design**	**Creation (incl.upgrade/ expansion/ new)**	**Maintenance**	**Renewal**	**Disposal**
Facility Services	Facility Services	Facility Services	Facility Services	Facility Services	Facility Services

Table 42 – Asset Lifecycle – Current Asset Management Responsibilities

Best practice for each of the asset lifecycle phases is described below in order to highlight opportunities to improve current Council practices.

9.3.1 Asset Options Analysis

Management Objective – Consider the asset requirements necessary to support objectives of all relevant services. Undertake analysis to ensure the best asset solutions are provided to meet service needs within physical, financial, legislative and other constraints.

9.3.1.1 Best Practice

Any decision to invest in the design and construction; or, substantial modification of a building, or of the acquisition of an established building needs to be made with due regard to all of the associated costs. The Asset Option Analysis phase is the time when Council can significantly impact the building outcomes at relatively low cost. This is illustrated in the figure below.

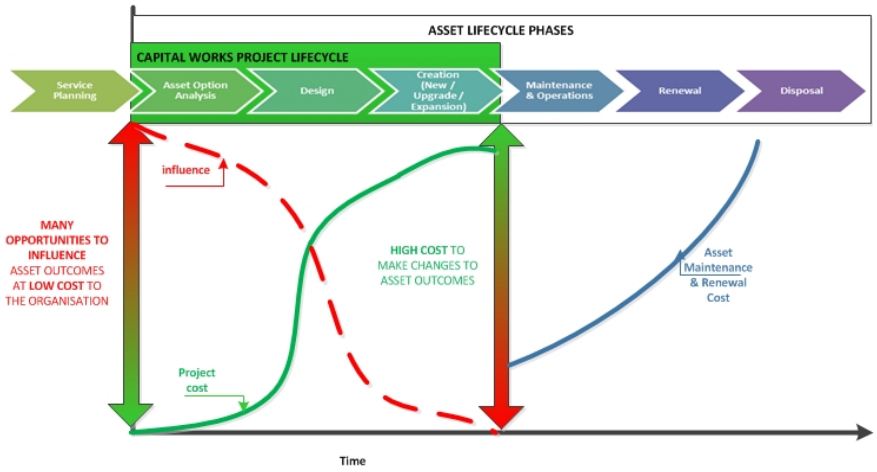


Figure 29 - Cost Influence Diagram

Any substantial asset investment decision needs to be based on the following considerations:

- The core business activities that the asset is seeking to support;
- The level of demand for those activities; and
- The alternative options available for supporting those activities.

Should the above analysis identify a need for a new asset, or an asset expansion, an options appraisal is necessary to assess available alternative solutions. A key element of this analysis is the estimation of lifecycle costs of each alternative solution. Lifecycle cost modelling is used to substantiate all spending decisions, particularly those that may present a 'spend to save' opportunity (e.g. the construction of a pitched roof versus a flat roof).

In the Asset Option Analysis Phase consideration of acquisition, construction, maintenance, operation, renewal, upgradeability and disposal issues and associated costs is critical for robust decision making. Where the property is likely to be required in the short term, additional considerations might include:

- Heritage overlay;
- Easements that might limit future use; and
- Appropriateness to alternative use.

Lifecycle cost models, for a twenty year period, should be used to substantiate investment decisions except where the building is required for a lessor period, in which case a lifecycle cost model for this lesser period should be produced, including the cost of disposing of the asset.

The table below summarises key building asset option analysis objectives, outputs and tasks.

Objectives	Outputs	Key Tasks
Ensure the best asset solutions are provided to meet needs of all Council services within physical, financial, legislative and other constraints	For all Service Feasibility Analyses / Reviews that require an asset: 1. An Asset Option Analysis Report that summarises the following: • Asset options available to meet objectives of the project brief (prepared by service manager) including the associated: lifecycle costs, fit with place management and other strategies, utilisation of surplus assets, land exchange requirements • Recommended asset option including justification and lifecycle cost estimates • Available funding sources 2. Scoping document for recommended/ preferred asset option. Including all documentation required to support the preparation of a business case for any new/ upgrade/ disposal of assets : • Service objectives • Brief/specification for asset design and /or purchase / sale or lease • Conceptual drawings (if design is required) • Service level standards that can be provided over the life of the asset for maintenance, renewal, operation and the associated lifecycle cost estimates Annual Reports: 1. List of complementary projects where synergies exist. 2. List of sites to be considered for transfer/ disposal. 3. List of new/upgrade/disposal of assets for consideration during annual capital works budget preparation process.	1. Review Project Brief(s) for Asset Options Analysis 2. Review existing Council Strategies, Plans & Projects 3. Identify Complementary Projects 4. Identify Options to Share or Transfer Assets from one Service to Another 5. Identify Disposal Opportunities 6. Consultation with Service Managers regarding: • Complementary Projects • Opportunities to Transfer Buildings from One Service to Another • Disposal Opportunities 7. Identify Non-Asset Options 8. Identify Potential Asset Options to be Analysed 9. Consultation With Stakeholders 10. Define Asset Options to be Analysed 11. Determine Potential Technical Issues for Each Asset Option 12. Preliminary Lifecycle Costing for Each Asset Option 13. Recommend Preferred Asset Option 14. Prepare Detailed Lifecycle Costing For Preferred Option 15. Investigate Land Exchange Opportunities 16. Prepare List of Potential New/Upgrade/Disposal 17. Support preparation of business cases for New/Upgrades/ Disposals of assets 18. Prepare Annual Project Scoping Documents for all lifecycle phases

	4. Annual project scoping documents for the management of the following building lifecycle phases: • Design; • Construction; • Acquisition (Purchase or Lease); • Renewal; and • Disposal.

Table 43 - Key Building Asset Option Analysis Objectives, Outputs and Tasks

9.3.1.2 Enhancement Opportunities

Council is currently deficient in its approach to asset options analysis including:

- The portfolio wide matching of building supply with Council needs;
- The analysis of buildings to be retained from a fitness for purpose perspective (e.g. identifying opportunities to improve internal layouts and thus improve functionality and as a consequence utilisation); and
- Ensuring that building projects are scoped to optimise spend and achieve a facility that is a good fit with business need.

Via the adoption of the Project Management Framework in April 2015, Council has begun to take a more structured approach to the Asset Option Analysis phase of the asset lifecycle. Key relevant stages in that process are:

- Obtain Operating Budget Approval
- Research & Analysis
- Concept Development
- Prepare Project for Capital Works Budget Approval.

It is recommended that Council continue to implement the Project Management Framework through the development of processes, procedures and systems to support it.

More rigour is required in the preparation of strategies and master plans that affect Council buildings. These documents should provide the business case for undertaking any proposed projects. Only feasible projects should be included in the short-listed capital projects submitted to Council as part of the budget approval process.

Integrating the renewal program with other capital projects, that is, acting on opportunities to incorporate renewal works into the planning of new, upgrade and expansion projects is an effective way of reducing discretionary expenditure on Council buildings.

9.3.2 Design

Management Objective – Prepare requisite documentation to ensure delivered assets meet service needs, match expected service life and are able to be created, maintained and renewed in a sustainable manner.

Technical Service Levels – Each building is considered unique and designed accordingly to Australian Standards.

9.3.2.1 Best Practice

The lifecycle cost of a building is 'locked in' during the design and construction phase. Decisions made at this time dictate the minimum cost to maintain the building over its design life. As Figure 29 above shows, the cost of design decisions becomes progressively more expensive the later in the design process that those decisions are made.

For best practice it is important, from commencement of the design phase, that Council has a clear, well-articulated understanding of its requirements to which the design team can respond with their proposed solution. It is also important that, as the design progresses, decisions are made expediently to avoid costly delays and re- working.

The workplace is changing. New initiatives include hot-desking, activity based working and flexible workspaces. Land prices are increasing. The constraining potential of rate capping is also likely to become an issue. The optimisation of building utilisation over their design life is likely to become increasingly important going forward. This is best achieved through the design and construction of buildings that can readily accommodate as wide a range of potential Council uses as practicable. Key enablers include:

The minimisation of internal structural walls;

- Ceiling grids and floor layouts that lend themselves to re-configuration of internal spaces; and
- HVAC and electrical services that support flexible use of the workspace.

The potential for accommodating third party use, where practicable, without compromising functionality for the Council, should also be considered.

The table below summarises key building design objectives, outputs and tasks.

Objectives	Outputs	Key tasks
Upgrade, construct, purchase or lease buildings in a way that meets service needs and matches the expected service life within physical, financial and other constraints.	For purchase, partnership or occupancy: 1. Draft agreements; and 2. Complete Council report detailing the potential sites, partners, and terms and conditions of draft agreement including expected costs. For construction or upgrade: 1. Tender and contract design documents; 2. Design documentation; and 3. Revised building component design standards and specifications. For all design types: 1. Preliminary maintenance service levels; 2. Revised lifecycle costs; and 3. Council report seeking additional project funding (if required).	**For all building designs** 1. Review and clarify asset requirements. 2. Internal consultation (Service Manager, sustainability and accessibility and other relevant experts). 3. Public consultation. 4. Establish preliminary maintenance and renewal service levels. 5. Review initial project and lifecycle cost estimates. 6. Prepare report to seek additional funding (if required). **Construction or upgrade** 1. Define the scope of detailed design. 2. Development and annual review of building component design standards and specifications for inclusion in tender documentation. 3. Consultation with Standards Committee (including sustainability and accessibility experts). 4. Develop tender documentation for detailed design. 5. Tender design works. 6. Award tender for design works. 7. Consult with building surveyor. 8. Apply for all relevant authority consents and approvals. 9. Project and contract manage design process. **Purchase, partnership or occupancy** 1. Identify potential sites and/or partners. 2. Define negotiation strategy and assessment criteria. 3. Assess potential sites and/or partners. 4. Prepare draft agreements. 5. Negotiate occupancy agreement details. 6. Seek council approval on draft agreement.

Table 44 – Key building design objectives, outputs and tasks

9.3.2.2 *Enhancement Opportunities*

The stages of the Project Management Framework, adopted by Council in April 2015, most relevant to Design are:

- Tender for Design Services
- Schematic Design
- Authority Approvals/Town Planning
- Design Development
- Detail Design/Construction Documentation

It is recommended that Council continue to implement the Project Management Framework through the development of processes, procedures and systems to support it.

The ultimate goal of asset management for Council should be to drive down the cost of assets and optimise their utilisation over time. Co-location of the Facilities Management (FM) team and the Project Management team is a key enabler for this. It will help by providing the environment in which maintainers and designers can communicate regularly and informally. Thus helping design to be informed and refined by practical experience of asset performance in the field. Other more formal tools that would assist Council in its journey towards best practice include:

- Position Descriptions and personal development strategies to assist the development of all members of the Facilities Department;
- Formalising the input of FM through the attendance of officers responsible for facility maintenance at design meetings;
- Development of Design Standards- this would assist Council with the standardisation of materials, colours, design, detailing, layout and the like. It would enable:
    - The design process to be fast tracked;
    - A standardised approach to be implemented; and,
    - Through regular review and update, the design of Council buildings to be subject to continuous improvement.
- Develop standardised protocols through dialogue with the Facilities Department regarding, commissioning, testing, the format and completeness of Operation and Maintenance (O&M) manuals and the updating of Councils asset register asset upon completion; and
- Consider the introduction of Building Information Management Modelling (BIM) software for larger new builds. BIM is an internationally recognised best practice approach. It is a shared knowledge resource for information about a facility forming a reliable basis for decisions during its lifecycle.

9.3.3 Creation (including upgrade & expansion)

Management Objective – Deliver via construction or acquisition, physical assets that meet service needs within physical, financial and other practical constraints.

9.3.3.1 Best Practice

As is shown at Figure 29 above it is essential that design decisions are made and locked in as early in the design process as is practicable. This will ensure that the asset creation stage of the lifecycle is focussed on realising the design with re- design decisions reserved for addressing unforeseeable issues on site. For example, the discovery of asbestos or some other form of site contamination.

Professional construction related organisations like the Chartered Institute of Builders (CIOB) and the Royal Institution of Chartered Surveyors (RICS) have published well documented formal processes for asset creation.

Where the project is an upgrade or expansion to an existing building it is good practice to identify any renewal or compliance works that have been planned and expand the scope to take advantage of the forth coming works. The benefits of this approach provides a holistic solution to fitness for purpose, condition and compliance issues in an organised, economic and timely fashion which will mitigate disruption to the building users.

What is of paramount importance in a Council environment, however, is effective communication with building users and other stakeholders. Communication is particularly important where asset creation is likely to impact on the availability or peaceful enjoyment of existing facilities. The management of expectations over the course of asset creation activities is essential.

The table below summarises key building creation (including upgrade and expansion) objectives, outputs and tasks.

Objectives	Outputs	Key tasks
Ensure delivered assets fit with service needs within physical and financial constraints.	1. For all building creation/expansion/upgrade 2. The required asset option as defined is handed over to occupant according to documented hand over protocols; and	**All building creation types** 1. Consult with Service Manager. 2. Examine programmed renewal and compliance works and incorporate into scope of works and access available budget. 3. Update asset register, GIS and building floor plans. 4. Building handover to occupants.

3. Updated information systems: a. Asset register; b. GIS; and c. Floor plans. For construction: 1. Tender and contract documents; 2. Certificate of completion; and 3. Amended capital works priorities. For purchase, partnership or occupancy: 1. Finalised agreements; and 2. Updated occupancy register.	**Construction or upgrade** 1. Review building approval documentation (for works to be managed by building occupants). 2. Tender construction works (if works are to be managed by Council). 3. Award construction works contract (if works are to be managed by Council). 4. Project and contract manage new and/or upgrade construction works (if works are to be undertaken by Council). 5. Consult with surrounding residents to inform them of impacts of construction. 6. Site surveillance and audit. 7. Monitor and track expenditure and report progress in cash flow (if works are funded by Council). 8. Initiate defects liability period and monitor. 9. Finalise completion of asset on successful closure of defects liability period. 10. Handover asset with appropriate information including operating and maintenance documentation. 11. Amend capital works program to recognise completed works. **Purchase, partnership or occupancy** 1. Instigate building or land purchase or exchange. 2. Formalise and sign agreement. 3. Enter occupancy agreement details into Council's centralised occupancy register.

Table 45 – Key building creation objectives, outputs and tasks

9.3.3.2 Enhancement Opportunities

The stages of the Project Management Framework, adopted by Council in April 2015, most relevant to the Asset Creation phase are:

- Tender for Construction;
- Construction;
- Authority Approvals/ Town Planning;
- Design Development;
- Detail Design/ Construction Documentation;
- Defects Liability Period- Handover; and

- Practical Completion & Commissioning

It is recommended that Council continue to implement the Project Management Framework through the development of processes, procedures and systems to support it. The development and implementation of a building asset handover process is considered particularly important when asset creation is complete. Development of a contract manual is also required to document and systemise these critical tasks as part of asset creation or acquisition.

9.3.4 Maintenance

Management Objective – Preserve assets to ensure they continuously meet service expectations. Routinely inspect the asset for defects and act to repair assets to mitigate potential risks and ensure the asset is able to achieve its expected useful life

Technical Service Levels – Documented in the following contract documents: Building Facilities Maintenance Contract 2011/12-1; Security Patrol Services Contract 2013/14-2; Cleaning Services Contract 2013/14-1

Some service standards presented in the above documents are ambiguous and due to be revised when the contract term ends.

9.3.4.1 Best Practice

The table below summarises key building maintenance objectives, outputs and tasks.

Objectives	Outputs	Key Tasks
Preserve building components to achieve the expected life, mitigate risks and provide desired functionality over the life of the service.	1. Finalised Service Agreements for all 26 Services operated in Council buildings 2. Delivery of maintenance and inspection service levels in accordance with documented service agreements 3. Revised Design and/ or Maintenance Standards for Underperforming Components 4. Monthly Performance Reports a. % Reactive Maintenance Completed on Time b. % Routine Maintenance completed according to schedule c. % inspection program completed according to schedule d. Contractor Performance Summary e. Compliance with Building Code of Australia	1. Review and Finalise Service Agreements including details of Maintenance Service Levels 2. Undertake & Monitor Delivery of Routine Site Inspections 3. Issue, Monitor & Record Delivery of Essential Service Measure Management Programs 4. Undertake Temporary Works to Mitigate Extreme & High Risk Issues 5. Undertake Temporary Works to Mitigate Extreme & High Risk Issues 6. Provide Ongoing Surveillance for Safety at Temporary Works Sites 7. Apply for all Relevant Authority Consents and Approvals (if required) 8. Prepare Reactive Maintenance Works Programmes 9. Issue Reactive Maintenance Works Programmes 10. Prepare & Issue Routine Maintenance Programs 11. Maintenance Programs 12. Record Details of Maintenance Tasks Undertaken 13. Analyse Maintenance Data Including Expenditure to Improve Future Lifecycle Cost Predictions 14. Inform Customers and Building Occupants of Maintenance Work Progress 15. Monitor & Report on Contractor Performance 16. Refer Issues that Can Only be Rectified by Component Renewal to Relevant Capital Works Program 17. Provide support for Emergency Management 18. Referral underperforming components to Standards Committee of for review of Design Standards

Table 46 – Key Building Maintenance Objectives, Outputs and Tasks

9.3.4.2 Enhancement Opportunities

9.3.4.2.1 Service Delivery (maintenance option)

Council engaged a specialist Facilities Management Consultancy to undertake a review of its building asset management, cleaning and security contracts in 2015. This review identified a number of inherent defects in these contracts which were negatively impacting performance.

The Facilities Management Contract Review and Options Appraisal Report dated the 12 May 2015 considered four alternative service delivery models to leverage off best practice to improve service delivery going forward, the four alternative models were:

Option One - Current Model- this would see service delivery provided, as it is now, through three different contracts for facilities maintenance, cleaning and for security.

Even if the current defects in the model were addressed and a best practice approach to procurement adopted this model has a number of shortcomings that make it inappropriate from a best practice point of view, these include:

- It can be challenging for Council to hold a single contractor accountable if an issue arises that more than one contractor has been involved with;
- This model is less attractive to the market than Option Four below and is therefore unlikely to be as competitively tendered as Option Four;
- This model encourages a task orientated mind set by the Contractor;
- There is minimum opportunity to reduce costs through the multi- skilling and the multi- tasking of contractors' operatives;
- There is minimum opportunity to reduce costs through the consolidation of the Contractors' supervisory and management overheads;
- A number of indirect costs are replicated across the three contracts e.g. bid costs and indirect overheads, making it relatively expensive;
- Council's management team retain responsibility for any coordination of the three contracts that may be required;
- It can be challenging to keep the three contracts aligned if they are subject to contract variation over the contract term; and
- Because of the demands made on the time of the Council's management team to tactically manage the three contracts it is challenging for them to also find the time to strategically manage them.

Option Two - Disaggregated Model- this would see the services provided through a number of service specific contracts, i.e. a separate contract for cleaning, security, electrical, mechanical, lifts etc. This model is even less appropriate from a best practice point of view than Option One above. This is because:

- It can be challenging for Council to hold a single contractor accountable if an issue arises that more than one contractor has been involved with;
- This model is less attractive to the market than Option Four below and is therefore unlikely to be as competitively tendered as Option Four;
- It encourages a task orientated mind set;
- It eliminates any opportunity to achieve cost savings through the multi- skilling and the multi- tasking of operatives;
- It eliminates any opportunity to achieve cost savings through the consolidation of the supervisory and management overhead;
- A number of indirect costs are replicated across each of the contracts e.g. bid costs and indirect overheads making it expensive;
- Council's management team retain the responsibility for any coordination that may be required of the various contractors;
- It is challenging to keep the contracts aligned if they are varied over time; and
- The demands made on the time of the Council's management team to tactically manage all of the contracts make it challenging for them to find the time to also strategically manage the contracts.

Option Three - Hybrid Model - this would see all of the services procured under a single consolidated contract. This is with the exception of handyman services which would be delivered by a directly employed resource. This model has a number of clear advantages to recommend it, however the direct employment of the handyman is not recommended for a number of reasons:

- The burden of managing the utilisation of the handyman;
- The burden of managing stock including the risk of stock leakage;
- The Council would assume a number of risks and obligations that third party providers are more experienced in and therefore better equipped to deal with e.g. Safe Work Method Statements, Job Safety Analysis, working alone, working at heights, hot working, asbestos, personal protective equipment, toolbox talks etc.;
- It would be difficult to hold the Contractor liable for the condition of assets if the handyman had had a role in maintaining them; and
- The Council would be flying in the face of accepted industry best practice regarding outsourcing.

Option Four - Consolidated Model - this is the model recommended by the reviewing consultant and selected by Council. Key benefits of Council procuring this model through effective competition include:

- Council are able to hold a single party accountable for all aspects of service delivery;
- Council are able to offer the most commercially attractive contract bundle to the market;

- It encourages the Contractor to take a holistic view of their service delivery responsibilities;
- It enables the Contractor to optimise spend through the multi-skilling and the multi-tasking of operatives;
- It enables the Contractor to optimise spend through the consolidation of the supervisory and management overhead;
- As there is only a single contract the replication of costs seen in Option One and Option Two is eliminated;
- Any coordination that may be required between different trades and operatives is passed to the Contractor;
- As there is only one single contract the task of coordinating a number of contracts in the event of a contract variation being issued is eliminated; and
- The Council's management team is freed up to add greater value to Council through the strategic management of the contract.

Option Four requires a number of contractual mechanisms to ensure that risk is transferred effectively to the Contractor and thus an appropriate quality of service delivery is incentivised over the contract term.

9.3.4.2.2 Specification

The specification being replaced in October 2016 was in 'input' format i.e. it specifies the activities that the Contractor needs to carry out in order to achieve contractual compliance. The challenges with this approach include:

- A number of these obligations were impractical;
- A number of these obligations were uneconomic;
- They denied the Contractor the opportunity to apply their expertise to arrive at the most appropriate solution;
- Because it is so prescriptive it requires a contract variation to be issued each time requirements change e.g. in the event of statutory changes; and
- They prevented effective risk transfer i.e. if the Contractor followed the clients' directions and a failure occurred it would be challenging for the client to hold the Contractor liable for that failure e.g. compliance.

The specification for the new contract is being written in 'output' format i.e. it focuses on the outcomes that Council is seeking to achieve e.g. "maintain statutory compliance for all specified services at all times".

However, where Council have a specific requirement, it shall be in 'input' format e.g. "clean all external windows quarterly".

Output specifications offer Council the following benefits:

- They are an effective tool for transferring, to the Contractor, the risk of the desired outcomes being achieved;
- They make the Contractor responsible for devising an appropriate methodology for meeting Council requirements;
- Where competitive tension is leveraged, they incentivise the achievement of a cost effective solution; and
- Ensuring that the service can evolve, over the contract term, to meet changing requirements with minimal need for contract variation.

The approach recommended to Council sees a pre-agreed amount of the cost of reactive repair being included in the fixed contract price. This approach and the specification detailed above incentivises a proactive approach to building maintenance resulting in more reliable assets and an increase in the ratio of planned to reactive maintenance.

9.3.4.2.3 Service Standards

Key to ensuring appropriate and effective service delivery is the development of Service Level Agreements (SLA's). These SLA's set out the service promise from Council's technical team to service managers.

These SLA's are in turn incorporated into the contract documents through which the Contractor is required to deliver maintenance services to Council.

SLA's are often subjective by nature. An example of a subjective SLA is:

'Keep all offices clean'.

To make SLA's objective Key Performance Indicators (KPI's) are developed with which to measure whether or not an SLA is being achieved. KPI's are measured monthly and are required to have a number of key characteristics:

- They must be SMART (i.e. Specific, Measurable, Achievable, Realistic and Time-Bound;
- A single failure should only trigger the related or most significant KPI;
- They should be proportionate i.e. the consequences of the failure should be appropriate to the failure which has triggered it; and
- Except in regard to a statutory obligation or an issue of equivalent significance they must not be 'hair- trigger' in nature i.e. they should not be activated without the Contractor having the opportunity to intervene and take prior corrective action.

An example of KPIs relevant to the SLA 'keep my office clean' might include:

'all waste paper bins to be empty at the start of each business day'

'no instance of dust collecting on horizontal surfaces'

‘all carpets to be vacuumed weekly’

‘all external glazing to be cleaned quarterly’

An appropriate quality of service delivery is incentivised by aligning the Contractor’s remuneration levels with KPI measured performance.

Modern facilities management contracting sees a hierarchical approach to checking whether or not KPIs are being achieved:

Level One - Contractor provided performance data. The rationale here is that the Contractor needs to have adequate performance data to ensure that they are meeting their contractual obligations. By mandating that they provide that data, Council is able to cost effectively monitor if KPI’s are being achieved.

Level Two - Spot audits by Council’s management team. Here Council audit selective areas of Contractor performance to check both their operational performance and the accuracy of their performance reports. Should the Contractor be found to be misreporting their performance they are far more heavily penalised than if their original report had been accurate.

Level Three - A further level of scrutiny is provided by encouraging service managers to report unsatisfactory performance.

Level Four - This is a more comprehensive audit regime which is expensive on a long term basis. However, it is appropriate to implement from contract commencement until an appropriate level of service is being achieved and at any time over the contract term when it becomes apparent that the quality of service is falling below acceptable levels.

SLA’s and KPIs are developed collaboratively with service managers through workshops and are surveyed and tested in a partnership environment to ensure that they are robust, appropriate and have service manager ‘buy in’.

Through this process service managers act as representatives of the members of the community that they typically interact with as Council employees. This approach ensures that the quality of service delivery is appropriate to all of Council’s stakeholders including staff, contractors and residents who receive or provide Council services. However, if deemed appropriate the customers of the service can be engaged to provide their feedback and influence the SLA’s. This is the preferred approach subject to the willing participation of the community.

One of the reasons for outsourcing facilities management service provision is to tap into the technical expertise of third party specialists. For this reason, it is ill advised for KPIs to be specified that:

- Need a significant level of technical expertise to assess whether or not they have been met; and
- Are prescriptive about how compliance will be achieved.

