

City of Mitcham

Building

Asset Management Plan

2020—2030



What is an Asset Management Plan ?

An Asset Management Plan is a comprehensive document that outlines how Council will operate, maintain, renew and dispose of its existing assets together with providing for new assets to ensure that:

- Services delivered by assets are sustainably provided to the community
- Risks associated with service provision are minimised
- Lifecycle costs are contained

The Building Asset Management Plan achieves this through analysing costs associated with the key lifecycles of an asset being:



ACQUISITION



OPERATION



MAINTENANCE



RENEWAL



DISPOSAL

The Building Asset Management Plan links costs to levels of service and risks associated with service provision. The plan compares funds available via Council's Long Term Financial Plan (LTFP) as the basis for analysis and aims to influence future revisions of the LTFP from the analysis.



Level of Service

The level of service delivered by an asset needs to be considered in balance with available funding and exposure to risk



Risk

higher service levels are generally associated with reduced exposure to risk and lower service levels higher exposure



Funding

More funding is generally required to deliver services at a higher level

EXECUTIVE SUMMARY

Our Plans

Council's corporate planning is governed by its Strategic Management Plan (Mitcham 2030). This identifies the Mitcham community's vision and long term aspirations for the period 2020-2030 as well as Council's Strategic Initiatives which will bring us closer to the community's vision and achieve its Goals and Objectives. In order to achieve the objectives set out in the Strategic Plan, Council is required to develop an Infrastructure and Asset Management Plan. While the Strategic Management Plan sets the direction, Asset Management Plans detail the maintenance and renewal of Councils Assets, including any proposed new assets to be constructed.

This Building Asset Management Plan addresses built form assets informing Council's Strategic Management Plan, Long Term Financial Plan (LTFP) and Annual Business Plans.

The development of this plan is critical to Council achieving the Mitcham 2030 theme: T1.3 Services & Facilities

"We provide convenient access to a diverse range of information, services, activities, and facilities for our community"

Further alignment to Mitcham 2030 is documented in Annexure B of this plan



Background

In the last 5 -10 years, Council has improved its financial position significantly. This has allowed for an increased and more sustainable level of asset maintenance and renewal.

An initial Building Asset Management plan was developed in 2009, a second version in 2013 and a third draft in 2015. This 2020 version has been produced following improved data and analysis together with an update to Councils budget and valuations. It is considered that this plan is a working document that is continuously improved over time. The next version of the plan will draw upon improved information detailed in the 'improvement plan'.

This plan has been informed by a 2016 'defect' survey conducted of Council's buildings. The data has been updated for annual capital works programs undertaken since that time. It is acknowledged that the data is dated and is due for recollection in 2021 together with a service level review, DDA audit and establishing lifecycle renewal profiles for all building components.

The Buildings Service

The Buildings network comprises a total of 104 buildings and 130 structures (sheds, shelters, pergolas, gazebos, carports, garages, etc) add immense value to the community and support a broad range of services and activities. This plan has been prepared to assist Council to allocate the resources it needs to ensure the safety, functionality and longevity of its buildings.