Disadvantages of these types of input KPI's include:

- The management team needs a high level of expertise and accessible data to measure if they are being met or not;
- A contract variation is likely to be required each time that statutory compliance obligations change; and
- If the level of service specified does not meet the Councils statutory obligations, Council will find it challenging to hold the Contractor liable.

A draft set of SLA's with associated SMART KPI's are included in Attachment 13.10 for reference purposes.

9.3.4.2.4 Performance Mechanism

This comprises of the SLA's and KPI's against which the service is measured and the associated contractual consequences are invoked if required.

In an effective facilities management contract successful KPIs are rarely triggered and are intended to focus the Contractor on the areas of service delivery most important to Council.

To help the Contractor address their learning curve at the start of the contract it is typical for a KPI holiday to be included from contract commencement. A KPI holiday is a period (typically six months) during which KPI measured contract performance is monitored and reported but with no contractual consequence.

KPIs are re-calibrated at appropriate frequencies, say annually. This is to introduce a stretch target to incentivise the Contractor to improve service quality over time.

9.3.4.2.5 Required Resources

The management team employed by Council to administer the three facilities contracts in place in 2015 does not reflect the management needs for the preferred model going forward.

Best practice facilities management contract administration sees the Contractor obligated to share their management and performance data with Council. The Contractors' performance is appropriately rewarded by Council based upon this data and achievement of the KPI's.

By making the consequences of misreporting by the Contractor substantial, accurate reporting by them is incentivised.

This greatly reduces the need for Council's management team to unduly focus on the auditing of Contractor performance and invest their time in other value adding tasks.

Other considerations relevant to the size and skill set of the Councils' management team include:

- The functionality available from the IT systems which are typically used in the facilities management industry. The industry calls these computerised maintenance management systems (CMMS's). They offer real time performance monitoring and analysis;
- A significant number of issues are self-monitoring by nature. If a MCH make a reactive repairs request, the MCH are likely to report if the work is not expedited within the time period as stated in the relevant service level agreement;
- The contractor will be responsible for coordinating trades and operatives e.g. if there is a smashed window at a Council property the Contractor's sub-contractors will be responsible for boarding up the window, cleaning up the site, re-glazing the window and ensuring that there is an appropriate security response in place throughout; and
- This model encourages a holistic approach by the Contractor, e.g. cleaners or security guards would be incentivised to report failed light globes, leaking taps or other minor defects that they notice during the course of their duties.

By reducing the burden on the Council's management team to carry out the auditing of trades and operatives, and Contractor monitoring duties Councils management team are freed up to manage the contract more strategically.

Thus it is envisaged that going forward Council's management team will focus mainly on issues such as:

- The facilities management contract is aligned to the core business of Council, e.g. that properties are varied out of the contract when they are disposed of and are varied into the contract when they are acquired or constructed;
- The scope and extent of services provided is reflective of the Council's obligations e.g. leased and licensed properties;
- Effective trend analysis is undertaken with issues effectively monitored, analysed and addressed;
- Appropriate stakeholder engagement is undertaken to ensure that service delivery supports the business needs of customers over the contract term; and
- Effective interface occurs with capital works and renewals teams to ensure that:
    - Any negative legacy maintenance issues are not replicated in the design and specification of new works.
    - Ensuring the effective handover of projects upon practical completion.

Although a key benefit of the model is the optimisation of the Council's management overhead, it is unlikely to be able to be reduced to less than two FTE's (full time equivalent) staff due to the need to build effective succession planning into the model.

However, because of the substantial learning curve that the management team will need to address in shifting to the new paradigm it is probably appropriate for Council to consider employing a three-person management team in the short term.

The purpose of this is to drive the quality of service delivery up to an appropriate level over the course of the mobilisation period of the new contract and to ensure that other key milestones are met prior to rationalising members of the management team once steady state service delivery has been achieved.

9.3.4.2.6 Maintenance Philosophy

The philosophical approach to maintaining Council assets has been historically flawed, due to:

- Inadequacies in the previous facilities management contract; and
- A lack of rigour around the spending of maintenance budgets.

The structure of the maintenance contract was one where the Contractor was paid to maintain Councils assets but if the assets were to fail due to poor maintenance the same Contractor were typically paid to repair them.

Analysis of the historical maintenance spend under the previous facilities management contract, included in Chapter 5, shows a number of anomalies due to how it was procured, managed and reported.

Technically sophisticated buildings like Civic Centres, Arts Centres and Aquatic Centres lend themselves to a maintenance approach that is highly predicated on planned maintenance interventions. With reactive repairs greatly reduced as a consequence.

Less sophisticated buildings like pavilions, toilet blocks and club houses lend themselves to a maintenance philosophy highly predicated on reactive maintenance. With planned maintenance interventions limited largely to statutorily mandated obligations.

Buildings with relatively short, finite design life i.e. temporary buildings, are typically subject to minimal maintenance interventions beyond those mandated by statute.

To help Council secure an optimised approach to planned and reactive maintenance across its diverse portfolio a portion of the cost of reactive repairs is to be included in the lump sum price of the contract. Based on feedback received from market soundings this is likely to see repairs with a maximum value of anywhere between $500 and $2,000 included in the fixed contract price and therefore not entitled to be charged for separately by the Contractor.

This approach has the benefits of incentivising the Contractor to adopt a proactive approach to asset maintenance. It also reduces the administrative burden of the contract through the simplification of the process for the management of low value works orders.

The condition of assets is kept under constant review through such methodologies as:

- Monitoring the number and frequency of breakdowns and reactive repairs;
- Reviewing feedback from specialist sub-contractors undertaking planned maintenance activities; and
- Regular building condition audits.

All of the above would inform the contents and the prioritisation of the annual works program.

9.3.4.2.7 Building Performance

Modern technology is increasingly presenting Councils with the means by which to monitor and review building performance in areas like:

- Utilisation;
- Utilities consumption; and
- Lifecycle costs.

This in turn provides a powerful tool in ensuring that property related expenditure is adequate and appropriate going forward.

There are a number of software tools available to facilitate the above however consideration needs to be given to a number of issues including:

- Data ownership;
- Software ownership;
- Who will ensure that data is accurate and complete when the software is initially populated; and
- Who will ensure that data remains up to date going forward.

It is essential that Council focuses on collecting and monitoring data relevant to their needs. The key benefit to Council of building performance data is to inform its understanding of the cost in use of its various facilities as well as to assist in the development of its high level strategy in areas like property:

- Retention;
- Disposal; and
- Refurbishment/renewal.

Whist this building data is critical in informing property decisions it also needs to consider service planning and future demands from the community which require building assets.

It must be emphasised that it is impractical and inappropriate to attempt to transfer liability for complete building performance to the facilities management Contractor, especially when

the building has aged and has been in service for some time. The ways in which the Contractor can positively influence building performance include:

- Demonstrably discharging agreed strategies to optimise building design life; and
- Reporting against pre-agreed building related KPI's to enable the Council to make informed decisions regarding the management of its portfolio.

9.3.4.2.8 Maintenance Systems

Commercially available maintenance systems have developed against the background of the:

- Proliferation of technological innovation, generally, in recent years;
- Evolution of the facilities management industry; and
- Increasing variety and complexity of facilities management contracts coming to the market.

Although these various systems have evolved from different niches of the facilities management sector, they are beginning to develop a broadly similar range of features. This is in response to increasing demands for a:

- 'Single source of truth' for property data bases; and
- 'One stop shop' for all property related software requirements.

Council is in the process of developing FAMIS as its core asset management system. Therefore, the facilities management contract will need to include for the provision of an appropriate integrated system with FAMIS. Key functions of the Contractor's system are likely to include:

- Asset register;
- Help desk;
- Maintenance history;
- Trend analysis; and
- Reports.

Typically, the level of data required to be collected and maintained in the asset management software includes details of all components with a value greater than $1,000 or which require planned maintenance.

Elements that fall outside of these criteria are generally considered consumables that are run to fail and are treated as reactive repairs items, when they need to be replaced.

Over the contract term it is essential that all planned and reactive maintenance activity relevant to an component is recorded accurately against that asset. This will enable an assets condition to be monitored and informed decisions made about replacing it. Also

where high cost/high activity reactive maintenance on components are identified it may suggest that a more pro-active maintenance regime is recommended to better manage the asset.

It should be noted that the identity of the asset requiring repair is not always apparent until the job is complete. For example, a reactive call may be made to attend to a water leak from the ceiling on the top floor of a building. This may be leaking pipe work, a roof leak or condensation dripping from air conditioning.

It is therefore essential that asset data is monitored to ensure that defects are recorded correctly.

9.3.4.2.9 Reporting

Hard copy reporting in standardised format is inflexible and retrospective by nature. Council needs to be able to leverage the full range of reporting tools available to ensure that the quality of the Contractor is subject to the appropriate level of scrutiny and accountability. Reporting tools that assist with this include:

- Real time monitoring of performance;
- Exception reporting; and
- Trend analysis.

Rather than seeking to anticipate the scope and extent of Councils reporting needs at the time that the specification is drafted the Contractor will be obligated to provide such reports as Council may deem necessary from time to time over the contract term, including access to real time data.

The key to incentivising the Contractor is to adequately report performance in a manner that effectively demonstrates the true quality of performance being achieved, for remuneration levels to be wholly reliant on KPI measured performance. The Councils default position is 100% KPI failure with the burden of proof laying with the Contractor to demonstrate the achievement of KPIs.

9.3.4.2.10 Budget

Pricing schedules shall be structured and formatted in such a way as to enable data to be captured, at tender, in a manner that lends itself readily to:

- Base lining the cost of maintenance from contract commencement;
- Establishing the split between planned and reactive maintenance;
- Budget setting going forward; and
- Internal re- charge.

Over the contract term the Contractor shall be obligated to submit invoices in a format that enables the split between planned and reactive maintenance to be monitored by Council as well as any approved variations.

9.3.4.2.11 Stakeholder Management

This is one of the management team's key responsibilities which also include:

- Keeping stakeholders informed of the scope and extent of the Contractor's obligations under the contract;
- Canvassing the opinion of stakeholders about the quality of service being received;
- Monitoring how effectively the contract supports stakeholder's needs over the contract term and taking action as appropriate e g. contract variation; and
- Managing contract disputes (dissatisfaction from service managers and customers).

9.3.4.2.12 Licenses and Leases

The standardisation of leases and licenses including an obligation that maintenance is provided by Council through their Contractor is highly advisable when one considers:

- The buying power of Council;
- The risk to Council presented by inadequately maintained assets; and
- The administrative burden on Council presented by a wide variety of lease and license obligations.

It is anticipated that this issue will be resolved in time for it to be reflected in the new facilities management contract.

9.3.4.2.13 Implementation of ESD Standards

The role of the Contractor in supporting the implementation of Council's ESD standards is likely to comprise of:

- Ensuring that when reactive repairs are carried out elements are replaced with items or materials of greater energy or water efficiency, where practicable and appropriate;
- Identifying opportunities for projects to improve the energy or water efficiency of the portfolio e.g. lighting upgrades; and
- Being proactive in monitoring the performance of the portfolio from an energy and water efficiency point of view e.g. staff and sub-contractors reporting leaking taps, burst pipes and lights that are habitually left on.

Ultimately the Contractor is required to work towards Council ESD objectives and ensure their objectives do not undermine Council aspirations in this area.

9.3.4.2.14 Ensuring Compliance

It is the role of the Contractor to ensure that Council's facilities are compliant in the area of essential services. The contract will be structured and monitored to ensure that this is achieved.

Typically, obligations (pre-existing non-compliances prior to commencement of contract) relating to the following would not fall under the facilities management contract:

- Building Code of Australia;
- Accessibility; and
- Environmentally Sustainable Design.

9.3.4.2.15 Dispute Resolution Procedure

The partnering nature of the contract under which it is intended to commission the Contractor is intended to create a framework for the non-adversarial resolution of any dispute that may arise between the parties, including service managers and customers.

What's more the performance mechanism is intended to incentivise appropriate behaviours from the Contractor and Council without recourse to the rather blunt and expensive rights and obligations of both parties at law.

However, in the event that a dispute between Council and the Contractor arises, it should typically be escalated to senior management within each organisation and if they cannot reach agreement a previously agreed arbitration process would be implemented.

9.3.4.2.16 Management of Energy and Water Consumption

Through the process of meter reading it will be incumbent on the Contractor to monitor and report on consumption e.g. the identification of spikes of usage on water bills likely to indicate burst pipes and similar.

9.3.4.2.17 Building Inspections

It is anticipated that the Contractor will be commissioned to undertake building inspections at a frequency appropriate to inform renewals works programs. They will also be incentivised to take a proactive approach to service delivery including the identification of issues by operatives undertaking their duties e.g. the reporting of reactive repairs by security and cleaning staff.

The undertaking of and the reporting of statutory inspections will form a key element of the Contractor's contractual obligations.

There will need to be inspections carried out by both Council's management team and the Contractor. Typical obligations are set out in the following table:

Council	Contractor
Contract management	Defects
Condition	Essential Safety Measures
Inventory (to inform asset register and contract)	Referrals to Council for programming into the capital works program
Quality of Contractor's work	Quality of (all) contractors work
Building Code of Australia (management of non-compliances that are outside of contract)	Building Code of Australia (identifying and reporting non-compliance)

Table 47 - Proposed Building Inspection Responsibilities

For the period from contract award, Council's management team will be required to implement a regular comprehensive regime of inspection and checking of the quality of work being delivered.

This shall be a combination of pre-determined audit regime as well as ad hoc spot checks. It is anticipated that the Manager Facilities will use a record of audits carried out in any month by his contract management team as a KPI against which to measure their performance.

It is envisaged that once the contract is fully mobilised and business as usual status has been achieved inspections by Council's management team may be reduced to spot checks to check the accuracy of management and performance data provided by the Contractor. Although a more intense regime would be implemented if service quality dipped.

9.3.4.2.18 Design Standards

An aspect currently missing from the approach of Council to asset management is a robust set of design standards. The purpose of these documents is to set out a standardised approach to commonly occurring design issues. The benefits of these documents include:

- They minimise the cost and time required to design, particularly commonly occurring buildings;
- They minimise the cost of building maintenance; and
- They can be reviewed regularly and updated to reflect lessons learned about how assets are performing over their useful life.

9.3.4.2.19 Procurement, Mobilisation and Contract Commencement

The procurement of the contract described above as Option Four, the Consolidated Model, is key to addressing the shortcomings as highlighted in Chapter 5. It is also a key enabler in ensuring that Council's preferred approach to maintenance and renewal as described in this Chapter (9) is achievable.

A robust approach however is needed from Council to the procurement, mobilisation and contract commencement period to ensure that the desired benefits are achieved, including:

- The development of robust processes around system sharing, data sharing and data ownership including ensuring that IT protocols are in place to facilitate effective data

transfer including addressing such issues as firewalls, formatting of data for bulk uploads and considerations like viruses, data integrity etc;

- The mobilisation, population and testing of FAMIS prior to the contract start date of the 6 October;
- Development and agreement of a robust and accurate property list and asset register a 'single source of truth' for Council and the Contractor over the contract term. With robust protocols around the retirement and introduction of assets over that period;
- The development of robust coding to facilitate failure, cause and effect coding of work orders whether generated in FAMIS or in the Contractor's CMMS;
- Pro-active monitoring and auditing of works orders by the contract management team to ensure that they contain sufficient data to ascertain if Response and Rectification Times are being met;
- Establishing the data attributes to be collected against an activity by the Contractor and enforcing them;
- Agreeing parameters against which maintenance condition shall be reported with triggers for referral to the renewals program clearly articulated;
- Where appropriate Contractor provided data, disaggregated into its key elements i.e. labour, parts and materials;
- Tightening up of the fiscal management of the contract. This will be assisted by the controls inherent in the new contract to ensure greater governance around variations and 'scope creep' over the contract term;
- Ensuring that the level of detail and the nature of data available from the Contractor is adequate for trend analysis either by themselves on behalf of Council or by the management team direct;
- Ensuring that all maintenance activity, both planned and reactive is captured in the system;
- Developing a dedicated contract management team trained to scrutinise and analyse asset performance and to hold the Contractor to account for all key areas of contractual performance;
- Develop a collaborative approach with the Contractor to ensure that both parties become partners in a contractual relationship predicated upon driving down the cost and driving up the quality of asset performance;
- Development of a communications plan to keep service managers informed of contractual performance against the agreed SLA's and KPI's including a feedback loop to ensure that the contract remains strategically aligned for its duration;
- Robust feedback loops with the projects team to ensure that intelligence about asset performance in the field is made readily available to designers and Facilities officers e.g. by creating and regularly reviewing and updating Design Standards;

- Effective handover procedures to ensure that O&M manuals are handed over and that systems are updated appropriately upon practical completion of new projects; and
- Accurately monitoring and reporting on performance against KPIs and ensuring that they are appropriately treated contractually.

In parallel to the published procurement program for the new contract it is recommended that Council considers developing and implementing a program of change management activities to ensure that key Council staff are appropriately trained and equipped to deal with the issues inherent in procuring, mobilising and managing the contract going forward.

9.3.5 Asset Renewal

Management Objective – Monitor asset condition. Replace assets in a timely manner to ensure expected asset condition and functionality is continuously provided throughout the life of the service.

9.3.5.1 Best Practice

Understanding the life of a building is a complex exercise as it comprises of a number of different components (and materials) with various economic lives. Those components with shorter design lives (like paint and carpet) will be replaced/refurbished many times before the structure of the building in which they are located will have reached the end of its useful life.

Components such as internal partitions and roof structures can be retained in service for an exceedingly long period if proactive planned maintenance activities are undertaken (e.g. painting in the case of the former and roof finish repair and replacement in the case of the latter). This concept is shown schematically in the diagram below.

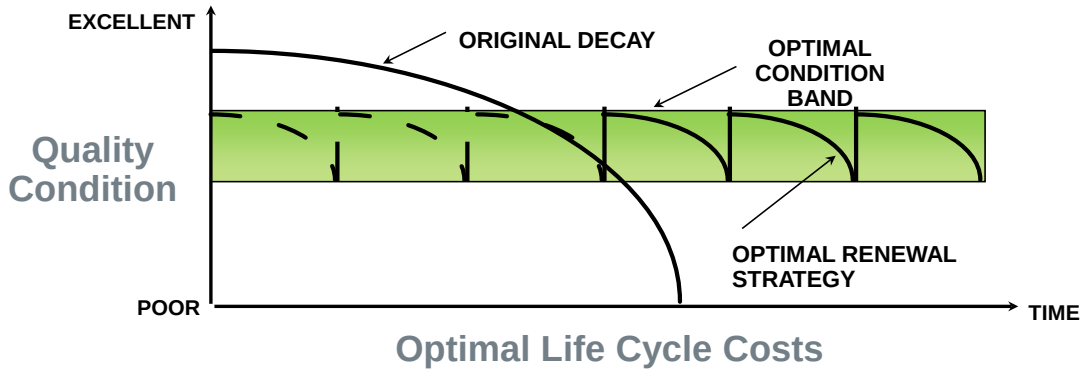


Figure 30 - Optimal Maintenance Strategy

Figure 27 above shows how timely and appropriate renewal and maintenance helps keep asset condition at an acceptable level. When asset condition falls below an acceptable level premature dilapidation of the asset is likely to occur resulting in replacement costs for both that asset and, in some cases, repair/replacement of other impacted assets (e.g. where the failure of the roof cladding is permitting weather ingress).

Assets like boilers and chillers are subject to 100% replacement at the end of their effective life. Whilst others assets like lifts are not completely replaced at the end of their effective life but rather subject to a percentage replacement. The timing of replacement is optimised by correct operation, appropriate monitoring and ongoing timely maintenance.

Recognising how assets deteriorate and the appropriate time when to intervene and initiate works is only part of the story. Further considerations as listed below are critical to facilitate a efficient and effective renewal program.

- Complete and regularly maintain an asset register;
- Commitment to ongoing condition audits;
- Importance of undertaking regular renewal modelling;
- Adherence to handover protocols;
- Establish a rigorous and robust ranking criteria utilising a quadruple bottom line (if possible) approach to prioritise works;
- Development of a 20 year renewal program to assist in better integrated capital planning (with other lifecycles phases) and inform service managers and stakeholders the anticipated timings of works;
- Confirmation and clarity of responsibility for renewal works (Council or tenants);
- Implementation to ensure integration opportunities with new/upgrade/expansion/compliance works are optimised;
- Regular ongoing dialogue with service managers and building users to understand performance of building and craft future renewal programs;
- Resistance to utilising renewal funding to address fitness for purpose issues (new/upgrade/expansion works);
- Execution of renewal works in a timely fashion until confirmation of an asset disposal is imminent;
- Service managers seeking funding from the appropriate funding stream for new/upgrade/expansion works; and
- Timely procurement from a panel of suitably experienced and qualified contractors to complete renewal works.

Upon addressing the critical path processes above the delivery of the renewal works will be seamless and responsible asset management implemented. The table below summarises key building (works) renewal objectives, outputs and tasks.

Objectives	Outputs	Key tasks
Replace building components in a timely way to ensure buildings can effectively support services over their expected life.	1. Delivery of renewal service level standards. 2. Draft five year and 20 year capital works program for all building renewal works. 3. Final one year capital works program for all building renewal works. 4. Annual renewal performance report (percent completed).	1. Review condition data. 2. Develop preliminary renewal capital works program (one, five, 10 and 20 year). 3. Examine integration opportunities with proposed upgrade, expansion and compliance works. 4. Allow contingency funds to action extreme or high public safety risk issues identified during the year. 5. Finalise renewal capital works program (one year). 6. Communicate renewal capital works program. 7. Undertake detailed quotes for design and renewal works. 8. Tender renewal works. 9. Award renewal works. 10. Project manage contract for renewal works. 11. Liaise with service providers to gain access to assets. 12. Inform stakeholders of intention to commence works. 13. Initiate defects liability period and monitor. 14. Final completion of asset renewal upon successful closure of defects liability period. 15. Handover of asset information and updating register with renewal works. 16. Monitor and report delivery of renewal program.

Table 48 – Key building renewal objectives, outputs and tasks

9.3.5.2 Enhancement Opportunities

The Facilities department is responsible for delivering a best practice approach to renewal works.

The current approach to scoping renewal works through a combination of building condition data, desktop modelling and budget estimates produced by valuers is inadequate. Suggested improvements include:

- The implementation and maintenance of FAMIS to ensure it provides a current 'single source' of truth for asset data going forward;
- Greater dialogue between the Sustainable Assets and the Facilities Departments to ensure appropriate current asset condition data is provided in a mutually agreed format is readily available to inform renewal works;
- The development of standard colour and material palettes to speed up the selection of items like paint and carpet;
- The establishment of schedule of rates sub- contractors panels for single trades like painting and carpet replacement;
- Establish renewal ranking criteria in consultation with Service Managers and Asset Planning; and
- Via integration meetings that include Service Managers, Asset Planning and Facilities, develop the renewal program so that there is clear alignment with compliance works, building upgrade and expansion projects.

9.3.6 Disposal

Management Objective – Ensure assets that have no current (or foreseeable future use) are removed from Council's asset portfolio.

9.3.6.1 Best Practice

Disposal options include alternative use, rental, sale and leaseback, demolition and sale as scrap. Asset disposal terminates control of a particular asset but may generate the need for a replacement to support the continuing delivery of services.

The level of expenditure incurred over the various lifecycle phases varies substantially from phase to phase. The chart below shows the typical expenditure, in simplified form, on a building over its design life. The three major peaks associated with creating the building, refurbishing it part way through its design life and disposing of it and replacing it at the end of its lifecycle are illustrated as are the maintenance activities necessary to ensure that it operates within its design parameters and achieves its design life.

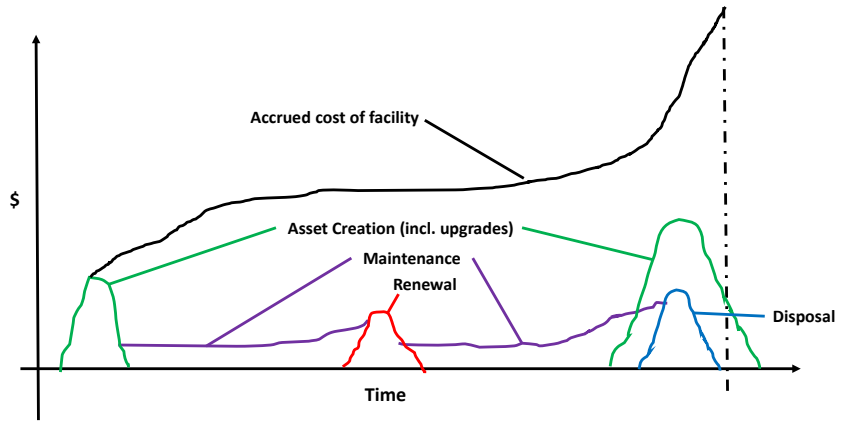


Figure 31 – Typical Cost of Facility over its Life

In the above diagram, the decision to replace the building is made at the point at which it is likely to be more cost effective to dispose of and replace than to refurbish and/or replace expensive components that are reaching the end of their design life.

Disposal, retirement or rationalisation of assets generally will occur due to changes in community demands or needs. A best practice approach sees the assessment of the need for assets is a part of a service planning process that determines whether the organisation is meeting the needs and expectations of the community. The Service Plan for the service that a particular building supports should indicate the stage at which the asset becomes surplus to service need and should be considered for disposal. Fitness for purpose/obsolescence/utilisation are all considerations in building disposal and replacement decisions.

Challenging the status quo and investigating innovative options for meeting the community service needs is all part of this process. Extensive community consultation is required to gather feedback regarding the impact of disposal. As with acquisition decisions, to dispose of an asset requires thorough examination and must be taken within the integrated planning framework of Council that takes account of service delivery needs, corporate objectives, financial and budgetary constraints and the overall resource allocation objectives.

9.3.6.2 Enhancement Opportunities

Disposal of Council buildings is currently piecemeal. It is initiated when the useful life of the asset has expired, when its service specification is no longer relevant (i.e. technical obsolescence), or when the need for the service provided by the asset has disappeared or can be more appropriately provided by an alternative facility. Disposal of building will occur only after approval of the Executive Management Team and Council has been obtained.

The Frankston City Council Asset Management Strategy 2013- 2017 identified a number of improvement opportunities:

- Develop Asset Rationalisation/Disposal Policy (currently in draft form); and
- Undertake Asset Rationalisation Assessment.

The first step in implementing this improvement is the establishment of an Asset Management Leadership Team (terms of reference currently under development) to implement the improvement actions set out in this plan and with regard to disposals, to provide guidance on the development of the disposal policy and nomination of potential

buildings for disposal. The Disposal Policy and Terms of Reference for the AMLT were under development at the time of writing.

The table below summarises key building disposal objectives, outputs and tasks.

Objectives	Outputs	Key tasks
Reduce Council's financial and liability exposure by ensuring that land and buildings with no current or foreseeable future use are removed from Council's asset portfolio.	1. Service manager confirms via service planning that building is now surplus to needs. Other service managers are consulted about availability of building. 2. Executive/Council reports for intention to dispose. 3. Annual list of assets that are: 4. Underutilised; or 5. Have a remaining life of less than five years. 6. Public consultation documents. 7. Advertising and gazettal documentation. 8. Tender and contract documents for disposal (if required). 9. Updated asset register and GIS data.	1. Review results of asset option analysis and service discontinuation plans. 2. Confirm building is now surplus to Council's needs. 3. Investigate if the asset has any caveats or legislation that prevents its disposal. 4. Undertake public consultation to announce intention to dispose of asset. 5. Determine lifecycle cost implications. 6. Prepare a report to Executive/ Council advising them of intention to dispose of an asset. 7. Advertise sale of asset or expression of interest. 8. Undertake gazettal if required by legislation to publicise disposal. 9. Undertake legal documentation for sale. 10. Cancel utility connections. 11. Tender disposal works (if required). 12. Award disposal works (if required). 13. Project manage contract (if required). 14. Adjust asset register and GIS to recognise disposal.

Table 49 – Key building disposal objectives, outputs and tasks

9.4 Integration Functions

The table below summarises the management objectives for each key integration function.

Integration Functions	Management Objectives	Current Status
Access & Inclusion	Support consideration of access and inclusion initiatives. Ensure assets are not constructed in a manner that adversely impacts accessibility.	Whilst Council currently has a Metro Access officer their role is more aligned with social inclusion for disadvantaged residents. There is a distinct skill gap within the organisation to provide best practice advice on the provision of enhanced accessibility to Council buildings. Where this guidance is required Council engages a contractor.
Communication	Support the development and implementation of internal and external communication strategies to support decision makers across all phases of the service and asset lifecycles.	There are opportunities to further improve the flow of communication both internally and externally considering building management issues and decisions. Development of the Asset Management Leadership Team with representation from key stakeholders will greatly enhance these conversations.
Community Engagement	Support appropriate levels of community engagement at each stage of the service and asset lifecycles.	Council currently has in place strong links to its community through the Local Area Planning committees. As service planning becomes more established and asset management practices evolve this is an ideal connection point with the community to discuss the impact of proposed or finalised decisions and seek feedback.
Data Management	Support the management of data created and required at each stage of the service and asset lifecycles. This includes: identification of available data sources data collection data processing/analysis.	The adopted State of the Assets Report Card (2015) identified that Council needs to invest more in its asset data collection, management practices and asset register (FAMIS) to support better decision making. The Asset Planning team is currently responsible for the management of asset data and storing it in the asset register currently being developed via the FAMIS project. As time progresses and good practice is embedded Council will realise the benefits of having sound data to drive better decisions.
Environmental Sustainability	Support consideration of environmentally sustainable initiatives at all phases of the service and asset lifecycles.	In April 2015 Council endorsed its *ESD Standards for Council Buildings* aimed at driving more efficient and sustainable design, components and materials in the

Integration Functions	Management Objectives	Current Status
		management of its building network. Further work is required to educate responsible officers and provide them with the necessary skills to achieve the objectives of the *ESD Standards.*
Financial Sustainability	Support assessment of lifecycle cost implications at all stages of the service and asset lifecycles. Ensure Council's long-term financial plan incorporates future asset maintenance, operating, renewal and disposal costs.	As Council continues along on its asset management education and journey, changes to management practices and approaches will further enhance its long term financial sustainability. The Asset Management Policy and Strategy (2013) informs and recommends that Council develops a Lifecycle Costing Policy (currently in a draft format) so that service and asset decisions are made in the full knowledge of the financial implications associated with these positions. Coupled with Council's recent move to embrace service planning (2016) will give it an understanding of the services it needs to provide to the community along with the required assets to deliver those services (at the desired service standards) at a defined and known cost.
Governance	Provide the risk management and governance frameworks for the management of Council property. Key providers are the Risk Management Unit and the Property Strategy and Portfolio Unit. Ensure decision makers at all stages of the service and asset lifecycles, are aware of, and meet all legal and regulatory obligations. Ensure Council policies are developed, implemented, reviewed, updated and terminated as appropriate. Ensure third party agreements are developed, implemented, reviewed, updated and terminated as appropriate. Monitor conformance with agreements and enforce agreement conditions.	Post the organisational review in 2014 Council created the Commercial Services Department to ensure that Council manages its corporate and commercial interests responsibly. The Commercial Services Department play a critical role in guiding Council's procurement, properties, licences/leases and risk management issues. Whilst it is acknowledged that the Department is only in its formative stage further work is required to establish policies, systems and processes which not only protect the interests of Council but also complement and support service and asset providers. Upon realising that balance Council will be able to resolve the internal tension between competing priorities of the various service areas.

Integration Functions	Management Objectives	Current Status
Human Resource Management	Ensure appropriate human resource strategies are developed, implemented, reviewed, updated and terminated as appropriate. Develop training programs to support service and asset management objectives.	The Human Resources Department has now expanded its scope from essential support to implementing organisational development. Work is currently in place to establish project management and leadership programs aimed at addressing the identified gaps in these competencies within the organisation. With service planning now commencing and as asset management gains prominence additional training programs will be required to further up skill staff in these in these areas. It is envisaged that Human Resources will play a key role in this transition to best practice service and asset provision.
Knowledge Management & Development	Coordinate and support the development, retention and transfer of knowledge across the organisation via education programs and other knowledge sharing processes.	Recently the organisation has upgraded its corporate Electronic Document Management System to ReM (Trim). This transition was led by the Records team. Accompanying the software upgrade was some training to educate staff on the management of important data. In terms of asset data the previously mentioned State of the Assets Report Card provided direction in terms of the need to enhance management of asset information. Once the asset register within the FAMIS project has been realised there will be a consist location to house this data. The Asset Planning team will then be charged with the responsibility of defining systems and process to ensure this data is appropriately managed and contemporary.
Service Integration	Align business and service plan objectives for all services. Integrate directions from related policies and plans.	The Executive commissioned the introduction of service planning in February 2016 as a means of managing the recently endorsed Rate Capping policy by the State Government and positioning itself to better understand and respond to the community's service and needs. This exercise is currently being driven by Council's Corporate Planners with input provided by all service areas. The aspiration is to develop a system by where the presentation of services and assets to the community can be costed and informed decisions can be made. As this discipline further expands and evolves it is expected that integration across all Council services is strengthened and gaps resolved.

Integration Functions	Management Objectives	Current Status
Asset Integration	Optimise use of existing assets to deliver service objectives. Integrate directions from related policies and plans Ensure asset design, creation; maintenance, renewal and disposal are aligned to service needs. Ensure asset related improvement recommendations documented in adopted Council strategies and plans are considered during business planning and implemented by decision makers.	As service planning grows within the organisation the Sustainable Assets Department will provide leadership to guide service and asset managers in establishing a methodology to determine the required assets to deliver services to the community. This will be achieved by assisting service managers in translating demand and service levels requirements into asset specifications and developing systems and processes for asset managers to deliver on those requisites. Expertise in lifecycle costing and management will also be available to help decision makers administer Council's asset portfolio in a sustainable and responsible manner.
Protocols, Standards & Process Development & Documentation	Support the development and implementation of processes, templates and standards to be used by service and asset managers.	As Council further progresses in its asset and service planning journey it will be necessary for the various integrating departments to consider the various policies, plans and processes to ensure there is alignment between the desired objectives. In the event there is a misalignment it will be necessary to resolve the internal tension to ensure there is commonality as to Council's aspirations. Departments such as Commercial Services, Financial Services, Sustainable Assets, Information Technology, Human Resources, Administration & Corporate Projects, Community Relations and Corporate Planning will need to work in cohesive and collaborative manner that is consistent with the needs of the community.
Public Relations	Manage the flow of information between the organisation and the public to cultivate a positive relationship	Council understands the importance of providing relevant and up to date information to the community and its partners which is reflected by its investment in the Community Relations Department. As Council enters an era of restraint with Rate Capping the need to communicate information on services and assets will become increasingly critical, in particular if there are changes to how the community previously received a service or used an asset.

Integration Functions	Management Objectives	Current Status
Performance Measurement & Reporting	Audit and monitor the following: Compliance with regulatory requirements Delivery of service level targets Implementation of improvement projects.	The environment Council operates in is very much regulated and measured to ensure the discharge of municipal funds and assets is done so appropriately. Under the auspice of Corporate Planning, Council conforms to the reporting requirements as set down by the State Government and a demonstration of transparency to the local community (where it has spent its money and how it has performed). This information is also utilised to inform and drive best value improvements to examine ways of better delivering services and assets to the community. With the introduction of service planning and ultimately service levels Council will be in a position to better monitor manage and adjust service and asset provision into the future.
Organisational Development	Support managers and others to develop and reinforce a positive culture consistent with Council's documented core values.	In order for the organisation to achieve its goals on behalf of the community, the culture and engagement of its staff is crucial. Staff who understand their role and goals are committed and reflect Council's core values in their behaviour. The responsibility of the culture rests with the Councillors and management team as leaders to show the way forward. A values driven culture is a more stable, productive, supportive, agile and resilient environment, well equipped to embrace and manage change. By investing in its culture an organisation will be able to tap into a intangible asset to better navigate any future challenges.
Information Technology	Provision, management and support of software and hardware to drive Council's business efficiently and effectively.	Council's Business and Information Technology (BIT) Department is charged with the responsibility that Council has the necessary software and hardware to assist service and asset managers in the delivery of its business. Strategically the Business and Information Technology Department has also established a systems architecture map of the organisation to identify common systems and process, duplication of efforts and unfilled gaps. As service planning further evolves the role BIT will be pivotal in developing the necessary systems to deliver community services.

Table 50 - List of Integration Functions for Service and Asset Provision

Key enablers for improvement in Council's building lifecycle management approach include:

Sustainable Assets Department - The purpose of this team is to facilitate effective sustainable asset management practices with regard to the provision and lifecycle management of municipal assets (including buildings) for current and future generations. The team does this by:

- Developing processes to support encourage and enable the implementation of best practice asset management principles and practices;
- Drive cultural change in adoption of asset management practices;
- Facilitating the development of a centralised asset management information system (FAMIS) that is used by all decision makers;
- Facilitating, and monitoring Council's Capital Works Program;
- Develop systems and processes to measure and monitor asset performance;
- Supporting the efficient and sustainable use of natural resources; and
- Assisting Council and the community to prepare for a changing climate.

Asset Management Leadership Team - at the time of writing this Plan, terms of reference were in development for this cross organisational team which is being established to increase awareness of asset management across the organisation and to ensure Council has an integrated approach to continuous improvement in its asset management practices and capabilities.

Frankston Asset Information System (**FAMIS) -** configuration of this software is a multiyear project that will be a key to effective building asset lifecycle management in the future. This will have benefits for all decision makers including but not limited to the following:

- An appropriately structured and detailed property (Land and Building) asset register against which to record all data in a meaningful way;
- Live connection to inspection, maintenance and renewal activities occurring 'on the ground'.
- Provide the data (including condition, design life, maintenance and replacement costs) required to enable the lifecycle cost estimation for new projects and predictive financial modelling to be accurately calculated ; and
- Continuous review of the performance of assets in the field to ensure that building data remains reflective of current performance.

9.5 Improvement Recommendations

It is recommended that Council implements the following recommendations to improve its lifecycle management.

9.5.1 Asset Management Strategy (2013) Improvement Actions

1. Identify Council Services - Assign Service & Asset Lifecycle Management Responsibilities;

8. Review Council Design and Construction Standards - To fast track design (including colour and material palettes), drive standardisation and embed continuous improvement, develop standardised colour and material palettes to speed up the selection of items like paint and carpet;
12. Develop Asset Rationalisation/Disposal Policy (currently in draft form); and
29. Introduce Service and Asset Management KPI's into Relevant Staff Position Descriptions - Ensure accurate Position Descriptions and personal development plans are in place to assist the development of all members of the Facilities and Sustainable Assets Departments.

9.5.2 New Improvement Actions

25. Renewal and New/Upgrade Ranking Criteria & Review of Current Programs - Develop transparent renewal ranking criteria for use in the development of the building renewal programs. Use the building hierarchy scores (which reflect the building criticality. Review the current capital renewal programs and align with proposed funding requirements.
26. Undertake 4 year cycle of Fitness For Purpose Audits - When Fitness for Purpose Criteria have been set in Service Plans, undertake these audits to identify gaps and inform upgrade, expansion, disposal and collocation decisions.
27. Project Management Framework Implementation - Develop and implement policies, processes, procedures and systems to fully support the implementation of the Project Management Framework
    a. Formalising the approach to ensuring that input from Facilities team is part of the design process by ensuring that they are invited to design team meetings.
    b. Standardised protocols regarding, commissioning, testing, and the format and completeness of O&M manuals.
    c. Building asset handover process.
    d. Establish a stronger, more transparent link between service planning and the feasibility of:
        I. building disposals, and
        II. building creation, upgrade and expansion projects.
28. Provision of Facilities Management Training – educate and skill responsible officer in best practice facilities management.
29. Establish Schedule of Rates Sub- Contractor Panels - for single trades like painting and carpet replacement.
30. Implementation of an Asset Option Analysis Philosophy - when considering the creation or acquisition of an asset that the service and asset managers undertake an Asset Options Analysis to determine the best asset provision option.
31. Endorse the Option Four Service Delivery Model for Maintenance - that Council endorses Option Four of the Facilities Management Contract Review and recommendation as provided in section 9.3.4 and implements with the forthcoming tendering of the new maintenance contract and addresses issues as identified in Chapter 5.

32. Application of Funding Within the Correct Capital Works Budget Stream - resist utilising renewal funding to address fitness for purpose issues (new, upgrade and expansion works).
33. Improve Capital Works Project Planning - so that there is more integration of the timing and scope of the 20 year building renewal programs with new, upgrade and building expansion projects. This will enable better use of non-discretionary renewal funds whilst simultaneously improving building condition and functionality.
34. Define the Roles and Responsibilities of all Integrating (enablers) Departments - to ensure there is consistency and alignment with common objectives that support service and asset managers.

10 Environmentally Sustainable Design

10.1 Introduction

Buildings impact the natural environment, through the use and depletion of natural resources, such as energy, water and raw materials, the generation of waste and greenhouse gas emissions, as well as discharges to the receiving environment including wastewater and stormwater. In 2014-15, Council's owned and operated facilities were responsible for 43% of Council's greenhouse gas emissions and 30% of Council's mains water usage.

When buildings incorporate Environmentally Sustainable Design (ESD) principles, the environmental impact will be lessened. ESD can also decrease lifecycle costs, increase the life and durability of the facility, as well as enhance the thermal performance and indoor air quality which directly benefits the comfort and health of the occupants.

Council has therefore adopted a proactive approach in managing and reducing the impacts of its facilities on the environment. This is achieved mainly through:

- Adoption and implementation of Council's *ESD Standards for Council Buildings* for new and existing buildings;
- A periodic energy and water auditing and retrofit program of Council's existing buildings; and
- Investment in alternative energy technologies, e.g. solar power on Council facilities.

10.2 ESD Standards for Council Buildings

In April 2015, Council adopted its first *ESD Standards for Council Buildings*, establishing environmental performance standards for its buildings. The *Standards* are Council policy that goes beyond the minimum requirements of the *Building Code of Australia*, to drive best practice in ESD.

The *ESD Standards* apply to all Council building projects, including new facilities, expansions, upgrades, renewals, maintenance and disposal. The *ESD Standards* are important in that they provide specific guidance and measurable targets to architects, builders and other contractors engaged by Council, to achieve ESD outcomes in each building project and to minimise the risk of poor design.

The cost of achieving the *ESD Standards* is incorporated into each building project (as opposed to a separate budget item), so that ESD is considered as an integral part of the building design, not a separate component that can be reduced over time.

An independent cost-benefit assessment was undertaken in 2014, to determine the likely implications of Council adopting the *ESD Standards.* This exercise demonstrated that while there was an increase in the upfront capital cost of some building projects, achieving the environmental performance targets also resulted in significant energy and water cost savings over time, with an estimated payback of 5.6 years.

10.3 Energy and Water Auditing and Retrofit Program

Council undertakes periodic and proactive energy and water audits of its existing facilities, and from this, develops audit recommendations that are fed into Council's capital works program. This work is carried out in addition to implementing the *ESD Standards for Council Buildings*, which only apply when a building project commences or maintenance on a building is undertaken. The audits are a priority action of Council's 10-year *Greening our Future – Environment* Strategy as well as its *Carbon Neutral Action Plan*[25].

To date, Council has audited and retrofitted 80 of its buildings, with a focus on energy and water efficiency. The audits provide all required information on costs, energy, water and greenhouse savings to build a business case for retrofitting energy and water saving measures, as well as actions to improve the thermal performance of the building.

The audits are undertaken in addition to the *ESD Standards,* to ensure that Council's highest energy and water consuming buildings are strategically audited every 4-5 years, to take into account advancements in technology and expectations around continual improvement to ESD performance outcomes.

Council typically sets a financial measurement figure to prioritise energy and water actions from the audits. For example, all actions that have a 10-year payback are generally approved. However, items with longer payback periods, which have other benefits, such as insulation, rainwater tanks and solar power are also considered.

In the future, it is recommended that Council continue its auditing and retrofitting program. As Council has currently implemented all of the feasible actions from the existing energy and water audit recommendations, a new round of audits is now required.

10.4 Solar Power and Solar Hot Water Program

Council has a dedicated capital works program for the installation of solar power and solar hot water technology on selected Council facilities. Existing facilities have been prioritised based on the outcomes of a series of Feasibility and Detailed Design Studies.

From 2016-17 onwards, Council has identified a further $1.4M worth of investment for Council building projects suitable for solar power installations.

10.5 Risk of non-compliance

Council has adopted ambitious environmental targets to drive environmental improvements across the organisation. Council's facilities contribute to the attainment of these targets. The targets currently include:

- Carbon neutral by 2025 (no nett greenhouse gas emissions);
- Mains water reduction by 45% by 2017-18 (based on 2000 levels); and
- 5% alternative energy target by 30 June 2016.

[25] *Carbon Neutral Action Plan*, Frankston City Council, frankston.vic.gov.au, *Greening our Future - Environment Strategy*, Frankston City Council, frankston.vic.gov.au

Should Council not comply with its *ESD Standards for Council Buildings*, or discontinue its energy and water auditing and alternative energy investment (as outlined above), then it will risk not achieving its adopted targets and increase the organisation's impact on the environment – through increased resource use, greenhouse gas emissions and discharges to the environment.

Further to this, when Council's facilities don't incorporate ESD principles, the environmental impact, utility costs and lifecycle costs increase, resulting in environmental and financial implications to Council. The comfort and health of occupants in Council's buildings would also be compromised, for example, through fluctuating temperatures in facilities that have poor thermal performance.

A changing climate, such as sea level rise and more extreme and frequent weather events, will also impact on building fabric, durability, operational costs, structural integrity and future insurance and upgrade costs[26].

10.6 Monitoring and Evaluation

Council monitors and evaluates the energy and water usage and costs and greenhouse gas emissions from Council operated facilities. This information is used to track progress in achieving the organisation's environmental targets and the effectiveness of Council's policies and procedures (e.g. *ESD Standards*).

This reporting however is limited in that it does not capture or measure other ESD components, e.g. materials selection, sustainable transport initiatives.

Council can also use benchmarking of its facilities to other local government authorities, to compare the ESD performance and identify improvement actions.

10.7 Improvement Recommendations

It is recommended that Council implements the following recommendations to improve its environmentally sustainable design:

10.7.1 New Improvement Actions

35. Review Council's existing *Carbon Neutral Action Plan* (mitigation) - and develop a new prioritised investment plan for energy and water conservation measures in Council buildings;
36. Review Council's *Climate Change Impacts and Adaptation Plan*[27] (adaptation) - investigate new and emerging risks and keep abreast of research to inform changes to the design or management of Council buildings to prepare for a changing climate;
37. Implement and Monitor Council's ESD Standards for Council Buildings – continue to ensure that all new buildings, major upgrade and expansion works incorporate and adhere to the Environmental Sustainable Design standards;

[26] *Climate Change Impacts and Adaptation Plan*, Frankston City Council, frankston.vic.gov.au

[27] *Climate Change Impacts and Adaptation Plan*, Frankston City Council, frankston.vic.gov.au

38. Undertake Energy and Water Conservation Audits - to develop a new prioritised investment plan for Council buildings;
39. Continue to Undertake Monitoring and Reporting on Energy, Water Use and Greenhouse Gas Emissions - from Council operated facilities; and
40. Continue to Invest in Alternative Energy - for Council buildings to progress towards carbon neutrality and mitigate the cost of utilities.

11 Predicted Funding for Long-Term Financial Sustainability

The challenge for Council is to identify the desired service levels to be provided to the community and what it means to Council with respect to future expenditure. The future expenditure is dependent on a number of factors including:

- Current condition of the assets;
- Current maintenance and renewal expenditure; and
- Current maintenance and capital works practice.

11.1 Predictive Capital Funding Model

The predictive funding model in this Plan compares existing (status quo) intervention levels with two alternative scenarios. The table below summarises the three scenarios modelled.

	Scenario 1	Scenario 2	Scenario 3
Intervention Level	Status Quo (10)	Optimum (8.5)	High (7.5)
Renewal	Replace when unserviceable	Renew following investigation of assets exhibiting a history of failure	Replace assets before major failures occur and major renovation is required.
Compliance		Fund High and Medium priority Building Code compliance & Accessibility issues identified in the 2014-building audit over 5 years. Fund low priority Building Code compliance & Accessibility issues identified in the 2014 building audit over 10 years	Fund High and Medium priority Building Code compliance & Accessibility issues identified in the 2014-building audit over 5 years. Fund low priority Building Code compliance & Accessibility issues identified in the 2014 building audit over 10 years

Table 51 - Predictive capital funding options

Within the funding model the intervention level defines the level of service being delivered from a capital expenditure perspective. The status quo (an intervention level of 10) represents the lowest service level implying that assets will be replaced when they are unserviceable or failed.

11.2 Model Assumptions & Limitations

Attachment 13.9 outlines the model assumptions used for this exercise.

Council relies on the Moloney model which is commonly used by local government to undertake renewal modelling and benchmark the performance of Victorian Councils assets.

The Moloney model is somewhat simplistic and is limited to renewal and maintenance modelling only. It does not effectively support optimisation of decision-making regarding the lifecycle investment considering expenditure for asset renewal, upgrade and expansion. Disposals are normally considered a part of the renewal funding. The other restriction with the Moloney model is that asset owner cannot model decisions to accelerate specific projects, e.g. the Civic Centre, as it essentially determines the funding required when a component is forecasted to reach its renewal intervention level (cost and year of works).

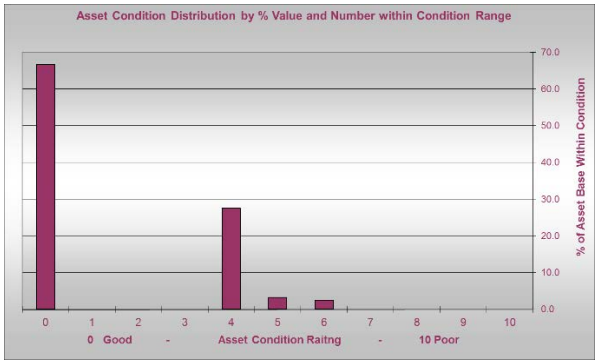
Due to the assumptions made in the development of the model, it is important that it is updated every 4 years when new condition audit data is collected. This will allow renewal projections to be recalculated and verified. Prior to this, Council should consider investment in a predictive modelling tool that is more sophisticated and has the capability to effectively support optimisation of investment in asset renewal, upgrade and expansion. FAMIS will have a module that will provide this functionality and as the organisation becomes sophisticated in service planning will further enhance its lifecycle modelling.

11.2.1 Building Portfolio Condition

Within the model the building is separated into the following asset groups:

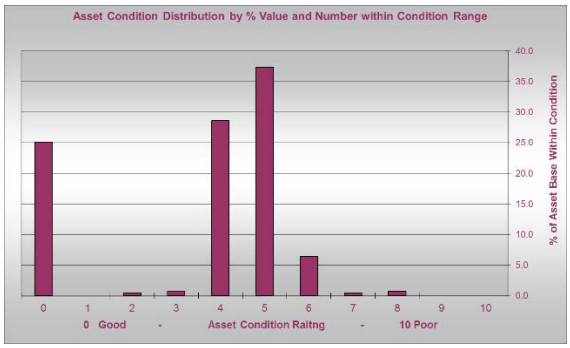
- Long life structures;
- Short life structures;
- Roof structure;
- Mechanical services; and
- Building fit out.

The condition profile identified from condition assessments completed by the Sustainable Assets Department in 2013/14 is identified below for each of the asset groups. A condition scale of 0 (as new) to 10 (unserviceable) is used in the Moloney model.



Long life structures

Short life structures



Roof structure

Mechanical services

Building Fit Out

Figure 32 - Existing condition profiles for building components

11.3 Predictive Renewal Funding Model Results

11.3.1 Renewal Modelling

The following graph illustrates the impact of modifying intervention levels on the twenty-year renewal forecast. As can be observed in Figure 33 below, the predicted annual renewal gap increases significantly for the highest level of service as some buildings/assets are currently beyond the high option ($6.1M) in 2017. The renewal gap increases substantially between 2017 and 2036 rising to $8.8M for the high option and $7.8M for the optimum level.

It should be further noted that the status quo experiences no condition based renewals in 2017 but increases up to $7.0M in 2036.

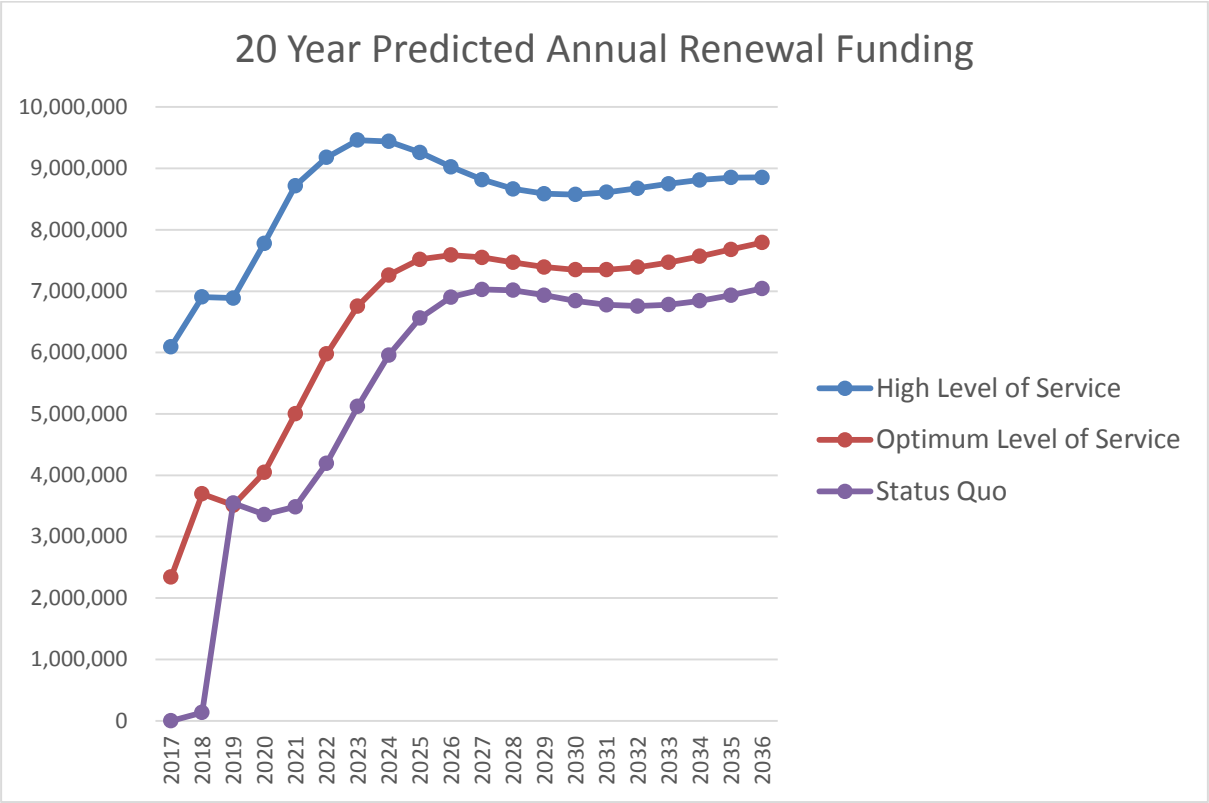


Figure 33 - 20 Year Predicted Annual Renewal Funding

While the varying options appear to converge in 2036, consideration needs to be given to the accumulative expenditure for each option in the next 20 years. This is discussed further in section 11.4.2 Renewal and Maintenance Lifecycle Analysis.

11.4 Predictive Maintenance Forecasting

To predict the future maintenance funding requirements, the model requires the input of escalation factors on the maintenance costs as the asset groups deteriorate over time. The adopted escalation factors are based on the expectation of maintenance costs as the asset groups age and pass through the various condition ranges e.g. If the building cladding is kept in good condition, then the maintenance costs for long life structures are only expected to rise by approximately 20% as the building ages.

Asset Group	Maintenance Cost ($p.a.)	Escalation Factor
Long life structures	$163,443	1.2
Short life structures	$1,275,910	1.5
Roof structure	$157,429	1.5
Mechanical services	$202,409	2.0
Building fitout	$449,798	1.2

Table 52 - Maintenance and Escalation Factor

The following figure illustrates the impacts on annual maintenance based on the outcomes of the modelling. The analysis demonstrates that increasing the level of service by analysing the modelling options from status quo to high results in the annual maintenance cost reducing from $3.9M to $2.1M over twenty years.

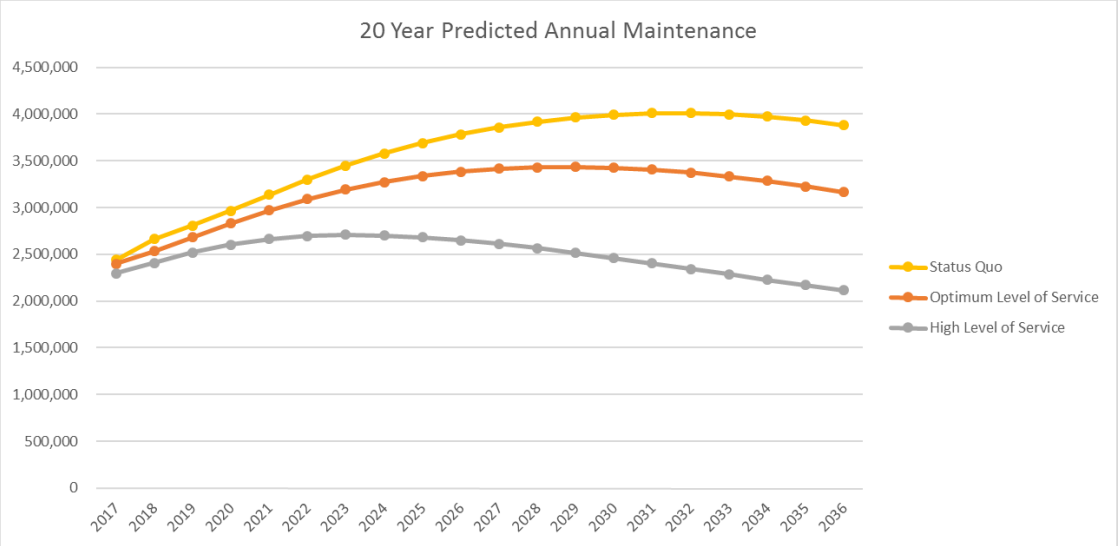


Figure 34 - Predicted Annual Maintenance Trends

The impact of the above figure becomes evident once the annual maintenance is accumulated over the twenty years. The result is that increasing the level of service leads to a reduction in the overall twenty-year forecast from $71.3M to $49.6M as illustrated in the figure below.

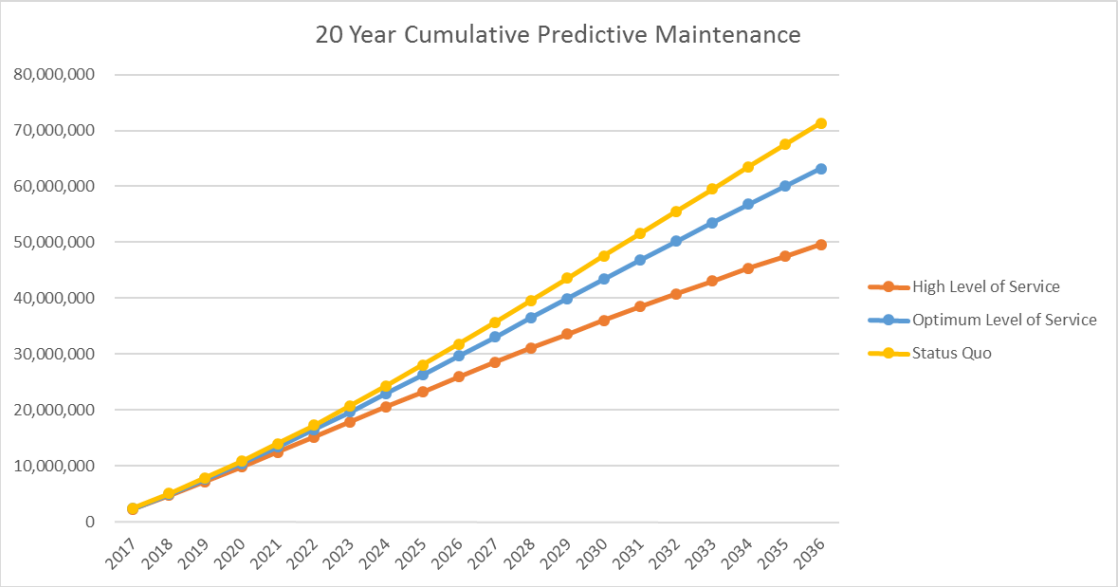
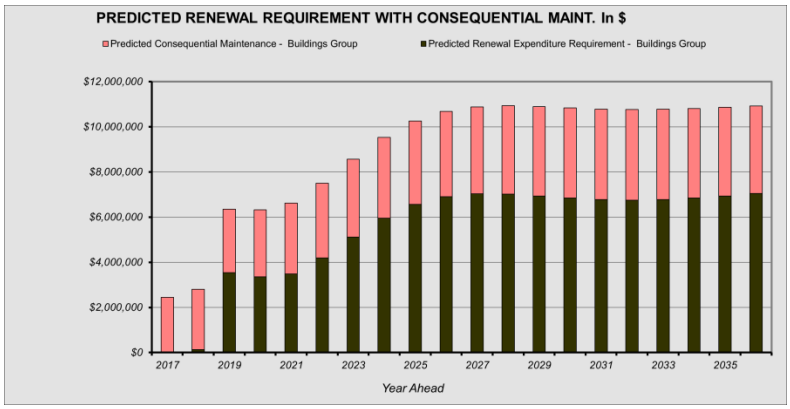


Figure 35 - Cumulative Predicted Maintenance Expenditure

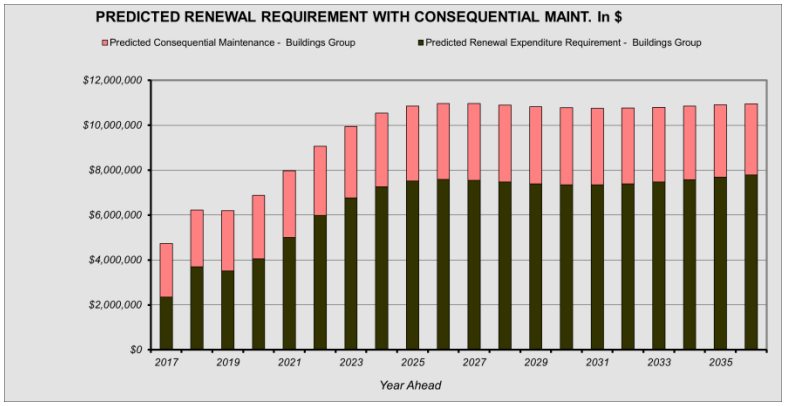
While the above observation will assist in identifying the appropriate level of service to adopt, it can only be considered when the maintenance and renewal trends are combined.

11.4.1 Combined Renewal and Maintenance

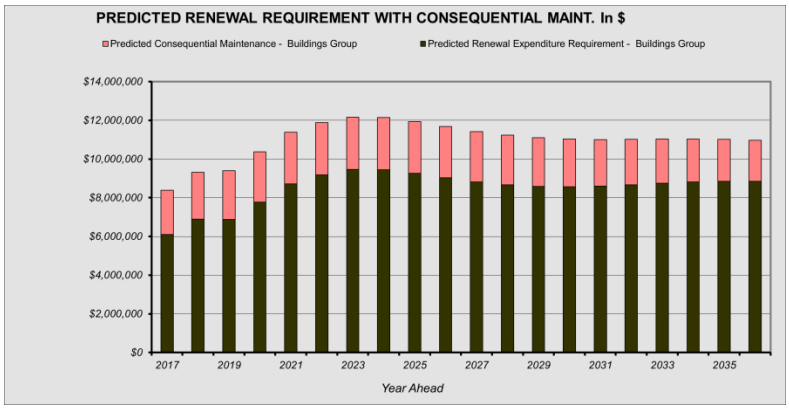
The result of the model analysis is illustrated in the charts below.



Replace when unserviceable



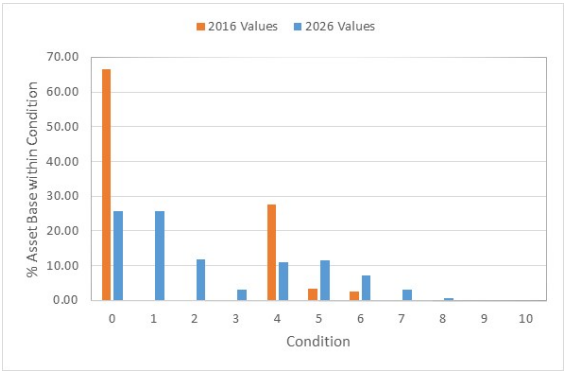
Replace at Optimum level of service



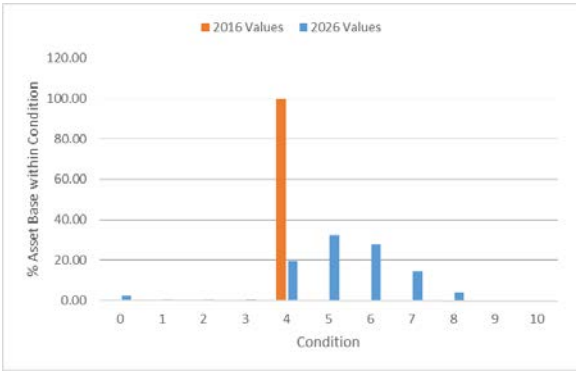
Replace at high level of service

Figure 36 - Results of Model Analysis by Level of Service

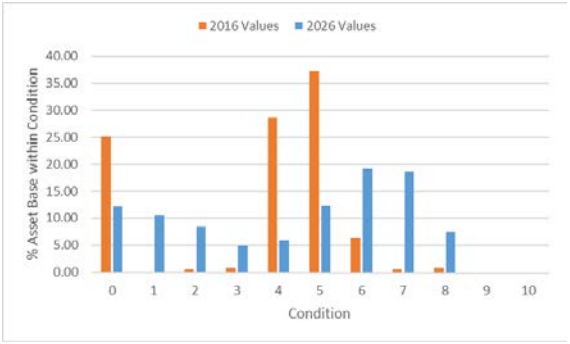
The resultant condition distribution after ten years for the building components are provided in the following charts. As identified in these charts the optimum solution has the effect of spreading the building component condition and therefore the financial burden over longer period of time, in this case ten years.



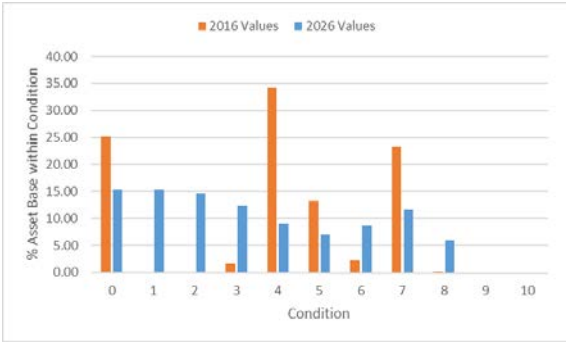
Long life structures



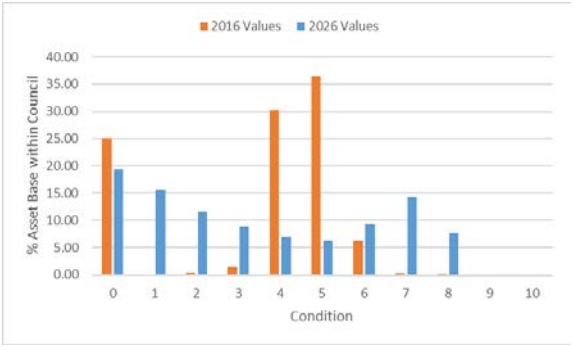
Short life structures



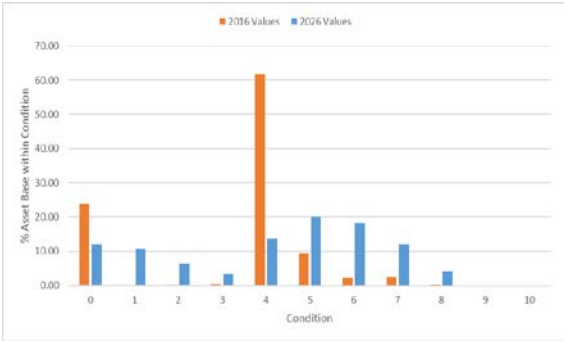
Roof structure



Mechanical services



Building Fit Out



Total Building Profile

Figure 37 - Condition profiles for building components after ten years of optimum funding

11.4.2 Renewal and Maintenance Lifecycle Analysis

The following figure illustrates the trend in combined renewal and maintenance costs for the various model scenarios.

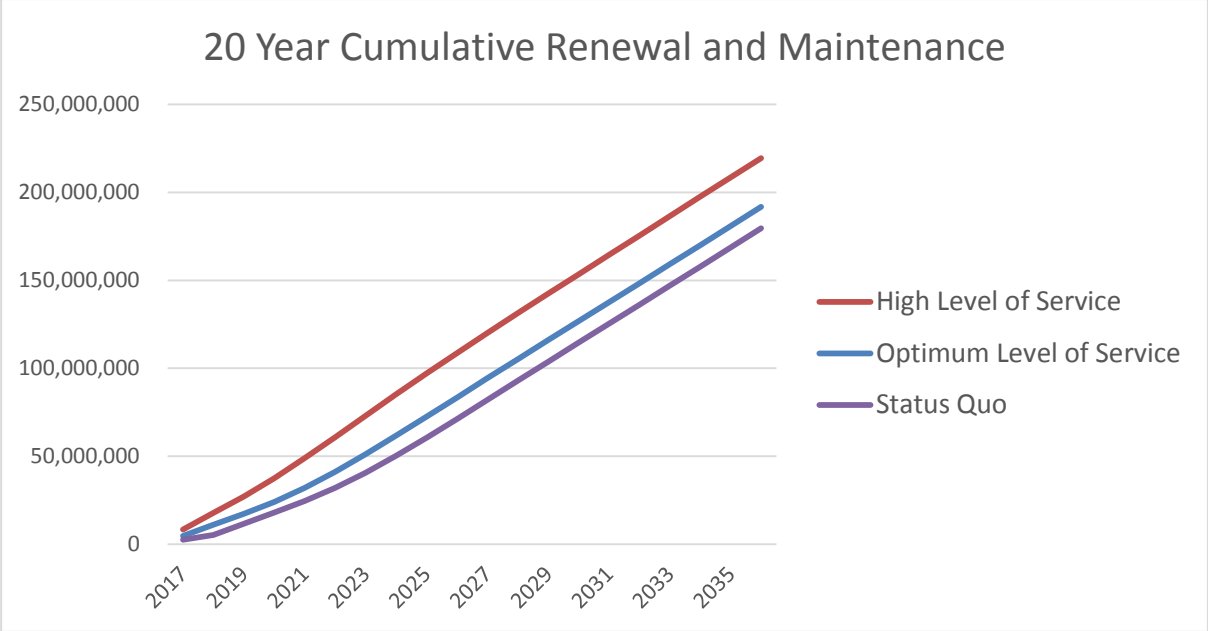


Figure 38 - 20 Year Cumulative Renewal and Maintenance Trends

The figure above is supported by the model output in the table below. It is apparent that as the service level moves from the status quo to a high level of service, the renewal forecast increases substantially ($62M) while the predicted maintenance cost reduces by approximately $22M. This produces an overall increase in lifecycle cost excluding new assets by $40M or an average increase of $2.0M per annum.

In addition, it is apparent that moving to the optimum level only produces an overall increase in lifecycle cost to $12M or an average increase of $0.6M p.a. This may be readily achieved by reducing the future corrective maintenance costs.

It should be recognised by Council that increasing the level of service of the building portfolio may drastically increase the lifecycle cost. Therefore, should Council require a higher level of service, it should recognise the future lifecycle costs.

Level of Service	Cumulative Renewal Forecast over 20 years ($)	Cumulative Predicted Maintenance over 20 years ($)	Total Lifecycle Cost over 20 years ($)
High	169,946,290	49,615,160	219,561,449
Optimum	128,716,374	63,186,143	191,902,517
Status Quo	108,220,818	71,348,302	179,569,120

Table 53 - 20 Year Lifecycle Costs

11.5 Lifecycle 20 Year forecasts

The Status Quo, condition rating 5 = failed (very poor) is not appropriate as it requires renewal of assets when they become unserviceable. This leaves Council open to unknown and unacceptable risk. Based on the results of the modelling a condition rating of approximately 4 should be considered the future optimum level providing the lifecycle cost can be reduced by monitoring and reducing corrective maintenance by $0.6M p.a.

The new maintenance contract being performance based will require the Contractor to implement a planned maintenance regime that could reduce corrective maintenance and therefore overall lifecycle costs.

The following table combines the results of the building audit, maintenance analysis and renewal modelling with the new/upgrade ten-year capital works program (2016/17).

	($'000)	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	Totals
OPERATIONS	Cleaning	1,000	1,120	1,120	1,120	1,120	1,120	1,120	1,120	1,120	1,120	11,080
	Security	200	280	280	280	280	280	280	280	280	280	2,720
MAINTENANCE	Current Maintenance	2,300										2,300
	Moloney Model (Optimum)		2,397	2,531	2,681	2,831	2,970	3,091	3,192	3,273	3,336	26,302
RENEWALS	Existing Renewal Funding	7,083	2,342	3,697	3,513	4,047	5,001	5,978	6,757	7,263	7,519	53,201
COMPLIANCE	OHS & DDA Compliance works	0	1,300	1,425	1,345	990	990	990	985	980	980	9,985
UPGRADE & NEW WORKS	New and upgraded leisure	8,333	4,252	4,500	8,406	7,820	7,280	6,600	7,700	2,670	1,100	58,661

	($'000)	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	Totals
	infrastructure											
	Environmental impact reduction initiatives	60	449	274	367	494	253	117				2,014

OPERATION		1,200	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	13,800
MAINTENANCE		2,300	2,397	2,531	2,681	2,831	2,970	3,091	3,192	3,273	3,336	28,602
RENEWAL		7,083	2,342	3,697	3,513	4,047	5,001	5,978	6,757	7,263	7,519	53,201
COMPLIANCE		0	1,300	1,425	1,345	990	990	990	985	980	980	9,985
UPGRADES & NEW WORKS		8,393[28]	4,701	4,774	8,773	8,314	7,533	6,717	7,700	2,670	1,100	60,675
TOTAL EXPEND.		18,976	12,140	13,827	17,712	17,582	17,894	18,176	20,034	15,586	14,335	166,262

Table 54 - Ten-year financial forecast based on twenty-year capital work program

[28] Source – Budget details 2015/16

11.5.1 Buildings excluded from the Modelling

Buildings excluded from the modelling included the buildings that leases and licences determine the tenant or occupant is responsible for renewal. These buildings are included in Attachment 13.2 of this Asset Management Plan.

11.5.2 Operations and Cleaning Forecasting

The expenditure on the existing contract for cleaning and security is $1M per annum and $0.25M p.a. Allowing for the additional 34 buildings to be added to the contract list implies a future forecast as follows (refer to section 5.2.5):

Cleaning: $1.12M per annum; and

Security: $0.28M per annum.

11.5.3 Compliance – Building Code of Australia

The funding required to address non-compliances with the Building Code of Australia, as identified during the 2014 audit is initially $1.3M in 2016/17 varying annually as identified in the future forecast table.

Non-compliances with the Building Code of Australia can be addressed at the rate identified in Table 52 previously.

11.6 Recommended Funding Strategy

The funding targets considered necessary to deliver sound building asset management for the next five years is summarised in Table 53. These funding levels have been determined by considering the modelling results summarised in the previous sections in the context of budget pressures.

By 2016-17 the State Government will now requires all councils to justify to the Essential Services Commission (ESC) any rate increases above inflation. This is expected to constrain Council budgets over future years. It is therefore recommended that Council limit investment in new buildings and building expansion and instead focus its attention on the compliance and renewal of the retained building stock.

It is also recommended that Council focus its capital spending on addressing the identified high priority non-compliances with the Building Code of Australia over the next 10 years and with the provisions of the Disability (Access to Premises – Buildings) Standards 2010 over the next 7 years.

Implementation of the High and Medium priority BCA compliance works should occur regardless of whether there are other projects planned for the affected buildings. If funding is limited, delivery of lower priority compliance works could be implemented at a later date when they can be aligned with renewal, upgrade and expansion projects. Delays in implementation of compliance works however should be minimised to reduce the risk to Council.

When delivering the renewal program, it is important where possible and feasible to coordinate the delivery of the renewal works so that renewals are undertaken at the same time as upgrade and expansion projects that seek to improve building functionality. Combining renewal works with upgrades and expansions can reduce the overall discretionary spending whilst reducing Council's renewal liability and minimise service delivery disruptions.

Investment in data improvements, service planning and other improvement recommendations, noted throughout this document and summarised in the following Chapter is considered a priority so that well-informed decisions can be made.

Proposed Funding ($'M)					
	2016/17	2017/18	2018/19	2019/20	2020/21
Capital Works – Non-Discretionary					
Compliance (BCA)	$1.300	$1.425	$1.345	$0.990	$0.990
Renewal [29]	$2.342	$3.697	$3.513	$4.047	$5.001
Capital Works – Discretionary					
New and Upgrade	$4.701	$4.774	$8.773	$8.314	$7.533
Operating Budget					
Maintenance	$2.397	$2.531	$2.681	$2.831	$2.970
Operations (Cleaning and Security)	$1.400	$1.400	$1.400	$1.400	$1.400
Totals	**$12.140**	**$13.827**	**$17.712**	**$17.582**	**$17.894**

Table 55 – Future 5-Year Funding as per the twenty-year capital works plan

Under the Optimum funding scenario, it is important that the objectives of Council's Asset Management Policy are applied. Upon approving any new or upgrade capital works project, appropriate lifecycle funding for maintenance and operation should be determined and committed within the operational budget. It is therefore important that Council staff have the necessary skills to estimate the lifecycle costs for all new and upgrade projects.

To achieve improved asset management outcomes, a sustained commitment to the provision of adequate funding for asset renewal, maintenance and upgrade is required. It must be noted however that sound building asset management and sustainability are not solely reliant on the provision of funds from external sources.

Continual assessment of the appropriateness of the current building portfolio via service planning is necessary so that surplus underutilised buildings that are no longer able to feasibly meet community service needs are disposed of and the savings redirected to fund improvement actions.

[29] Intervention Level = 8.5, Optimum funding levels

Without good quality reliable centralised building asset data and comprehensive property management protocols, investment in building projects cannot be optimised. Investment in the implementation of the improvement actions set out in the following Chapter is necessary if Council is to deliver future compliance, renewal, upgrade and expansion projects efficiently and cost effectively.

11.7 Funding Sources

Council has access to a number of funding sources to support delivery of this Building Asset Management Plan. Funding sources include:

- Rates;
- Federal and State Government Grants;
- Private and Public Partnerships;
- Borrowings;
- Earnings from Asset Disposals; and
- Savings:
    - Greater utilisation of building stock;
    - Modification or reduction in service and asset standards; and
    - Changes to service delivery models.

It is recommended that Council proactively seek grants and partnership opportunities (for new assets), as well as consider the disposal of surplus or obsolete assets to supplement investment in asset provision and management.

11.8 Improvement Recommendations

It is recommended that Council implements the following recommendations to improve its long term financial sustainability:

11.8.1 New Improvement Actions

41. Adopt the Optimum Lifecycle Funding Scenario - as the tactic for future funding of the building portfolio;
42. Continuously Review the Building Renewal Modelling - in depth prior to the completion of the next condition audit and subsequent development of the next version of the asset management plan;
43. Continue to Work Towards Reducing the Reactive Maintenance Cost - by actively monitoring the next maintenance contract and reducing requests by Council personnel for the Contractor to complete 'out of scope' services; and
44. Prioritise Compliance and Renewal Works - Council to focus its attention on BCA and DDA compliance work and renewal of the building stock.

12 Improvement Plan

12.1 Introduction

The improvement projects presented in this Chapter are the result of work done in developing Council's Asset Management Strategy (2013-12017) as well as this Building Asset Management Plan. The projects are intended to enable Council to move toward best practice asset management. Implementation of this Plan will ensure that Council buildings will be more proactively and sustainably managed in future years.

12.2 Proposed Implementation Approach

The Manager Sustainable Assets, with support from the AMLT, will be charged with responsibility for coordinating, monitoring and supporting the implementation of all actions. Where additional resources outside existing budget constraints are required, the Manager will provide guidance to the Executive on the nature, priority and extent of extra resources needed to implement the AM Improvement Action Plan in a timely manner. Given that a number of the recommended improvement actions are interdependent, it is expected that where possible the delivery of related projects will be combined.

Each Project Leader (Manager) will be charged with responsibility for incorporating delivery of the assigned actions into their annual business plan. Further work is therefore required, by each proposed Project Leader, to define the scope of each action in more detail and review the project delivery costs and resource requirements, which are all estimates at this stage. Consultation with key stakeholders will be necessary during this planning stage.

In the event that multiple stakeholders are expected to contribute to the successful delivery of an Action it will be incumbent on the Project Leader to define the scope, estimate the hours required to complete the works and communicate this information to all stakeholders to ensure they too allocate appropriate time and resources to work collaboratively on the improvement project.

For some projects, it may be necessary for the nominated Project Leader, to prepare a submission to seek additional funding for the delivery of the improvement project. Consideration for funding of new initiatives occurs either during the development of the annual budget or at mid-year budget reviews.

12.3 Improvement Recommendations

The table below outlines the recommended improvement actions. Where appropriate actions proposed in the Asset Management Strategy (2013-12017) are modified based on organisational changes that have occurred since 2013 and the analysis undertaken when preparing the BAMP.

ID	Action	Recommended Project Leader	Stakeholders	Project Status	Programming of Works			
					2016/ 17	2017/ 18	2018/ 19	2019/ 20
AM STRATEGY RECOMMENDATIONS								
1	Identify Council Services - Assign Service & Asset Lifecycle Management Responsibilities	Service Managers	Executive Management Team Corporate Planning	Council commenced a service planning approach in March 2016.	✓			
2	Develop Service Plans – Define desired levels of service for key asset groups which also considers asset utilisation analysis, establishment of Fitness for Purpose (FFP) assessment criteria; assessment of the current building stock against the FFP criteria and develop a template of service planning that meets the needs of future BAMP's as described in Chapter 2.	Service Managers	Executive Management Team Corporate Planning Asset Managers	Council commenced a service planning approach in March 2016.	✓			

ID	Action	Recommended Project Leader	Stakeholders	Project Status	Programming of Works			
					2016/ 17	2017/ 18	2018/ 19	2019/ 20
8	Review Council Design and Construction Standards - To fast track design (including colour and material palettes), drive standardisation and embed continuous improvement, develop standardised colour and material palettes to speed up the selection of items like paint and carpet.	Facilities	Sustainable Assets			✓		
12	Develop Asset Rationalisation/Disposal Policy (currently in draft form)	Sustainable Assets	Financial Services Commercial Services Executive Management Team	Draft currently under development in 2015/16.	✓			
13	Undertake Asset Rationalisation Assessment – Consider the vacant buildings (Attachment 13.7), buildings which the valuers have assigned 5 years (or less) remaining life (Attachment 13.6) and the buildings in a Very Poor condition (Attachment 13.8) for potential disposal.	Sustainable Assets	Financial Services Commercial Services Executive Management Team Service Managers			✓	✓	✓

ID	Action	Recommended Project Leader	Stakeholders	Project Status	Programming of Works			
					2016/ 17	2017/ 18	2018/ 19	2019/ 20
14	Continue to Invest in Council's Asset Management Information System and Associated Business Process Improvements – Development of the Frankston Asset Management Information System to manage all aspects of the building lifecycle, house asset data and undertake optimised financial modelling	Sustainable Assets	Business Information Technology Facilities Commercial Services Financial Services	Task is currently funded within the capital and operational budget.	✓	✓	✓	✓
15	Review Quality of Asset Register Data – Reconcile Financial (T1) and FAMIS register so the Declared Insurance Asset Register is included in the reconciliation process and so that the building asset data needs of all stakeholders are incorporated into the FAMIS Project for facilities.	Sustainable Assets	Business Information Technology Facilities Commercial Services Financial Services	Project currently underway.	✓	✓	✓	✓

ID	Action	Recommended Project Leader	Stakeholders	Project Status	Programming of Works			
					2016/ 17	2017/ 18	2018/ 19	2019/ 20
16	Develop Data Management Guidelines and Responsibilities – review and implement best practice data management	Sustainable Assets	Business Information Technology		✓	✓	✓	✓
20	Develop Asset Valuation Policy - for asset additions, upgrades and disposals including how to value assets identified during asset inventory collection projects (currently in draft form)	Sustainable Assets	Financial Services Commercial Services Executive Management Team	Draft currently under development in 2015/16.	✓			
22	Introduce Rolling Program of Building Compliance Audits - Review Council's approach to ensuring compliance with the Building Code of Australia particularly with regard to the monitoring and maintenance of Fire Services. (Refer Chapter 6)	Facilities	Sustainable Assets		✓			

ID	Action	Recommended Project Leader	Stakeholders	Project Status	Programming of Works			
					2016/ 17	2017/ 18	2018/ 19	2019/ 20
26	Review Facility Occupancy Agreements – Work is required to acquire alignment the various organisations' objectives in terms of service and asset provision and property management.	Commercial Services	Facilities Financial Services Service Managers Sustainable Assets Executive Management Team	Project currently underway.	✓	✓		
29	Introduce Service and Asset Management KPI's into Relevant Staff Position Descriptions - Ensure accurate Position Descriptions and personal development plans are in place to assist the development of all members of the Facilities and Sustainable Assets Departments.	Human Resources	Sustainable Assets Executive Management Team Departmental Managers		✓			

ID	Action	Recommended Project Leader	Stakeholders	Project Status	Programming of Works			
					2016/ 17	2017/ 18	2018/ 19	2019/ 20
NEW RECOMMENDATIONS								
1	That a Service Planning Program be Implemented – a mechanism be created and embedded to facilitate Council with enough information to provide direction as to the following: - What services does the community require? - What will be the service delivery model for provision? - What will be the level of service provided to the community?	Director Corporate Development	Executive Management Team Departmental Managers Corporate Planning	Council commenced a service planning approach in March 2016.	✓			

ID	Action	Recommended Project Leader	Stakeholders	Project Status	Programming of Works			
					2016/ 17	2017/ 18	2018/ 19	2019/ 20
2	Creation of Integrated Systems and Processes to Drive Service Planning - officers to ensure that there are appropriate systems and processes developed to ensure that seamless integration between service and asset planning occurs.	Director Corporate Development	Executive Management Team Departmental Managers Corporate Planning	Council commenced a service planning approach in March 2016.		✓	✓	✓
3	Ensure Appropriate Condition, Compliance, Accessibility and Defect Asset Data is Collated and Maintained – it is critical that building data is managed in a pre-agreed format with which to inform renewal and maintenance works. Council continues to support the development of the Frankston Asset Management (particularly the facilities module) Information System to be the corporate asset management software and the single source of truth	Sustainable Assets	Business Information Technology Facilities		✓	✓	✓	✓

ID	Action	Recommended Project Leader	Stakeholders	Project Status	Programming of Works			
					2016/ 17	2017/ 18	2018/ 19	2019/ 20
4	Building Asset Data Improvement - review and reconciliation of all building asset data is necessary prior to the implementation of the FAMIS Project for Facilities	Sustainable Assets	Facilities Commercial Services Financial Services	Project currently underway.	✓			
5	Establish a Consistent Corporate Building Asset Register - that is used by all staff and integrated into other corporate software	Sustainable Assets	Facilities Commercial Services Financial Services Business Information Technology	Project currently underway.	✓			
6	Integration Between Maintenance Contractor and Council Software Systems - upon the awarding of the next maintenance contract specify the need for the Contractor to integrate its asset management software system into FAMIS to capture and hold all maintenance data	Business Information Technology	Facilities Commercial Services Financial Services Sustainable Assets		✓			

ID	Action	Recommended Project Leader	Stakeholders	Project Status	Programming of Works			
					2016/ 17	2017/ 18	2018/ 19	2019/ 20
7	Consistent Capture of Building Maintenance Requests - develop systems and protocols to ensure all building maintenance requests are entered into Pathways so that the true quantum of requests can be captured, monitored and managed	Facilities	Business Information Technology Sustainable Assets		✓			
8	Development of Property Management Functionality in FAMIS – as part of the development of FAMIS ensure that all property management functions have been provided for	Business Information Technology	Sustainable Assets Commercial Services	Project currently underway.	✓			

ID	Action	Recommended Project Leader	Stakeholders	Project Status	Programming of Works			
					2016/ 17	2017/ 18	2018/ 19	2019/ 20
9	Identify and Invest in an Optimised Decision Modelling Tool - Investigate availability of a predictive modelling tool that is more sophisticated than the Moloney model and has the capability to more effectively enable lifecycle cost scenario modelling for optimisation of investment in asset renewal upgrade and expansion. Also Investigate Building Information Modelling (BIM) tools for larger new builds	Sustainable Assets	Business Information Technology Facilities					✓
10	Implement the Use of the Building Hierarchy - that the proposed Building Hierarchy is endorsed and utilised to drive asset management and funding decisions	Sustainable Assets	Facilities Service Managers		✓			

ID	Action	Recommended Project Leader	Stakeholders	Project Status	Programming of Works			
					2016/ 17	2017/ 18	2018/ 19	2019/ 20
11	Review of Tenant Building Insurance Approach – officers to revise the current approach to insuring Council's buildings and considers taking responsibility for all insurance and charges tenants an appropriate figure	Commercial Services	Financial Services			✓		
12	Rationalisation of Valuation and Insurance Building Audits - that officers examine the opportunity to rationalise and award to one contractor the biennial and three yearly valuation and risk audits	Financial Services	Commercial Services Sustainable Assets			✓		
13	Implementation of Facilities Maintenance Service Review – responsible officers considers the issues as raised in sections 5.2.9 – Previous Maintenance Issues, 5.2.10 – Previous Maintenance Expenditure and 5.2.11 – Lessons Learnt and addresses the identified gaps	Facilities	Commercial Services Sustainable Assets Financial Services Executive Management Team	Project currently underway.	✓			

ID	Action	Recommended Project Leader	Stakeholders	Project Status	Programming of Works			
					2016/ 17	2017/ 18	2018/ 19	2019/ 20
14	Budget Management – responsible officers allocates work to the appropriate budget accounts and avoids cross pollination of funds so that better trend analysis can be undertaken	Facilities	Sustainable Assets Financial Services	Task is currently funded within the operating budget.	✓	✓	✓	✓
15	Timely Execution of Renewal and Compliance Works - that Council avoids delaying renewal and compliance expenditure until it has been imminently confirmed the that the building will be declared surplus to service needs	Facilities	Sustainable Assets Commercial Services Executive Management Team		✓	✓	✓	✓
16	Expenditure of Nominated Renewal Funding - that the underspending of renewals is discouraged as it will contribute to the renewal gap and opportunities to accelerate other projects is lost	Facilities	Sustainable Assets Executive Management Team		✓	✓	✓	✓

ID	Action	Recommended Project Leader	Stakeholders	Project Status	Programming of Works			
					2016/ 17	2017/ 18	2018/ 19	2019/ 20
17	Completion of Building Defect Trend Analysis - that responsible officers investigate the common defect types as identified in the 2013/14 audit and develop strategies to better manage these component failures	Facilities	Sustainable Assets			✓	✓	✓
18	Development of a Fitness for Purpose Assessment – the creation of a tool to assist service managers in determining if buildings that support their services are appropriate	Sustainable Assets	Executive Management Team Service Managers Corporate Planning			✓		
19	Collection of Building Utilisation Data - investigate systems and processes to collect utilisation data for Council's building network to assist in identifying rationalisation opportunities	Facilities	Sustainable Assets Commercial Services Executive Management Team				✓	

ID	Action	Recommended Project Leader	Stakeholders	Project Status	Programming of Works			
					2016/ 17	2017/ 18	2018/ 19	2019/ 20
20	Development of Building Service Levels - joint review of the draft service levels (refer Attachment 13.10) by the responsible officers so that agreement on the standard can be reached, defined and delivered	Facilities	Sustainable Assets Service Managers Executive Management Team Commercial Services	Task is currently funded within the operating budget.	✓			
21	Provision of Demand and Trend Analysis Training - that each Service Manager be trained in analysing and assessing the drivers and demand for their services which will inform their Service Plans and asset needs	Human Resources	Sustainable Assets Service Managers Executive Management Team				✓	✓

ID	Action	Recommended Project Leader	Stakeholders	Project Status	Programming of Works			
					2016/ 17	2017/ 18	2018/ 19	2019/ 20
22	Investigation of Building Demand Management Strategies – responsible officers consider and develop demand management strategies to relieve pressure on existing buildings and improve utilisation for others without needing to increase building numbers	Sustainable Assets	Facilities Commercial Services Service Managers Executive Management Team				✓	✓

ID	Action	Recommended Project Leader	Stakeholders	Project Status	Programming of Works			
					2016/ 17	2017/ 18	2018/ 19	2019/ 20
23	Define Property Management Roles and Responsibilities - stakeholder discussions need to be held so that agreement can be reached regarding the roles and responsibilities of each department with respect to property management for all properties within Council's asset portfolio. The property management approach must be aligned with the objectives of Council's adopted Asset Management Policy and Strategy and aligned with desired service outcomes and community needs	Commercial Services	Facilities Service Managers Executive Management Team Sustainable Assets			✓		
24	Address Building Issues as Listed in Council's Risk Register - the responsible officers consider the building risk register in section 8.3 and implements mitigating measures to reduce and eliminate the risk where	Commercial Services	Departmental Managers Executive Management Team		✓	✓	✓	✓

ID	Action	Recommended Project Leader	Stakeholders	Project Status	Programming of Works			
					2016/ 17	2017/ 18	2018/ 19	2019/ 20
25	Renewal and New/Upgrade Ranking Criteria & Review of Current Programs - Develop transparent renewal ranking criteria for use in the development of the building renewal programs. Use the building hierarchy scores (which reflect the building criticality. Review the current capital renewal programs and align with proposed funding requirements.	Sustainable Assets	Service Managers Facilities Executive Management Team	Task is currently funded within the operating budget.	✓	✓	✓	✓
26	Undertake 4 year cycle of Fitness For Purpose Audits - When Fitness for Purpose Criteria have been set in Service Plans, undertake these audits to identify gaps and inform upgrade, expansion, disposal and collocation decisions.	Service Managers	Sustainable Assets Facilities Executive Management Team Commercial Services				✓	

ID	Action	Recommended Project Leader	Stakeholders	Project Status	Programming of Works			
					2016/ 17	2017/ 18	2018/ 19	2019/ 20
27	Project Management Framework Implementation - Develop and implement policies, processes, procedures and systems to fully support the implementation of the Project Management Framework a. Formalising the approach to ensuring that input from Facilities team is part of the design process by ensuring that they are invited to design team meetings. b. Standardised protocols regarding, commissioning, testing, and the format and completeness of O&M manuals. c. Building asset handover process. d. Establish a stronger, more transparent link between service planning and the feasibility of: i. building disposals, and ii. building creation, upgrade and expansion projects	Sustainable Assets	Facilities Service Managers Financial Services Executive Management Team	Task is currently funded within the operating budget.	✓	✓	✓	✓

ID	Action	Recommended Project Leader	Stakeholders	Project Status	Programming of Works			
					2016/ 17	2017/ 18	2018/ 19	2019/ 20
28	Provision of Facilities Management Training – educate and skill responsible officer in best practice facilities management	Human Resources	Facilities Services Managers			✓	✓	✓
29	Establish Schedule of Rates Sub-Contractor Panels - for single trades like painting and carpet replacement.	Facilities	Commercial Services	Project currently underway.	✓			
30	Implementation of a Asset Option Analysis Philosophy - when considering the creation or acquisition of an asset that the service and asset managers undertake an Asset Options Analysis to determine the best asset provision option	Sustainable Assets	Service Managers Facilities Financial Services Commercial Services Executive Management Team			✓	✓	✓

ID	Action	Recommended Project Leader	Stakeholders	Project Status	Programming of Works			
					2016/ 17	2017/ 18	2018/ 19	2019/ 20
31	Endorse the Option Four Service Delivery Model for Maintenance - that Council endorses Option Four of the Facilities Management Contract Review and recommendation as provided in section 9.3.4 and implements with the forthcoming tendering of the new maintenance contract and addresses issues as identified in Chapter 5.	Executive Management Team	Facilities		✓			
32	Application of Funding Within the Correct Capital Works Budget Stream - resist utilising renewal funding to address fitness for purpose issues (new, upgrade and expansion works)	Facilities	Service Managers Sustainable Assets Financial Services		✓	✓	✓	✓

ID	Action	Recommended Project Leader	Stakeholders	Project Status	Programming of Works			
					2016/ 17	2017/ 18	2018/ 19	2019/ 20
33	Improve Capital Works Project Planning - so that there is more integration of the timing and scope of the 20 year building renewal programs with new, upgrade and building expansion projects. This will enable better use of non-discretionary renewal funds whilst simultaneously improving building condition and functionality.	Sustainable Assets	Facilities Service Managers Financial Services Executive Management Team	Task is currently funded within the operating budget.	✓	✓	✓	✓
34	Define the Roles and Responsibilities of all Integrating (enablers) Departments - to ensure there is consistency and alignment with common objectives that support service and asset managers	Sustainable Assets	Executive Management Team Financial Services Human Resources Business Information Technology Commercial Services Service Managers			✓		

ID	Action	Recommended Project Leader	Stakeholders	Project Status	Programming of Works			
					2016/ 17	2017/ 18	2018/ 19	2019/ 20
35	Review Council's existing Carbon Neutral Action Plan (mitigation) - and develop a new prioritised investment plan for energy and water conservation measures in Council buildings	Sustainable Assets	Executive Management Team Departmental Managers		✓			
36	Review Council's Climate Change Impacts and Adaptation Plan (adaptation) - investigate new and emerging risks and keep abreast of research to inform changes to the design or management of Council buildings to prepare for a changing climate	Sustainable Assets	Executive Management Team Departmental Managers			✓		
37	Implement and Monitor Council's ESD Standards for Council Buildings – continue to ensure that all new buildings, major upgrade and expansion works incorporate and adhere to the Environmental Sustainable Design standards	Sustainable Assets	Facilities Executive Management Team	Task is currently funded within the operating budget.	✓	✓	✓	✓

ID	Action	Recommended Project Leader	Stakeholders	Project Status	Programming of Works			
					2016/ 17	2017/ 18	2018/ 19	2019/ 20
38	Undertake Energy and Water Conservation Audits - to develop a new prioritised investment plan for Council buildings	Sustainable Assets	Facilities Executive Management Team	Task is currently funded within the operating budget.	✓	✓	✓	✓
39	Continue to Undertake Monitoring and Reporting on Energy, Water Use and Greenhouse Gas Emissions - from Council operated facilities	Sustainable Assets	Facilities Executive Management Team	Task is currently funded within the operating budget.	✓	✓	✓	✓
40	Continue to Invest in Alternative Energy - for Council buildings to progress towards carbon neutrality and mitigate the cost of utilities	Sustainable Assets	Facilities	Task is currently funded within the capital budget.	✓	✓	✓	✓
41	Adopt the Optimum Lifecycle Funding Scenario - as the tactic for future funding of the building portfolio	Executive Management Team	Facilities Sustainable Assets Financial Services		✓			

ID	Action	Recommended Project Leader	Stakeholders	Project Status	Programming of Works			
					2016/ 17	2017/ 18	2018/ 19	2019/ 20
42	Continuously Review the Building Renewal Modelling - in depth prior to the completion of the next condition audit and subsequent development of the next version of the asset management plan	Sustainable Assets	Facilities Financial Services Executive Management Team	Task is currently funded within the operating budget.	✓	✓	✓	✓
43	Continue to Work Towards Reducing the Reactive Maintenance Cost - by actively monitoring the next maintenance contract and reducing requests by Council personnel for the Contractor to complete 'out of scope' services	Facilities	Executive Management Team		✓	✓	✓	✓
44	Prioritise Compliance and Renewal Works - Council to focus its attention on BCA and DDA compliance work and renewal of the building stock	Facilities	Sustainable Assets Service Managers		✓	✓	✓	✓

Table 56 – Improvement Recommendations

13 Attachments

13.1 Buildings Included In the Predictive Financial Model

The list below contains 280 Buildings that are included within the BAMP Financial Model. This list has been comprised from buildings where Council owns or part owns the building and is included in the Asset Planning building register. Of these 280 buildings, 251 were audited in 2014 and an additional 29 buildings, under construction during the conduct of the audit, are also included.

The full source of this extract can be obtained from the Sustainable Assets Department.

Building_ID	Building_Name	Include for BAMP modelling	TechOne	Audit 2014
DS1-028	Baxter Park Caretakers Residence	Yes	Yes	Yes
DS1-029	Baxter Park Cricket Pavilion	Yes	Yes	Yes
DS1-030	Baxter Park Football Oval (no. 6) Toilet Block	Yes	Yes	Yes
DS1-031	Baxter Park Football Pavilion (Bombers - oval 6)	Yes	Yes	Yes
DS1-034	Baxter Park Soccer Pavilion	Yes	Yes	Yes
DS1-036	Baxter Park Workshop	Yes	Yes	Yes
DS1-037	Baxter Park Oval 2 Toilet Block	Yes	Yes	Yes
DS1-041	Beauty Park Rotunda/Picnic Shelter	Yes	Yes	Yes
DS1-060	Bruce Park Hall	Yes	Yes	Yes

Building_ID	Building_Name	Include for BAMP modelling	TechOne	Audit 2014
DS1-061	Bruce Park Pavilion - Football/Cricket	Yes	Yes	Yes
DS1-073	Centenary Park Curators Residence	Yes	Yes	Yes
DS1-080	Centenary Park Golf Toilet Block	Yes	Yes	Yes
DS1-082	Centenary Park Golf Works Machinery Shop	Yes	Yes	Yes
DS1-085	Centenary Park Pro Shop and Social Room	Yes	Yes	Yes
DS1-128	Frankston Croquet Club	Yes	Yes	Yes
DS1-132	Frankston Lifesaving Club and Restaurant	Yes	Yes	Yes
DS1-138	Frankston Football Club NW Toilet Block	Yes	Yes	Yes
DS1-141	Frankston Football Club SW Toilet Block	Yes	Yes	Yes
DS1-146	Frankston Foreshore Toilet Block (opp Caltex)	Yes	Yes	Yes
DS1-148	Frankston Waterfront Rotunda / Barbeque Shelter (boat ramp)	Yes	Yes	Yes
DS1-149	Sofia's Restaurant and Visitor Information Centre	Yes	Yes	Yes
DS1-154	Botanic Gardens Toilet Block (opp Mount View Ct)	Yes	Yes	Yes
DS1-155	George Pentland Gardens Workshop	Yes	Yes	Yes
DS1-177	Keast Park Community Pavilion	Yes	Yes	Yes
DS1-193	Leawarra House	Yes	Yes	Yes

Building_ID	Building_Name	Include for BAMP modelling	TechOne	Audit 2014
DS1-206	Lloyd Park Toilet Block (near Scouts Hall & tennis)	Yes	Yes	Yes
DS1-215	Beach Street Public Toilet Block	Yes	Yes	Yes
DS1-216	Meals-On-Wheels Kitchen	Yes	Yes	Yes
DS1-217	Mechanics Hall	Yes	Yes	Yes
DS1-223	Monterey Reserve Playground Toilet Block	Yes	Yes	Yes
DS1-229	Oliver Hill Boat Ramp Toilet Block	Yes	Yes	Yes
DS1-252	Frankston Skate Park Toilet & YMCA Office	Yes	Yes	Yes
DS1-258	Foreshore Toilet Block (adj Long Island Tennis)	Yes	Yes	Yes
DS1-259	Foreshore Toilet Block (opp Armstrongs Rd)	Yes	Yes	Yes
DS1-260	Foreshore Toilet Block (opp Mcculloch Ave)	Yes	Yes	Yes
DS1-261	Foreshore Toilet Block (opp Seaford Rd)	Yes	Yes	Yes
DS1-269	Seaford Lifesaving Club	Yes	Yes	Yes
DS1-280	Victoria Park - PLOS Musical Productions	Yes	Yes	Yes
DS1-282	Victoria Park Triathletes Pavilion	Yes	Yes	Yes
DS1-302	Botanic Gardens Toilet Block (NE corner)	Yes	Yes	Yes
DS2-035	Baxter Park Tennis Clubhouse	Yes	Yes	Yes

Building_ID	Building_Name	Include for BAMP modelling	TechOne	Audit 2014
DS2-058	Bruce Park Clubhouse - Tennis	Yes	Yes	Yes
DS2-127	Frankston Bowling Club	Yes	Yes	Yes
DS2-130	Frankston East Tennis Clubhouse	Yes	Yes	Yes
DS2-142	Bryan Mace Grandstand - Frankston Park	Yes	Yes	Yes
FC1-001	Abbeyfield House Seniors Residence	Yes	Yes	Yes
FC1-002	Baden Powell Reserve Pavilion	Yes	Yes	Yes
FC1-003	Baden Powell Maternal and Child Health Centre	Yes	Yes	Yes
FC1-004	Baden Powell Pre-School	Yes	Yes	Yes
FC1-005	Ballam Park Homestead	Yes	Yes	Yes
FC1-006	Ballam Park Homestead Blacksmith's Shop and Buggy Shed	Yes	Yes	Yes
FC1-007	Ballam Park Homestead Caretakers Residence	Yes	Yes	Yes
FC1-009	Ballam Park Homestead Museum	Yes	Yes	Yes
FC1-010	Ballam Park Homestead Parkland Services (CGI) Garage	Yes	Yes	Yes
FC1-011	Ballam Park Homestead Resource Centre	Yes	Yes	Yes
FC1-012	Ballam Park Homestead Storage	Yes	Yes	Yes
FC1-013	Ballam Park Homestead Storage and Garage	Yes	Yes	Yes

Building_ID	Building_Name	Include for BAMP modelling	TechOne	Audit 2014
FC1-014	Ballam Park Homestead Tea Rooms	Yes	Yes	Yes
FC1-015	Ballam Park Pre-School	Yes	Yes	Yes
FC1-017	Ballam Park Playground Toilet Block (east of playground, near Homestead)	Yes	Yes	Yes
FC1-019	Cranbourne Road Rotunda	Yes	Yes	Yes
FC1-020	Duncan Proudfoot Athletics Pavilion (west oval)	Yes	Yes	Yes
FC1-021	Karingal Bulls Football/Cricket Pavilion (east oval)	Yes	Yes	Yes
FC1-022	Long Island Cricket/Soccer Pavilion (south oval)	Yes	Yes	Yes
FC1-023	Powell Cooper Cricket Pavilion	Yes	Yes	Yes
FC1-024	Umpires Changeroom/Scoreboard Pavilion (east oval)	Yes	Yes	Yes
FC1-038	Bayport Pre-School	Yes	Yes	Yes
FC1-039	Bayview Pre-School	Yes	Yes	Yes
FC1-040	Beach Street Community Support and Info Centre	Yes	Yes	Yes
FC1-042	Belvedere Maternal and Child Health Centre	Yes	Yes	Yes
FC1-043	Belvedere Pre-School	Yes	Yes	Yes
FC1-044	Belvedere Neighbourhood House	Yes	Yes	Yes
FC1-045	Belvedere Cricket/Football Pavilion	Yes	Yes	Yes

Building_ID	Building_Name	Include for BAMP modelling	TechOne	Audit 2014
FC1-048	Belvedere Park Tennis Club	Yes	Yes	Yes
FC1-049	Belvedere Park Tennis Club Toilet Block	Yes	Yes	Yes
FC1-052	BMX Track Toilet Block	Yes	Yes	Yes
FC1-054	Botany Park Pre-School	Yes	Yes	Yes
FC1-055	Botany Park Pavilion - Cricket/Baseball	Yes	Yes	Yes
FC1-056	Bowerbird Pre-School	Yes	Yes	Yes
FC1-057	Broughton & Station Street Public Toilet Block	Yes	Yes	Yes
FC1-062	Bruce Park Maternal and Child Health Centre	Yes	Yes	Yes
FC1-063	Bruce Park Pre-School	Yes	Yes	Yes
FC1-065	Carrum Downs Library and Community Centre	Yes	Yes	Yes
FC1-066	Carrum Downs Reserve Football/Cricket Pavilion (Len Phelps)	Yes	Yes	Yes
FC1-070	Carrum Downs Reserve Toilet Block (Block 1)	Yes	Yes	Yes
FC1-072	Carrum Downs Tennis Clubhouse	Yes	Yes	Yes
FC1-087	Civic Centre	Yes	Yes	Yes
FC1-088	Civic Centre Annex - 43 Davey Street	Yes	Yes	Yes
FC1-089	Comfort Station Public Toilet Block	Yes	Yes	Yes

Building_ID	Building_Name	Include for BAMP modelling	TechOne	Audit 2014
FC1-090	North Seaford Tennis Club	Yes	Yes	Yes
FC1-091	Delacombe Football/Cricket Pavilion	Yes	Yes	Yes
FC1-092	Delacombe Park Pre-School	Yes	Yes	Yes
FC1-093	Delacombe Soccer Pavilion	Yes	Yes	Yes
FC1-094	FRANKSTON SOUTH RECREATION CENTRE	Yes	Yes	Yes
FC1-096	East Karingal Maternal and Child Health Centre	Yes	Yes	Yes
FC1-097	East Karingal Pre-School	Yes	Yes	Yes
FC1-098	East Seaford Reserve Football/Cricket Pavilion	Yes	Yes	Yes
FC1-099	East Seaford Reserve Public Toilet Block	Yes	Yes	Yes
FC1-100	Ebdale Complex - Main Building (Rooms 32 - 49, Training/Lounge/Kitchen)	Yes	Yes	Yes
FC1-113	Eric Bell Pavilion and Social Rooms	Yes	Yes	Yes
FC1-114	Eric Bell Reserve Scoreboard Building	Yes	Yes	Yes
FC1-115	Community Nursery - Portable	Yes	Yes	Yes
FC1-116	Operation Centre - Unit 1 & 2	Yes	Yes	Yes
FC1-117	Operations Centre - Administration Block	Yes	Yes	Yes
FC1-119	Operations Centre - Covered Bin Building 12	Yes	Yes	Yes

Building_ID	Building_Name	Include for BAMP modelling	TechOne	Audit 2014
FC1-120	Operations Centre - Covered Bin Building 13	Yes	Yes	Yes
FC1-121	Operations Centre - Lunch Room - Portable	Yes	Yes	Yes
FC1-122	Operations Centre - Mechanics Workshop	Yes	Yes	Yes
FC1-123	Operations Centre - Parkland Services	Yes	Yes	Yes
FC1-124	Operations Centre - Vehicle Store	Yes	Yes	Yes
FC1-125	Cube 37	Yes	Yes	Yes
FC1-126	Frankston Arts and Library Building	Yes	Yes	Yes
FC1-131	Joy Street Family & Youth Building	Yes	Yes	Yes
FC1-135	Frankston North Scouts Hall	Yes	Yes	Yes
FC1-156	Grimwade Clock Tower	Yes	Yes	Yes
FC1-157	Adrian Butler Oval Public Toilet and Machinery Shed	Yes	Yes	Yes
FC1-160	Jubilee Indoor Netball Stadium	Yes	Yes	Yes
FC1-161	Jubilee Netball Toilet Block (see Fin ref B00262)	Yes	Yes	Yes
FC1-163	Jubilee Park Netball Pavilion	Yes	Yes	Yes
FC1-164	Jubilee Scoreboard Building	Yes	Yes	Yes
FC1-166	Jubilee Timekeepers Building	Yes	Yes	Yes

Building_ID	Building_Name	Include for BAMP modelling	TechOne	Audit 2014
FC1-167	Kevin Collopy Pavilion	Yes	Yes	Yes
FC1-169	Kananook Pre-School	Yes	Yes	Yes
FC1-170	Kananook Reserve Football/Cricket Pavilion (west)	Yes	Yes	Yes
FC1-171	Kananook Reserve Gardeners Storage	Yes	Yes	Yes
FC1-174	Kananook Reserve Toilet Block	Yes	Yes	Yes
FC1-175	Kananook Tennis Club	Yes	Yes	Yes
FC1-176	Karingal Place Hub	Yes	Yes	Yes
FC1-178	Keys Street Office & Public Toilet	Yes	Yes	Yes
FC1-179	Lakewood Child Care Centre	Yes	Yes	Yes
FC1-180	Langwarrin Community Centre	Yes	Yes	Yes
FC1-181	Langwarrin Community Centre Garage / Storage	Yes	Yes	Yes
FC1-186	Langwarrin Family & Youth Building	Yes	Yes	Yes
FC1-187	Langwarrin Maternal and Child Health Storage	Yes	Yes	Yes
FC1-188	Langwarrin Park Family & Youth Building	Yes	Yes	Yes
FC1-190	Lavender Hill Reserve Rotunda	Yes	Yes	Yes
FC1-191	Lawton Park Reserve Soccer Pavilion	Yes	Yes	Yes

Building_ID	Building_Name	Include for BAMP modelling	TechOne	Audit 2014
FC1-192	Lawton Park Reserve Toilet Block	Yes	Yes	Yes
FC1-194	Langwarrin Hall	Yes	Yes	Yes
FC1-195	Langwarrin Hall Barbeque Shelter and Pit	Yes	Yes	Yes
FC1-197	Lloyd Park Junior Change Rooms (old triple garage, centre of oval)	Yes	Yes	Yes
FC1-198	Lloyd Park Junior Pavilion	Yes	Yes	Yes
FC1-199	Lloyd Park Netball Pavilion	Yes	Yes	Yes
FC1-200	Lloyd Park Oval Toilet Block (centre of ovals)	Yes	Yes	Yes
FC1-201	Lloyd Park Playground Timber Shelter	Yes	Yes	Yes
FC1-202	Lloyd Park Pump Station	Yes	Yes	Yes
FC1-204	Lloyd Park Senior Pavilion and Clubroom	Yes	Yes	Yes
FC1-205	Lloyd Park Seniors Pavilion Garage / Storage	Yes	Yes	Yes
FC1-207	Mahogany Neighbourhood Centre	Yes	Yes	Yes
FC1-208	Mens Shed - Mahogany Centre	Yes	Yes	Yes
FC1-211	McClelland Reserve Dog Pavilion	Yes	Yes	Yes
FC1-212	McClelland Reserve Public Toilet Block	Yes	Yes	Yes
FC1-213	McClelland Reserve Soccer Grandstand	Yes	Yes	Yes

Building_ID	Building_Name	Include for BAMP modelling	TechOne	Audit 2014
FC1-214	McClelland Reserve Soccer Pavilion	Yes	Yes	Yes
FC1-218	Montague Park Family & Youth Building	Yes	Yes	Yes
FC1-219	Montague Park Playgroup Hall	Yes	Yes	Yes
FC1-221	Montague Park Toilet Block	Yes	Yes	Yes
FC1-222	Monterey Reserve Grandstand	Yes	Yes	Yes
FC1-225	Monterey Reserve Soccer Pavilion	Yes	Yes	Yes
FC1-226	Monterey Reserve Soccer Scoreboard	Yes	Yes	Yes
FC1-227	Monterey Reserve Soccer Toilet Block	Yes	Yes	Yes
FC1-228	Motorcycle Park Club	Yes	Yes	Yes
FC1-230	Orwil Street Community House and Child Care Building	Yes	Yes	Yes
FC1-231	Overport Park Football/Cricket Pavilion	Yes	Yes	Yes
FC1-232	Overport Park Oval Toilet Block	Yes	Yes	Yes
FC1-234	Overport Park Playground Toilet Block	Yes	Yes	Yes
FC1-236	Overport Park Tennis Club	Yes	Yes	Yes
FC1-238	Paratea Pre-School	Yes	Yes	Yes
FC1-239	Pat Rollo Football/Cricket Pavilion	Yes	Yes	Yes

Building_ID	Building_Name	Include for BAMP modelling	TechOne	Audit 2014
FC1-241	Peninsula Reserve Football/Cricket Pavilion	Yes	Yes	Yes
FC1-242	Pines Forest Aquatic Centre	Yes	Yes	Yes
FC1-244	Seaford Heights Pre-School	Yes	Yes	Yes
FC1-245	Erinwood Pre-School	Yes	Yes	Yes
FC1-246	Riviera Playgroup	Yes	Yes	Yes
FC1-247	Riviera Pre-School	Yes	Yes	Yes
FC1-249	Riviera Park Cricket/Rugby Pavilion	Yes	Yes	Yes
FC1-251	Rowellyn Reserve Family & Youth Building	Yes	Yes	Yes
FC1-253	Seaford Bowling Club	Yes	Yes	Yes
FC1-254	Seaford Community Centre	Yes	Yes	Yes
FC1-255	Seaford Senior Citizens Centre (Talbot Hall)	Yes	Yes	Yes
FC1-256	Seaford Maternal and Child Health Building	Yes	Yes	Yes
FC1-257	Seaford Pre-School Building	Yes	Yes	Yes
FC1-263	Seaford North Reserve Motorcycle Club	Yes	Yes	Yes
FC1-264	Seaford North Reserve Soccer Pavilion	Yes	Yes	Yes
FC1-266	Seaford Park Football/Cricket Pavilion	Yes	Yes	Yes

Building_ID	Building_Name	Include for BAMP modelling	TechOne	Audit 2014
FC1-267	Seaford Park Scoreboard Building	Yes	Yes	Yes
FC1-268	Seaford Park Toilet Block	Yes	Yes	Yes
FC1-273	Skye Cricket & Soccer Pavilion	Yes	Yes	Yes
FC1-276	State Emergency Service Headquarters	Yes	Yes	Yes
FC1-283	Westernport Accomodation and Youth Support Residence	Yes	Yes	Yes
FC1-284	William Road Pre-School	Yes	Yes	Yes
FC1-285	Wirilda Pre School Building	Yes	Yes	Yes
FC1-286	Wonnai Pre-School	Yes	Yes	Yes
FC1-287	Yamala Park Bowling Clubhouse Building	Yes	Yes	Yes
FC1-289	Yamala Park Tennis Club	Yes	Yes	Yes
FC1-290	Elisabeth Murdoch Arboretum Toilet and Storage	Yes	Yes	Yes
FC1-296	Rotary Park Reserve Shelter	Yes	Yes	Yes
FC1-297	Robinsons Park Baseball/Softball Pavilion	Yes	Yes	Yes
FC1-299	Robinsons Park Scout Pavilion (formerly baseball/softball)	Yes	Yes	Yes
FC1-301	Mult-functional portable - Carrum Downs Recreation Reserve	Yes	Yes	Yes
FC2-143	Frankston Tennis Club	Yes	Yes	Yes

Building_ID	Building_Name	Include for BAMP modelling	TechOne	Audit 2014
FC2-196	Langwarrin Tennis Clubhouse	Yes	Yes	Yes
SA1-025	Banyan Reserve Pavilion	Yes	Yes	Yes
SA1-293	Transit Interchange Toilet Block	Yes	Yes	Yes
DS1-033	Baxter Park Pump Station	Yes	No	Yes
DS1-074	Centenary Park Curators Residence Garage/Storage	Yes	No	Yes
DS1-078	Centenary Park Golf Pump Station 1 (north-west corner)	Yes	No	Yes
DS1-079	Centenary Park Golf Pump Station 2 (adjacent to Members Clubhouse)	Yes	No	Yes
DS1-081	Centenary Park Golf Works Chemical Storage Sheds (x2)	Yes	No	Yes
DS1-083	Centenary Park Golf Works Storage (bluestone)	Yes	No	Yes
DS1-084	Centenary Park Golf Workshop (adjacent to Pro-Shop)	Yes	No	Yes
DS1-086	Centenary Park Pro Shop and Social Room Barbeque Patio	Yes	No	Yes
DS1-133	Frankston Memorial Park Office	Yes	No	Yes
DS1-134	Frankston Memorial Park Toilet Block	Yes	No	Yes
DS1-147	Frankston Waterfront Playground Barbeque Shelter	Yes	No	Yes
DS1-168	Long Island Drive Public Toilet Block (between Anglers Club & FLSC)	Yes	No	Yes
DS1-210	Mahohany Rise Family and Youth Centre	Yes	No	Yes

Building_ID	Building_Name	Include for BAMP modelling	TechOne	Audit 2014
DS1-224	Monterey Reserve Shelter	Yes	No	Yes
DS1-270	Seaford Lifesaving Club Kiosk	Yes	No	Yes
DS1-271	Seaford Lifesaving Club Toilet Block	Yes	No	Yes
DS1-281	Victoria Park Storage Shed	Yes	No	Yes
DS1-298	Civic Centre - Bus Garage / Storage	Yes	No	Yes
DS1-300	Frankston Waterfront Playground Toilet	Yes	No	Yes
FC1-008	Ballam Park Homestead Gardeners Storage	Yes	No	Yes
FC1-016	Ballam Park Recreational Reserve - Athletics Rotunda	Yes	No	Yes
FC1-047	Belvedere Reserve - Pump Station	Yes	No	Yes
FC1-053	Botany Park Maternal and Child Health Centre	Yes	No	Yes
FC1-067	Carrum Downs Reserve Playground Shelter	Yes	No	Yes
FC1-071	Carrum Downs Reserve Toilet Block (Block 2)	Yes	No	Yes
FC1-101	Ebdale Complex - Unit1 (Rooms 89 - 96)	Yes	No	Yes
FC1-102	Ebdale Complex - Unit10 (Rooms 1 - 20)	Yes	No	Yes
FC1-103	Ebdale Complex - Unit12 (Rooms 24 - 30)	Yes	No	Yes
FC1-104	Ebdale Complex - Unit2 (Rooms 83 - 87)	Yes	No	Yes

Building_ID	Building_Name	Include for BAMP modelling	TechOne	Audit 2014
FC1-105	Ebdale Complex - Unit3 (Rooms 73 - 77)	Yes	No	Yes
FC1-106	Ebdale Complex - Unit4 (Rooms 58 - 62)	Yes	No	Yes
FC1-107	Ebdale Complex - Unit5 (Rooms 50 - 57)	Yes	No	Yes
FC1-108	Ebdale Complex - Unit6 (Rooms 63 - 69)	Yes	No	Yes
FC1-109	Ebdale Complex - Unit7 (Rooms 78 - 82, 97)	Yes	No	Yes
FC1-110	Ebdale Complex - Unit8 (Rooms 88A - 88C)	Yes	No	Yes
FC1-111	Ebdale Complex - Unit9 (Rooms 38 - 39)	Yes	No	Yes
FC1-112	Ebdale Complex - Unit11 (Room 21, Garage)	Yes	No	Yes
FC1-118	Operations Centre - Corporate Signs etc	Yes	No	Yes
FC1-158	Frankston Gathering Place	Yes	No	Yes
FC1-209	The Annexe - Mahogany Neighbourhood Centre	Yes	No	Yes
FC1-235	Overport Park Pump Station	Yes	No	Yes
FC1-250	Robinsons Park Playground Toilet Block (Witternberg Avenue)	Yes	No	Yes
FC1-274	Skye Rec Reserve Storage Shed	Yes	No	Yes
FC1-275	Skye Valley Park Picnic and Barbeque Shelter	Yes	No	Yes
FC1-279	The Parks Estate Reserve Picnic Shelter	Yes	No	Yes

Building_ID	Building_Name	Include for BAMP modelling	TechOne	Audit 2014
FC1-288	Yamala Park Bowling Storage Building	Yes	No	Yes
FC1-304	Operation Centre - City Works Maintenance	Yes	No	Yes
DS1-312	Frankston Waterfront Playground Shelter	Yes	No	No
DS1-314	Frankston Bowling Club Toilet Block	Yes	No	No
DS1-315	Frankston Croquet Club - Storage Shed	Yes	No	No
DS1-318	Peninsula Aquatic Recreation Centre	Yes	No	No
DS1-328	Frankston Foreshore Plaza Toilet Block	Yes	No	No
DS1-329	George Pentland Botanical Gardens Visitor's Pavilion	Yes	No	No
DS1-330	George Pentland Botanical Gardens Information Shelter	Yes	No	No
DS2-327	Banyan Fields Child and Family Centre	Yes	No	No
FC1-272	Downs Estate Residence	Yes	No	No
FC1-305	Lloyd Park Pindara Playground Shelter	Yes	No	No
FC1-306	Overport Park Tennis Club - Old Pavilion	Yes	No	No
FC1-307	Eric Bell Reserve Coaches Box Home Team (nearest to pavilion)	Yes	No	No
FC1-308	Eric Bell Reserve Coaches Box Away Team	Yes	No	No
FC1-309	The Annexe - Garagre / Shelter	Yes	No	No

Building_ID	Building_Name	Include for BAMP modelling	TechOne	Audit 2014
FC1-311	Belvedere Neighbourhood House - Portable	Yes	No	No
FC1-313	Kananook Tennis Club - Storage	Yes	No	No
FC1-322	BMX Club - Clubroom and Pavilion	Yes	No	No
FC1-325	Downs Estate Storage Shed (large)	Yes	No	No
FC1-332	Seaford Wetlands Birdwatching Shelter	Yes	No	No
FC1-333	Paras Reserve BBQ Shelter	Yes	No	No
FC1-334	Joy Street Community Gardens Shelter	Yes	No	No
FC1-335	Sandfield Reserve Skatepark Shelter	Yes	No	No
FC1-336	Monterey Reserve BBQ Shelter	Yes	No	No
FC1-337	Orwil Street Community House and Child Care Storage Shed (south)	Yes	No	No
FC1-338	Orwil Street Community House and Child Care Storage Shed (north)	Yes	No	No
FC2-309	Frankston Tennis Club - Storage Shed (southern)	Yes	No	No
FC2-310	Frankston Tennis Club - Storage Shed (northern)	Yes	No	No
FC1-189	Langwarrin Park Pre-School Storage	Yes	Yes	No
FC1-326	Operations Centre - Chemical Shed	Yes	Yes	No

13.2 Excluded Buildings

Council's Finance Register (TechOne) and Asset Management Register (MS Access) use different methodologies to classify and deal with buildings. Further investigation is therefore required in order to clarify why some buildings are defined in different ways and why some buildings are not valued.

The 51 buildings listed in the table below were excluded from the predictive financial model.

Generally, these buildings have been excluded for the following reasons:

The building is not owned by Council and/or Council is not responsible for the management of the building.

The structure does not meet the definition of a building

Building_ID	Building_Name	Include for BAMP modelling	TechOne	Audit 2014
DS1-144	Frankston Coastguard	No	Yes	Yes
DS3-026	Baxter Park Archery Pavilion	No	Yes	Yes
DS3-027	Baxter Park Archery Shelter	No	Yes	Yes
DS3-032	Baxter Park Pony Clubhouse	No	Yes	Yes
DS3-077	Centenary Park Golf Members Clubhouse	No	Yes	Yes
DS3-136	Frankston Football Club Home Team Changeroom	No	Yes	Yes
FC2-265	Seaford North Reserve Toilet Block and Plantroom	No	Yes	Yes
FC3-046	Linnen House - St Kilda Training Facility	No	Yes	Yes

Building_ID	Building_Name	Include for BAMP modelling	TechOne	Audit 2014
FC3-051	BMX Club Shelter - (south west of starting blocks)	No	Yes	Yes
FC3-129	Frankston District Basketball Association	No	Yes	Yes
FC3-159	Jubilee Homing Pigeon Clubhouse	No	Yes	Yes
FC3-172	Kananook Reserve Junior Pavilion (north east)	No	Yes	Yes
FC3-173	Kananook Reserve Southern Umpires Association Pavilion (south)	No	Yes	Yes
FC3-183	Langwarrin Equestrian Centre Pavilion	No	Yes	Yes
FC3-184	Langwarrin Equestrian Centre Storage (x 2?)	No	Yes	Yes
FC3-185	Langwarrin Equestrian Centre Toilet Block	No	Yes	Yes
FC3-233	Overport Park Peninsula Arts Society	No	Yes	Yes
FC3-237	Overport Park Theatre Group Shed	No	Yes	Yes
DS3-075	Centenary Park Curators Residence Rotunda	No	No	Yes
DS3-137	Frankston Football Club Kiosk	No	No	Yes
DS3-303	Baxter Park Pony Club Shed	No	No	Yes
FC1-203	Lloyd Park Scouts Hall	No	No	Yes
FC3-018	Ballam Park Scouts Hall	No	No	Yes
FC3-050	BMX Club - Old Canteen	No	No	Yes

Building_ID	Building_Name	Include for BAMP modelling	TechOne	Audit 2014
FC3-068	Carrum Downs Reserve Scoreboard and Telecoms Plantroom	No	No	Yes
FC3-069	Carrum Downs Reserve Scouts Hall	No	No	Yes
FC3-095	Overport Girl Guides Hall	No	No	Yes
FC3-165	Jubilee Scouts Hall	No	No	Yes
FC3-182	Langwarrin District Guides Hall	No	No	Yes
FC3-220	Montague Park Scouts Hall	No	No	Yes
FC3-243	Prince Crescent Guides Hall	No	No	Yes
FC3-248	Riviera Park Club Storage Shed	No	No	Yes
FC3-277	Humphries Road Scouts Hall	No	No	Yes
FC3-278	Humphries Road Scouts Storage	No	No	Yes
DS3-076	Centenary Park Curators Residence Shed (small)	No	No	No
FC3-316	Riviera Reserve - South East Water Pump Station	No	No	No
FC3-317	Kananook Reserve - South East Water Pump Station	No	No	No
FC3-319	BMX Club - Kiosk (south of finish line)	No	No	No
FC3-320	BMX Club - Container Storage	No	No	No
FC3-321	BMX Club - Starting Gates & Official's Box	No	No	No

Building_ID	Building_Name	Include for BAMP modelling	TechOne	Audit 2014
FC3-323	BMX Club - Finish Line Shelter	No	No	No
FC3-324	BMX Club - Finish Line Bunker	No	No	No
FC3-331	Jubilee Park Kiosk (between Eastern Oval & Trotting Track)	No	No	No
FC3-339	East Seaford Reserve - South East Water Pump Station	No	No	No
OT3-291	William Road Maternal and Child Health Building	No	No	No
OT3-294	Gateway Shopping Complex	No	No	No
OT3-295	Seaford Customer Service Centre	No	No	No
SA3-292	Seaford Scouts Hall	No	No	No
DS3-262	Long Island Tennis Clubhouse	No	Yes	No
FC1-064	Candlebark Child Care Centre	No	Yes	No
FC1-240	Peninsula Community Legal Centre	No	Yes	No

13.3 Demolished Buildings

The table below is a list of 12 buildings that have been demolished but, at the time of writing appeared to be listed in Council's Financial Asset Register (TechOne). Further investigation is required in order to reconcile the Tech One and MS Access Database prior to the development of a building and property register within Council's Asset Management Information System (FAMSI) .

Building_ID	Building_Name	Include for BAMP modelling	TechOne	Audit 2014
DS1-139	Frankston Football Club Scoreboard Building	No	Yes	Yes
DS1-140	Frankston Football Club Social Rooms	No	Yes	Yes
FC1-162	Jubilee Park Aquatic Centre	No	Yes	Yes
DS1-059	Bruce Park Gardeners Storage	No	Yes	No
DS3-151	Frankston Yacht Club	No	Yes	No
n/a	Peninsula Reserve Football/Cricket Pavilion Toilet	No	Yes	No
n/a	Baxter Park Tennis Club Toilet Block	No	Yes	No
n/a	Foreshore Toilet Block (opp Riviera Hotel)	No	Yes	No
n/a	Umpires Changeroom / Timekeepers box (Kiosk - Ballam Park Reserve)	No	Yes	No
n/a	Lloyd Park Oval 6 X Coach Box	No	Yes	No
n/a	Lloyd Park Drinking Fountain Shelter	No	Yes	No
DS3-152	Frankston Yacht Club Boat Shed	No	No	No

13.4 Relevant Council Documents

Policies and Plans

Frankston City Council Policies are managed by a Policy Committee. Adopted policies are reviewed in accordance with a four year review timeframe. Proposed policies are being developed in accordance with a formal adoption process.

Frankston City Council Plan

Frankston City Council Plan 2013 - 2017 (2MB)

The Long Term Financial Plan 2014-19

Long Term Financial Plan 2014-2019 (6MB)

Frankston City Policies

Asset Management Policy (39KB)

Civic Protocol (new policy to be developed)

Community Engagement Policy 2011 - 2015 (92KB)

Community Grants Policy (112KB)

Contribution Schemes Policy Amendment (under review)

Economic Development Policy (31KB)

Economic Development Strategy 2016-2022

Environmental Sustainability Policy (30KB)

Frankston Destination Development Plan 2014

Frankston Surveillance CCTV Camera Code of Conduct/Operating Procedures (87KB)

Funding Policy (under review)

Procurement Guidelines (457KB)

Procurement Policy (156KB)

Risk Management Policy (66KB)

Social Impact Assessment Policy (under review)

Sustainability Policy (24KB)

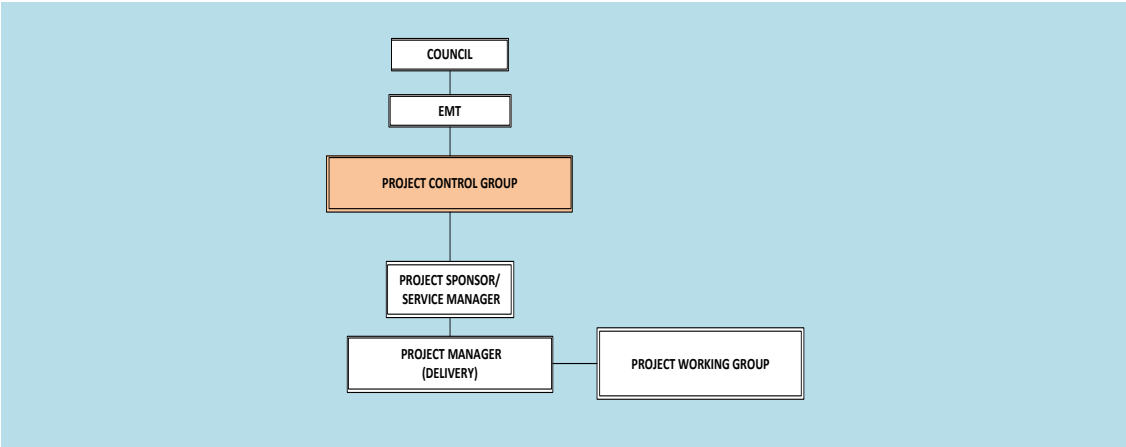
Strategies and Plans

Climate_Change_Impacts_and_Adaption_Plan

Ecological_Sustainable_Development_ESD_Design_Guide_-_Buildings
Frankston AM Strategy
Community Engagement Strategy
Frankston City Council Community Engagement Strategy - Adopted by Council September 2011
Environment Strategy.
Master Plan (Various)

13.5 Project Control Group and Working Group Membership

Project Governance Structure



Project Control Group (PCG) Membership

Directorate	Department	Name	Title	Membership Status
City Development	N/A	Vito Albicini	Director, City Development	Chair
City Development	Sustainable Assets	Craig Dinsdale	Manager, Asset Management	Member
City Development	Sustainable Assets	Luke Ure	(Acting) Coordinator, Asset Planning	Member
City Development	Sustainable Assets	Vince Ciccone	Planning Officer	Member
Community Development	N/A	Gillian Kay	Director, Communities Development	Member
Corporate Development	N/A	Tim Frederico	Director, Corporate Development	Member
Corporate Development	Finance	Kim Jaensch	Manager, Finance	Member
City Development	Facilities	Paul Saly	Manager, Major Projects	Member
Community Development	Youth and Family Services	Mandy Gatliff	Manager, Family and Youth	Member
City Development	Open Space and Recreation	David Gray	(Acting) Manager, Open Space and Recreation	Member
Community Development	Community Strengthening	Liz Daley	Manager, Community Strengthening	Member
Community Development	Arts and Culture	Kim Kearsey	Manager, Libraries and Learning	Member

13.6 Buildings With 5 Years Remaining Economic Life

Patel Dore Valuers Pty Ltd conducted a valuation on a suite of Council owned buildings in 2014. The table below shows an extract of this valuation for buildings with an expected remaining economic life of 5 years or less and the applicable Estimated Replacement Cost value as at 2014. The full data is available through the Sustainable Assets Department.

Building Name	Building ID	Remaining Life	2014 Estimated Replacement Cost
Ballam Park Homestead-Caretakers	B00282	4yrs	$152,880
Ballam Park Homestead-Garage/Store	B00285	2yrs	$69,350
Ballam Park Homestead-Resource Centre	B00284	4yrs	$118,560
CGI GARAGE BALLAM PARK	B00325	1yrs	$49,950
club rooms - Langwarrin Equestrian Centre	B00297	1yrs	$308,870
Timber Shelter Bowerbird Pre Sch.	B00381	1yrs	$25,600
Toilet Block -Carrum Downs Rec Reserve	B00264	1yrs	$80,160
Bowls Pavilion (Yamala BC)	B00145	2yrs	$606,680
Bruce Park TC	B00149	1yrs	$406,550
Club rooms- (former Frankston Ladies BC)	B00140	2yrs	$350,150
East Karingal Maternal & Child Health	B00008	5yrs	$332,160
Frankston Maternal & Child Health	B00033	3yrs	$179,920
Gardeners Shed - Bruce Park	B00249	4yrs	$12,825
Gardeners Shed - Samuel Sherlock Reserve	B00248	1yrs	
Kiosk - Ballam Park Reserve	B00361	5yrs	$56,700
Public toilet forming part of Asset B00116	B00058	5yrs	$60,120
Public toilets forming part of Asset B00123	B00100	1yrs	$60,120
Public toilets forming part of Asset B00137	B00091	4yrs	$60,120
Scoreboard - Jubilee Park	B00345	1yrs	$15,300
Scoreboard Frankston Park	B00312	1yrs	$21,250

Building Name	Building ID	Remaining Life	2014 Estimated Replacement Cost
Seaford Community House	B00198	3yrs	$244,500
Soccer Pavilion - Ballam Park	B00135	4yrs	$1,147,985
Tennis Pavilion (Karingal TC)	B00148	-2yrs	
Timekeepers Box - Jubilee Park	B00180	4yrs	$18,700
Toilet Block Montague Park	B00061	2yrs	$122,745
Curators Residence - Centenary Park G.C	B00253	2yrs	$190,320
Scoreboard - Monterey Reserve	B00174	4yrs	$8,500
Scoreboards	B00372	2yrs	$17,000
Toilet Block - Monterey Reserve	B00060	1yrs	$75,150
Toilet Block - Silver Avenue Reserve	B00184	0yrs	
Cricket Pavilion - Baxter Park No.1 Oval	B00122	1yrs	$587,500
Pony Club Sheds-Baxter Park	B00183	2yrs	$251,450
Public toilets forming part of Asset B00114	B00093	1yrs	$60,120
Toilet Block Baxter Park - ADJ NO6 OVAL	B00064	4yrs	$122,745
Toilet Block Baxter Park Adj. Tennis	B00062	4yrs	$50,100
Toilet Block Baxter Park-ADJ NO2 OVAL	B00063	1yrs	$30,060
Toilet Block Overport Park (near ovals)	B00085	5yrs	$75,150
Drinking Fountain - Lloyd Park	B00379	3yrs	$10,000
Langwarrin MCH Store	B00349	3yrs	$18,900
Langwarrin Pre-School	B00024	2yrs	$242,200
Lloyd Park Garage	B00351	1yrs	$27,935
Netball club rooms	B00295	1yrs	$381,790
Public toilets forming part of Asset B00295	B00278	1yrs	$60,120
Storage Sheds - Langwarrin Equestrian	B00298	1yrs	$120,825
Timber Shelter - Lloyd Park	B00377	2yrs	$20,480

Building Name	Building ID	Remaining Life	2014 Estimated Replacement Cost
Toilet Block - Lloyd Park- adj Scout Hall	B00277	1yrs	$37,575
Toilets - Langwarrin Equestrian Reserve	B00296	1yrs	$115,230
Water Tank/Pump Room Lloyd Pk	B00375	5yrs	$13,500
Community Nursery - Portable	B00367	3yrs	$151,200
Depot - Covered Bins Bldg 12	B00317	1yrs	$51,750
Depot - Covered Bins Bldg 14	B00318	1yrs	$97,200
Depot - Mechanics Workshop	B00316	2yrs	$2,120,495
Depot - Parks & Gardens Store	B00320	1yrs	$307,800
Depot - Portable	B00321	1yrs	$140,000
Depot - Unit 1	B00258	1yrs	$137,280
Depot - Unit 2	B00322	1yrs	$135,720
Depot - Vehicle Store	B00315	1yrs	$658,630
Gardeners Shed - Kananook Reserve	B00246	2yrs	$12,825
Kananook Tennis Club	B00153	1yrs	$329,000
Motorcycle Club Pavilion North Seaford	B00169	4yrs	$183,050
Motorcycle Club Pavilion Wells Road	B00167	1yrs	$183,050
Riviera Maternal & Child Health	B00037	2yrs	$207,600
Riviera Pre-School	B00016	2yrs	$371,950
Seaford Heights Pre-School	B00018	4yrs	$491,320
Toilet Block - BMX Track Wells Rd	B00276	1yrs	$100,200
Toilet Block Kananook Reserve	B00066	4yrs	$42,585
Toilet Block Seaford East Reserve	B00065	2yrs	$57,615
Tennis Courts (Skye Tennis Club)	B00292	4yrs	$89,700
Boat Owners/Anglers Club	B00161	1yrs	
Civic Centre	B00220	4yrs	$13,468,000

Building Name	Building ID	Remaining Life	2014 Estimated Replacement Cost
Toilet Block Olivers Hill Boat Ramp	B00073	1yrs	$112,725
Toilet Block-Opp. Caltex Servo Nepean	B00088	1yrs	$65,130
Dressing Shed - Foreshore	B00228	1yrs	
Toilet Block-Adj. Long Island Tennis Club	B00079	1yrs	$45,090

13.7 Vacant Buildings

The table below lists buildings that were found to be vacant when the working group assigned the building hierarchy scores during 2014.

Building_ID	Building_Name	Include for BAMP modelling	TechOne	Audit 2014
FC1-096	East Karingal Maternal and Child Health Centre	Yes	Yes	Yes
FC1-101	Ebdale Complex - Unit1 (Rooms 89 - 96)	Yes	No	Yes
FC1-102	Ebdale Complex - Unit10 (Rooms 1 - 20)	Yes	No	Yes
FC1-104	Ebdale Complex - Unit2 (Rooms 83 - 87)	Yes	No	Yes
FC1-106	Ebdale Complex - Unit4 (Rooms 58 - 62)	Yes	No	Yes
FC1-107	Ebdale Complex - Unit5 (Rooms 50 - 57)	Yes	No	Yes
FC1-108	Ebdale Complex - Unit6 (Rooms 63 - 69)	Yes	No	Yes
FC1-109	Ebdale Complex - Unit7 (Rooms 78 - 82, 97)	Yes	No	Yes
FC1-272	Downs Estate Residence	Yes	No	No
FC1-325	Downs Estate Storage Shed (large)	Yes	No	No
FC1-240	Peninsula Community Legal Centre	No	Yes	No

13.8 Buildings Found To Have "Very Poor" Condition Components

The table below lists buildings that were found to have components in very poor condition when audited during 2014/15. The base data on which the information is derived can be sought from the Sustainable Asset Department. As seen the majority of very poor condition instances relate to Fits Outs and Finishes.

Building ID	Building Name	Count of very Poor Condition Line Items	Component Group(s)
FC1-002	Baden Powell Reserve Pavilion	1	Tapware
FC1-017	Ballam Park Playground Toilet Block (east of playground, near Homestead)	1	Hygiene Amenity Fixtures
FC1-016	Ballam Park Recreational Reserve - Athletics Rotunda	2	Down Pipes, Windows
DS1-037	Baxter Park Oval 2 Toilet Block	1	Downpipes
FC1-043	Belvedere Pre-School	2	Guttering, Lighting External
FC1-066	Carrum Downs Reserve Football/Cricket Pavilion	3	Fire Services, Hygiene Amenity Fixtures
FC1-072	Carrum Downs Tennis Clubhouse	1	Fans
DS1-085	Centenary Park Pro Shop and Social Room	1	Handrails Balustrades and Ramps
FC1-087	Civic Centre	1	Ceilings
FC1-089	Comfort Station Public Toilet Block	2	Floor Covering, Surface Finishing excluding Floors
FC1-091	Delacombe Football/Cricket Pavilion	1	Floor Covering

Building ID	Building Name	Count of very Poor Condition Line Items	Component Group(s)
FC1-096	East Karingal Maternal and Child Health Centre	2	Fascias and Eaves, Guttering
FC1-126	Frankston Arts and Library Building	1	Mechanical Services
DS2-127	Frankston Bowling Club	2	Guttering, Roof Covering
DS1-141	Frankston Football Club SW Toilet Block	1	Ceilings
DS1-133	Frankston Memorial Park Office	1	Guttering
DS1-134	Frankston Memorial Park Toilet Block	1	Wall Cladding
FC1-135	Frankston North Scouts Hall	1	Fascias and Eaves
FC1-094	Frankston South Recreation Centre	2	Ceilings
FC1-131	Joy Street Family & Youth Building	1	HVAC
FC1-160	Jubilee Indoor Netball Stadium	2	Fascias and Eaves, Lighting External
FC1-164	Jubilee Scoreboard Building	1	Downpipes
FC1-170	Kananook Reserve Football/Cricket Pavilion (west)	2	Fire Services, HVAC
FC1-175	Kananook Tennis Club	1	Surface Finishing excluding Floors

Building ID	Building Name	Count of very Poor Condition Line Items	Component Group(s)
FC1-178	Keys Street Office & Public Toilet	2	Curtains and Blinds, Floor Covering
DS1-193	Leawarra House	1	Fire Services
FC1-204	Lloyd Park Senior Pavilion and Clubroom	1	Handrails Balustrades and Ramps
FC1-225	Monterey Reserve Soccer Pavilion	5	Ceilings, Floor Covering, Surface Finishing excluding Floors
FC1-228	Motorcycle Park Club	1	Ceilings
FC1-090	North Seaford Tennis Club	2	Fire Services, Roof Covering
FC1-117	Operations Centre - Administration Block	2	Fans, Surface Finishing excluding Floors
FC1-304	Operations Centre - City Works Maintenance	15	Desks Cabinets and Shelving, Fans, Fascias and Eaves, Fire Services, Floor Covering, Hygiene Amenity Fixtures, Lighting Internal, Tapware, Windows.
FC1-123	Operations Centre - Parkland Services	7	Doors, Lighting Internal, Walls
FC1-124	Operations Centre - Vehicle Store	1	Floor Covering
FC1-234	Overport Park Playground Toilet Block	2	Downpipes
FC1-236	Overport Park Tennis Club	1	Fascias and Eaves

Building ID	Building Name	Count of very Poor Condition Line Items	Component Group(s)
FC1-249	Riviera Park Cricket/Rugby Pavilion	3	Floor Covering
FC1-254	Seaford Community Centre	2	Hygiene Amenity Fixtures
FC1-268	Seaford Park Toilet Block	1	Doors
DS1-149	Sofia's Restaurant and Visitor Information Centre	2	Doors, Surface Finishing excluding Floors
FC1-209	The Annexe - Mahogany Neighbourhood Centre	1	Floor Covering
SA1-293	Transit Interchange Toilet Block	1	Fixed Signs and Boards
FC1-024	Umpires Changeroom/Scoreboard Pavilion (east oval)	2	Downpipes, Wall Cladding

13.9 Predictive Capital Funding Model Assumptions

Buildings Base data attribute detail

Because of the difference between numbers recorded in the Asset Planning register, buildings listed and valued in TechOne, and buildings inspected during Audit 2014 the following assumptions was made with regard to missing values:

- Square metre unit rates were calculated where values were available. This was applied using area for similar type and function buildings to calculate missing Insurance/Renewal values;
- Where date of construction was not available from financial records, condition was used to estimate approximate building construction year. This approach also assisted with calculation of approximate remaining life values.
- Property owner data from Pathways attribute data;
- Facility owner based on interpretation of occupancy agreements where available;
- Values for recently constructed buildings were based on asset handover information. Recognised buildings values were determined using method above; and
- Building areas where none were available was calculated from aerial photography in GIS.

Missing overall useful economic life values was determined as for similar type and aged buildings.

Long life and short life structures for renewal purposes is based on whether:

- useful life over 55 years – Long life structure; and
- useful life less than 55 years – Short life structure.

Assumptions for Renewal applicable to all Scenarios:

- Renewal Model: Moloney Renewal Model (version 10/03/2015); and
- Total number of buildings modelled for renewal – 280.

Valuation Distribution between components:

- Long & Short Life Structures - 70%;
- Roof - 10%;
- Mechanical Services - 10%; and
- Fit-out - 10%.

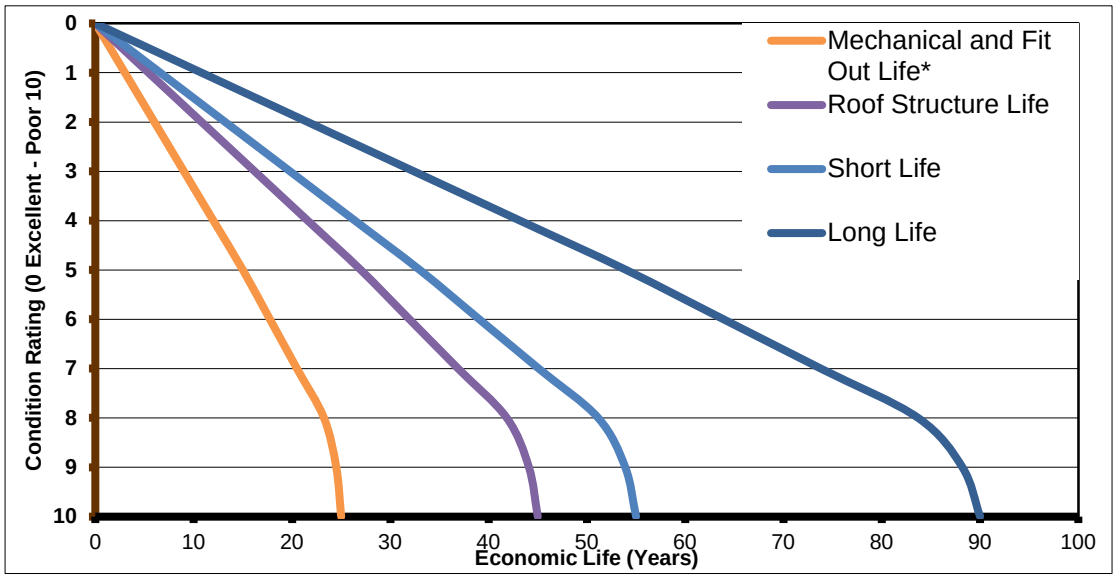
Asset Useful Life:

- Long Life Structure – 90 years;
- Short Life Structure – 55 years;
- Roof – 45 years;
- Mechanical Services – 25 years; and
- Fit-out – 25 years.

Asset Condition and condition distribution as determined following Condition audit results in May 2014.

Asset Degradation Curve: Default pattern of degradation selected from the Moloney Model (see below) and applicable to particular building component (5 profiles depending on asset component). These curves represent how the Moloney Model predicts deterioration of an asset condition over time.

The rating scale assumes asset have a score 0 – New at the beginning of their economics life and a score of 10 - "Unserviceable" at the end. The graph below show the curves of five data sets, Mechanical and Fit Out curves have the same curve profile and have therefore been combined



The impact of future year growth in asset base was not considered for renewal modelling because the impact of growth would only become material in later years beyond the scope of the plan's time frame.

Assumptions Applicable to Individual Scenarios

Asset Intervention Level is determined using the scale 0 – 10, with 0 being "New" and 10 being "Unserviceable":

- Status Quo;
    - Long Life Structure – 10;
    - Short Life Structure – 10;
    - Roof – 10;
    - Mechanical Services – 10; and
    - Fit-out – 10.
- Optimal - Intervention level for all components set at 8.5; and
- High – Intervention level for all components set at 7.5.

Other Scenario specific source information and assumptions are detailed against each item in outputs per scenario. This is substituted with parameter detail applicable to the various scenarios.

13.10 Draft Building Service Levels (from State of the Assets Report Card 2015)

Facilities Essential Services & Service Levels

					Current Level Of Service				Desired Level Of Service			
Component	Activity Type	Activity Code	Activity Title	Activity Description	Current Service Standard	Frequency	Operating Budget Account No.	Current 2013/14 Annual Cost	Desired Service Standard	Frequency	Budget Required to Deliver Desired Level of Service	Funding Status in terms of Ability to deliver Desired Service Level *(Unfunded, Part Funded, Over Funded, Funded)*
FIRE SERVICES	ESM	D10.	Fire Dampers	The Contractor will inspect and maintain the Fire Dampers and maintain a list of all sites applicable to this service.	Refer Building Facilities Maintenance Contract- Contract No. 2011/12-1- Part 3D - Clause D10.	Yearly	Activity code 148 Gl code changes for each asset	Included in Mechanical				
WARNING SYSTEMS	ESM	D11.	Emergency Warning and Intercom System	The Contractor will inspect and maintain the Emergency Warning and Intercommunication System and maintain a list of all sites applicable to this service	Refer Building Facilities Maintenance Contract- Contract No. 2011/12-1- Part 3D - Clause D11.	Monthly @ 5 Sites	Activity code 148 Gl code changes for each asset	$ 1,899				
FIRE SERVICES	ESM	D12.	Fire Brigade Connections	The Contractor will inspect and maintain the Fire Brigade Connections and maintain a list of all sites applicable to this service.	Refer Building Facilities Maintenance Contract- Contract No. 2011/12-1- Part 3D - Clause D12.	Monthly and Yearly @ 7 Sites	Activity code 148 Gl code changes for each asset	$ 106				

Facilities Essential Services & Service Levels

					Current Level Of Service				Desired Level Of Service			
Component	Activity Type	Activity Code	Activity Title	Activity Description	Current Service Standard	Frequency	Operating Budget Account No.	Current 2013/14 Annual Cost	Desired Service Standard	Frequency	Budget Required to Deliver Desired Level of Service	Funding Status in terms of Ability to deliver Desired Service Level *(Unfunded, Part Funded, Over Funded, Funded)*
FIRE SERVICES	ESM	D13.	Automatic Sprinkler Systems	The Contractor will inspect and maintain all Automatic Sprinkler Systems and maintain a list of all sites applicable to this service.	Refer Building Facilities Maintenance Contract- Contract No. 2011/12-1- Part 3D - Clause D13.	Weekly @ 4 sites	Activity code 148 Gl code changes for each asset	$ 2,659				
FIRE SERVICES	ESM	D14.	Fire Detection Systems	The Contractor will inspect and maintain all Automatic Fire Detection Systems and maintain a list of all sites applicable to this service.	Refer Building Facilities Maintenance Contract- Contract No. 2011/12-1- Part 3D - Clause D14.	Monthly @ 8 Sites	Activity code 148 Gl code changes for each asset	$ 8,509				
FIRE SERVICES	ESM	D15.	Smoke and Heat Detectors	The Contractor will inspect and maintain all domestic type and commercial type Smoke and Heat Detectors and maintain a list of all sites applicable to this service.	Refer Building Facilities Maintenance Contract- Contract No. 2011/12-1- Part 3D - Clause D15.	Yearly @ 242 sites	Activity code 148 Gl code changes for each asset	$ 17,375				
FIRE SERVICES	ESM	D16.	Smoke and Heat Ventilation Systems	The Contractor will inspect and maintain all smoke and heat ventilation systems and maintain a list of all sites applicable to this service.	Refer Building Facilities Maintenance Contract- Contract No. 2011/12-1- Part	Monthly, 6 Monthlry and annually @ 1 Site	Activity code 148 Gl code changes for each asset	$ 729				

Facilities Essential Services & Service Levels

					Current Level Of Service				Desired Level Of Service			
Component	Activity Type	Activity Code	Activity Title	Activity Description	Current Service Standard	Frequency	Operating Budget Account No.	Current 2013/14 Annual Cost	Desired Service Standard	Frequency	Budget Required to Deliver Desired Level of Service	Funding Status in terms of Ability to deliver Desired Service Level *(Unfunded, Part Funded, Over Funded, Funded)*
					3D - Clause D16.							
FIRE SERVICES	ESM	D17.	Fire Hose Reel System	The Contractor will inspect and maintain all fire hose reel systems and maintain a list of all sites applicable to this service	Refer Building Facilities Maintenance Contract- Contract No. 2011/12-1- Part 3D - Clause D17.	Monthly, 6 Monthlry and annually @ 26 Sites	Activity code 148 Gl code changes for each asset	$ 2,691				
FIRE SERVICES	ESM	D18.	Fire Hydrant Systems	The Contractor will inspect and maintain all fire hydrant systems and maintain a list of all sites applicable to this service.	Refer Building Facilities Maintenance Contract- Contract No. 2011/12-1- Part 3D - Clause D18.	Weekly, Monthly, Quaterly and 6 Monthly @ 11 Sites	Activity code 148 Gl code changes for each asset	$ 707				
FIRE SERVICES	ESM	D19.	Fire Extinguishers (portable)	The Contractor will inspect and maintain all the fire extinguishers and maintain a list of all sites applicable to this service	Refer Building Facilities Maintenance Contract- Contract No. 2011/12-1- Part 3D - Clause D19.	6 Monthly and Yearly @104 SItes	Activity code 148 Gl code changes for each asset	$ 4,534				

Facilities Essential Services & Service Levels

					Current Level Of Service				Desired Level Of Service			
Component	Activity Type	Activity Code	Activity Title	Activity Description	Current Service Standard	Frequency	Operating Budget Account No.	Current 2013/14 Annual Cost	Desired Service Standard	Frequency	Budget Required to Deliver Desired Level of Service	Funding Status in terms of Ability to deliver Desired Service Level *(Unfunded, Part Funded, Over Funded, Funded)*
FIRE SERVICES	ESM	D20.	Fire Blankets	The Contractor will inspect and maintain all fire blankets at Council sites and maintain a list of all sites applicable to this service.	Refer Building Facilities Maintenance Contract- Contract No. 2011/12-1- Part 3D - Clause D20.	Anually @ 124 Sites	Activity code 148 Gl code changes for each asset	$ 1,507				
FIRE SERVICES	ESM	D21.	Fire Isolated Lift Shafts	The Contractor will inspect, test and maintain all Council lifts and maintain a list of all sites applicable to this service. Refer 4.3 and 4.9 of the Essential Services Maintenance Manual. The scope of works includes inspection/tests on Fire Isolated Lift Shafts.	Refer Building Facilities Maintenance Contract- Contract No. 2011/12-1- Part 3D - Clause D21.	Anually @ 5 Sites	Activity code 148 Gl code changes for each asset	Included in C9				
LIFT	ESM	D22.	Lift Warning Systems	The Contractor will inspect and maintain all Council lifts and maintain a list of all sites applicable to this service. Refer 4.3 and 4.9 of the Essential Services Maintenance Manual. The scope of works	Refer Building Facilities Maintenance Contract- Contract No. 2011/12-1- Part 3D - Clause D22.	Anually @ 5 Sites	Activity code 148 Gl code changes for each asset	Included in C9				

Facilities Essential Services & Service Levels

					Current Level Of Service				Desired Level Of Service			
Component	Activity Type	Activity Code	Activity Title	Activity Description	Current Service Standard	Frequency	Operating Budget Account No.	Current 2013/14 Annual Cost	Desired Service Standard	Frequency	Budget Required to Deliver Desired Level of Service	Funding Status in terms of Ability to deliver Desired Service Level *(Unfunded, Part Funded, Over Funded, Funded)*
				includes inspection/tests on Lift Warning Signs.								
DOORS	ESM	D23.	Fail Safe Systems	The Contractor will inspect and maintain all maintenance for existing failsafe systems on automatic doors and maintain a list of all sites applicable to this service.	Refer Building Facilities Maintenance Contract- Contract No. 2011/12-1- Part 3D - Clause D23.	Monthly @ 11 Sites	Activity code 148 Gl code changes for each asset	$ 7,720				
FIRE SERVICES	ESM	D24.	Fire and Smoke Doors	The Contractor will inspect and maintain all existing fire and smoke doors and maintain a list of all sites applicable to this service.	Refer Building Facilities Maintenance Contract- Contract No. 2011/12-1- Part 3D - Clause D24.	Monthly @ 1 Site	Activity code 148 Gl code changes for each asset	$ 240				
EXIT PATHS	ESM	D25.	Exit and Escape Paths	The Contractor will inspect and maintain all exits and escape paths within each building and from each building to the street and maintain a list of all sites applicable to this service.	Refer Building Facilities Maintenance Contract- Contract No. 2011/12-1- Part 3D - Clause D25.	Quaterly @ 124 Sites	Activity code 148 Gl code changes for each asset	$ 27,104				

Facilities Essential Services & Service Levels

					Current Level Of Service				Desired Level Of Service			
Component	Activity Type	Activity Code	Activity Title	Activity Description	Current Service Standard	Frequency	Operating Budget Account No.	Current 2013/14 Annual Cost	Desired Service Standard	Frequency	Budget Required to Deliver Desired Level of Service	Funding Status in terms of Ability to deliver Desired Service Level *(Unfunded, Part Funded, Over Funded, Funded)*
FIRE SERVICES	ESM	D26.	Fire Isolated Stairs, Ramps & Passageways	The Contractor will inspect and maintain all Fire Isolated Stairs, Ramps, and Passageways and maintain a list of all sites applicable to this service.	Refer Building Facilities Maintenance Contract- Contract No. 2011/12-1- Part 3D - Clause D26.	Yearly @ 1 Site	Activity code 148 Gl code changes for each asset	included in C9				
SIGNS	ESM	D27.	Exit Signs	The Contractor will inspect and maintain all exit signs at Council sites and maintain a list of all sites applicable to this service.	Refer Building Facilities Maintenance Contract- Contract No. 2011/12-1- Part 3D - Clause D27.	6 monthly and anuually @ 32Sites	Activity code 148 Gl code changes for each asset	$ 6,473				
LIGHTING	ESM	D28.	Emergency Lighting	The Contractor will inspect and maintain all emergency lighting and maintain a list of all sites applicable to this service	Refer Building Facilities Maintenance Contract- Contract No. 2011/12-1- Part 3D - Clause D28.	6 monthly and anuually @ 25 Sites	Activity code 148 Gl code changes for each asset	$ 6,473				
HVAC	ESM	D29.	Air Handling Systems & Mechanical Ventilation	he Contractor will inspect and maintain all air handling systems and mechanical ventilation and maintain a list of all sites applicable to this	Refer Building Facilities Maintenance Contract- Contract No. 2011/12-1- Part	Quaterly @ 1 Sites	Activity code 148 Gl code changes for each asset	Included in D25				

Facilities Essential Services & Service Levels

					Current Level Of Service				Desired Level Of Service			
Component	Activity Type	Activity Code	Activity Title	Activity Description	Current Service Standard	Frequency	Operating Budget Account No.	Current 2013/14 Annual Cost	Desired Service Standard	Frequency	Budget Required to Deliver Desired Level of Service	Funding Status in terms of Ability to deliver Desired Service Level *(Unfunded, Part Funded, Over Funded, Funded)*
				service.	3D - Clause D29.							
LIFT	ESM	C9	Lift Mechanical Programmed Maintenance	The Contractor shall inspect and maintain all Council lifts.	Refer Building Facilities Maintenance Contract- Contract No. 2011/12-1- Part 3C - Clause C9	5 sites	Activity code 148 Gl code changes for each asset	$ 12,369				
DOORS	ESM	C10.	Automatic Doors Programmed Maintenance	The Contractor shall inspect and maintain all Council automatic doors.	Refer Building Facilities Maintenance Contract- Contract No. 2011/12-1- Part 3C - Clause C10.	11 Sites	Activity code 148 Gl code changes for each asset	$ 6,838				
PLUMBING FIXTURES	ESM	C11.	Backflow Prevention Devices Programmed Maintenance	The Contractor shall inspect and maintain all backflow prevention devices in Council buildings	Refer Building Facilities Maintenance Contract- Contract No. 2011/12-1- Part 3D - Clause D12.	Annually @ 24 sites	Activity code 148 Gl code changes for each asset	$ 4,847				

Facilities Reactive Maintenance Activities																	
				Current Level Of Service								Desired Level Of Service					
Component	Activity Type	Activity Code	Activity Title	Current Service Standard	Target Response Time - Initial Assessment (Working Days)	Target Response Time - Rectify (Working Days)	Requests for Period 01 March 2013 - 01 March 2114	Operating Budget Account No.	Spend 01 March 2013 – 01 March 2114	Item from PFM report	Desired Service Standard	Target Response Time - Initial Assessment (Working Days)	Target Response Time – Rectify (Working Days)	Budget Required to Deliver Desired Level of Service	Funding Status in terms of Ability to deliver Desired Service Level (Unfunded, Part Funded, Over Funded, Funded)		
BUILDING	REA	REA-001	Ad hoc Painting	Repair and/ or repaint deteriorated surface			14		5,896								
HVAC	REA	REA-002	Airconditioner Maintenance	Check temperature and repair/ replace damaged / non functional or deteriorated system components.			170		148,458								
FITTINGS	REA	REA-003	Alarm Maintenance	Check baterries and repair/ replace damaged / non functional or deteriorated components.			8		1,470								
BUILDING	REA	REA-004	Asbestos Removal	Removal and disposal of asbestos waste			6		11,203								
DOORS	REA	REA-005	Automatic	Repair/ replace			83		37,018								

Facilities Reactive Maintenance Activities

				Current Level Of Service							Desired Level Of Service					
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			Door Maintenance	damaged / non functional or deteriorated components. Works may include repair of electrical fault including sensors											
FITTINGS	REA	REA-006	Battery Replacement	Replace baterries			1		34						
BBQ	REA	REA-007	BBQ Maintenance	Repair/ replace damaged / non functional or deteriorated components.			22		8,799						
BLINDS	REA	REA-008	Blind Maintenance	Repair/ replace damaged / non functional or deteriorated components.			14		6,344						
PLUMBING	REA	REA-009	Boiler Maintenance	Repair/ replace damaged / non functional or			1		1,188						

Facilities Reactive Maintenance Activities

				Current Level Of Service							Desired Level Of Service				
Component	Activity Type	Activity Code	Activity Title	Current Service Standard	Target Response Time - Initial Assessment (Working Days)	Target Response Time - Rectify (Working Days)	Requests for Period 01 March 2013 - 01 March 2114	Operating Budget Account No.	Spend 01 March 2013 – 01 March 2114	Item from PFM report	Desired Service Standard	Target Response Time - Initial Assessment (Working Days)	Target Response Time – Rectify (Working Days)	Budget Required to Deliver Desired Level of Service	Funding Status in terms of Ability to deliver Desired Service Level (Unfunded, Part Funded, Over Funded, Funded)
				deteriorated components.											
PLUMBING FIXTURES	REA	REA-010	Boiling Water Unit Maintenance	Repair/ replace damaged / non functional or deteriorated components.			41		34,518						
	REA	REA-011	Bollard/ Pole Maintenance	Repair/ replace damaged deteriorated bollard or pole			17		5,131						
FLOOR COVERINGS	REA	REA-012	Carpet Maintenance	Repair /replace damaged or deteriorated floor covering. Works may include repair of tears and lifts and replacement of small sections			27		19,727						
CEILING	REA	REA-013	Ceiling Maintenance	Repair/ replacement of damaged or			35		14,735						

Facilities Reactive Maintenance Activities

				Current Level Of Service							Desired Level Of Service				
Component	Activity Type	Activity Code	Activity Title	Current Service Standard	Target Response Time - Initial Assessment (Working Days)	Target Response Time - Rectify (Working Days)	Requests for Period 01 March 2013 - 01 March 2114	Operating Budget Account No.	Spend 01 March 2013 – 01 March 2114	Item from PFM report	Desired Service Standard	Target Response Time - Initial Assessment (Working Days)	Target Response Time – Rectify (Working Days)	Budget Required to Deliver Desired Level of Service	Funding Status in terms of Ability to deliver Desired Service Level (Unfunded, Part Funded, Over Funded, Funded)
				deteriorated ceiling panels.											
CEILING	REA	REA-014	Ceiling Structural Repair	Repair / replacement of damaged or deteriorated structural components			36								
PLUMBING FIXTURES	REA	REA-015	Clear Blocked Drain	Remove blockage			1		27,980						
PLUMBING FIXTURES	REA	REA-016	Clear Blocked Toilet/ Drain	Remove blockage			197		60,966						
FITTINGS	REA	REA-017	Clock Maintenance	Check baterries and repair/ replace damaged / non functional or deteriorated components.			2		181						
CURTAINS	REA	REA-018	Curtain Maintenance	Repair/ replacement of damaged/ missing and/or deteriorated			3		810						

Facilities Reactive Maintenance Activities

				Current Level Of Service							Desired Level Of Service				
Component	Activity Type	Activity Code	Activity Title	Current Service Standard	Target Response Time - Initial Assessment (Working Days)	Target Response Time - Rectify (Working Days)	Requests for Period 01 March 2013 - 01 March 2114	Operating Budget Account No.	Spend 01 March 2013 – 01 March 2114	Item from PFM report	Desired Service Standard	Target Response Time - Initial Assessment (Working Days)	Target Response Time – Rectify (Working Days)	Budget Required to Deliver Desired Level of Service	Funding Status in terms of Ability to deliver Desired Service Level (Unfunded, Part Funded, Over Funded, Funded)
				curtain including subcomponents											
BUILDING	REA	REA-019	Demolish building	Demolish building			2		2,600						
FURNITURE	REA	REA-020	Desk/ Cabinet / Shelving Maintenance	Repair/ replacement of damaged subcomponents including hinges, frames, locks etc			47		28,807						
DOORS	REA	REA-021	Door Maintenance	Repair displaced/ damaged or deteriorated door including subcomponents frame, vents, seals, jambs, tracks, screens etc. Works may include graffiti removal, painting or			292		97,833						

Facilities Reactive Maintenance Activities

				Current Level Of Service							Desired Level Of Service				
Component	Activity Type	Activity Code	Activity Title	Current Service Standard	Target Response Time - Initial Assessment (Working Days)	Target Response Time - Rectify (Working Days)	Requests for Period 01 March 2013 - 01 March 2114	Operating Budget Account No.	Spend 01 March 2013 – 01 March 2114	Item from PFM report	Desired Service Standard	Target Response Time - Initial Assessment (Working Days)	Target Response Time – Rectify (Working Days)	Budget Required to Deliver Desired Level of Service	Funding Status in terms of Ability to deliver Desired Service Level (Unfunded, Part Funded, Over Funded, Funded)
				other surface repair											
DOORS	REA	REA-022	Doorbell Maintenance	Check batteries and repair/ replace damaged / non functional or deteriorated components.			9		2,454						
HVAC	REA	REA-023	Ducted Vacuum Repair	Repair/ replace damaged / non functional or deteriorated components.			3		467						
EAVES	REA	REA-024	Eaves Maintenance	Repair / replacement of cement sheet/ timber/ straw or other panel including repair / replacement of damaged insulation/ sisalation			14		12,006						

Facilities Reactive Maintenance Activities

				Current Level Of Service							Desired Level Of Service				
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ELECTRICAL FIXTURES	REA	REA-025	Electrical Maintenance	Repair / replacement of electrical hardware including switches, power points, wiring, sensors, safety switches etc.			106		54,750						
LIGHTING	REA	REA-026	Emergency Evacuation Lighting Maintenance	Repair or replace			24		14,641						
FANS	REA	REA-027	Fan Maintenance	Repair / replacement of damaged or deteriorated fan subcomponents including repair of electrical faults			32		36,528						
FENCES	REA	REA-028	Fence Maintenance	Treatment to repair or replace damaged			11		4,838						

Facilities Reactive Maintenance Activities

				Current Level Of Service							Desired Level Of Service				
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				fencing within the site.											
FIRE SERVICES	REA	REA-029	Fire Equipment Maintenance	Repair leakages and other faults to fire service components and subcomponents including hydrant, hose, warning system.			101		40,205						
FURNITURE	REA	REA-030	Fixed Appliance Maintenance	Repair / replacement of fixed major appliances (fridge, dishwasher, oven, stove etc) including subcomponents including switches, thermostat etc.			40		27,077						
FLAG	REA	REA-031	Flag	Repair / replacement of			25		16,816						

Facilities Reactive Maintenance Activities

				Current Level Of Service							Desired Level Of Service				
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			Maintenance	damaged or deteriorated banner, flag and or pole and supporting structure											
FLAG	REA	REA-032	Flag Management	undertake regular changes of banners and flags throughout the municipality			1		2,096						
FLOOR COVERINGS	REA	REA-033	Floor Covering Maintenance	Repair /replace damaged or deteriorated floor covering. Works may include resealing or painting of polished or painted floors and application of anti-slip coatings			37		35,482						

Facilities Reactive Maintenance Activities

				Current Level Of Service							Desired Level Of Service				
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FURNITURE	REA	REA-034	Furniture Removal/ Management	Move/ remove / install furniture as directed			88		34,564						
FURNITURE	REA	REA-035	Furniture Repair	Repair/ replacement of damaged subcomponents including hinges, frames, locks etc			29		6,818						
GAS SERVICES	REA	REA-036	Gas Fitting Maintenance	Investigate gas odour and repair leaks			1		230						
GAS SERVICES	REA	REA-037	Gas Meter Maintenance	Repair gas meter including components			5		951						
GATE	REA	REA-038	Gate Maintenance	Repair or replace access gate in accordance with the Children's Services Act			16		10,906						
GLAZING	REA	REA-039	Glass Panel	Replacement / reglazing/			39		14,553						

Facilities Reactive Maintenance Activities

				Current Level Of Service							Desired Level Of Service				
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			Replacement	retinting damaged glass panes . Including repair of seal											
	REA	REA-040	GPO Maintenance	??			18		7,263						
PLUMBING FIXTURES	REA	REA-041	Grease Trap Maintenance	Empty and clean grease trap			19		7,975						
GUTTERING	REA	REA-042	Guttering Maintenance	Repair / replace sections of gutter, downpipes and /or subcomponents			58		22,672						
HANDRAILS	REA	REA-043	Handrails/ Balustrades Maintenance	Repair / replace sections of handrail / ballustrade and/ or subcomponents			8		2,462						
HVAC	REA	REA-044	Heater Maintenance	Check temperature and repair/			92		38,501						

Facilities Reactive Maintenance Activities

				Current Level Of Service							Desired Level Of Service				
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				replace damaged / non functional or deteriorated system components.											
HVAC	REA	REA-045	Hot Water Service Maintenance	Repair/ replace damaged / non functional or deteriorated hot water service components			29		13,474						
HVAC	REA	REA-046	HVAC Maintenance	Install alternative system and/or repair/ replace damaged / non functional or deteriorated HVAC system components.			7		5,665						
HVAC	REA	REA-047	Hygiene / Amenity Fixture	Repair/ replacement of damaged/			119		16,417						

Facilities Reactive Maintenance Activities

				Current Level Of Service							Desired Level Of Service				
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			Maintenance	deteriorated /missing / non-functional hygiene / amenity fixtures or subcomponents											
COMMUNICATIONS	REA	REA-048	Intercom Maintenance	Test/ Repair/ replace damaged / non functional or deteriorated components			5		2,350						
LIFT	REA	REA-049	Lift Maintenance	Repair/ replace damaged/ deteriorated/ missing / non-functional lift or subcomponent			16		7,568						
LIGHTING	REA	REA-050	Light Maintenance	Repair or replace light fitting and/or globe			440		138,853						
LOCKS	REA	REA-051	Lock	Repair/ replace			149		27,871						

Facilities Reactive Maintenance Activities

				Current Level Of Service							Desired Level Of Service				
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			Maintenance	damaged lock											
WALLS	REA	REA-052	Partition Maintenance	Repair/ replace damaged/ deteriorated/ missing subcomponents			5		412						
PATHS	REA	REA-053	Path Maintenance	Repair vertical displacement			1		184						
BUILDING	REA	REA-054	Pest Control	Treatment to remove animal pests including possums, rats, mice etc.			46		33,507						
PLUMBING FIXTURES	REA	REA-055	Plumbing Fixture Maintenance	Remove blockage, repair burst or leaking fitting Replace deteriorated pipes and fittings			200		139,834						
POOL	REA	REA-056	Pool Maintenance	?			22		18,878						

Facilities Reactive Maintenance Activities

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RAMPS	REA	REA-057	Ramp Maintenance	Repair/ replacement of damaged/ deteriorated or missing structural components of the ramp			7		16,491						
ROOF	REA	REA-058	Roof Cladding Maintenance	Repair roof cladding including repair of structural components if required. Works may include installation/ repair of skylights or other fittings			128								
ROOF	REA	REA-059	Roof Structural Maintenance	Repair damaged or deteriorated structural roof components					165,569						
BUILDING	REA	REA-060	Rubbish	Clean site and remove all			13		4,609						

Facilities Reactive Maintenance Activities

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			Removal	debris											
SECURITY SERVICES	REA	REA-061	Security Check	Change access code			16		6,524						
PLUMBING FIXTURES	REA	REA-062	Septic Tank Maintenance	Cleaning/ repair/ replacement of damaged/ missing and/or deteriorated components			8		4,367						
SHADE SCREEN	REA	REA-063	Shadescreen Maintenance	Repair/ replacement of damaged/ missing and/or deteriorated components.			3		1,215						
SHOWER	REA	REA-064	Shower Maintenance	?			9		4,588						
SHUTTERS	REA	REA-065	Shutter Maintenance	Repair/ replacement of damaged/ missing and/or deteriorated			21		12,903						

Facilities Reactive Maintenance Activities

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				components.											
SIGNS	REA	REA-066	Sign Maintenance	Cleaning/ repair/ replacement of damaged/ missing and/or deteriorated signs and posts.			24		6,423						
SINKS	REA	REA-068	Sink / Basin Cleaning	Clean sink/ basin including removal of graffiti and unauthorised material											
SINKS	REA	REA-067	Sink / Basin Maintenance	Repair damaged/ deteriorated sink/ basin. Repair/ replace damaged/ deteriorated/ missing subcomponents			34		15,018						
SKYLIGHTS	REA	REA-069	Skylight	Repair /replace			12		5,011						

Facilities Reactive Maintenance Activities

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			Maintenance	damaged or deteriorated skylights											
STAIRS	REA	REA-070	Stair Maintenance	Repair/ replacement of damaged/ deteriorated or missing structural components of the stairs and/or landings			8		24,327						
DRAINAGE	REA	REA-071	Stormwater Drain Maintenance	Removal of dirt and debris from drainage pits to maintain adequate stormwater flow.			10		15,000						
WALLS	REA	REA-077	Structural Wall Maintenance	Repair/ replacement of damaged/ deteriorated or missing structural wall											

Facilities Reactive Maintenance Activities

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				subcomponents											
COMMUNICATIONS	REA	REA-072	Switchboard Maintenance	Repair non functional switchboard subcomponents			1		234						
TAPWARE	REA	REA-073	Tapware Maintenance	Repair/ replace damaged/ deteriorated or missing tapware subcomponents including washers			103		28,127						
FITTINGS	REA	REA-074	Tile Maintenance	Repair / replacement of damaged/ missing and/or deteriorated tiles and/or grouting.			7		2,294						
FLOORING	REA	REA-075	Timber Decking Maintenance	Repair /replace damaged or deteriorated timber panels.			1		148						

Facilities Reactive Maintenance Activities

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TOILET/ URINAL	REA	REA-076	Toilet / Urinal Maintenance	Repair/ replacement of damaged/ deteriorated or missing toilet/ urinal subcomponents			165		81,221						
WALLS	REA	REA-078	Wall Maintenance	Repair/ replacement of damaged/ deteriorated or missing non-structural wall subcomponents			38		15,331						
TANKS	REA	REA-079	Watertank Maintenance	Repair damaged/ deteriorated leaking rainwater tank including subcomponents			10		5,736						
WINDOWS	REA	REA-080	Window Cleaning	Clean window including removal of graffiti and			2		295						

Facilities Reactive Maintenance Activities

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Component	Activity Type	Activity Code	Activity Title	Current Service Standard	Target Response Time - Initial Assessment (Working Days)	Target Response Time - Rectify (Working Days)	Requests for Period 01 March 2013 - 01 March 2114	Operating Budget Account No.	Spend 01 March 2013 – 01 March 2114	Item from PFM report	Desired Service Standard	Target Response Time - Initial Assessment (Working Days)	Target Response Time – Rectify (Working Days)	Budget Required to Deliver Desired Level of Service	Funding Status in terms of Ability to deliver Desired Service Level (Unfunded, Part Funded, Over Funded, Funded)
				unauthorised material											
WINDOWS	REA	REA-081	Window Maintenance	Repair/ replacement of damaged/ missing and/or deteriorated window subcomponents			41		13,749						

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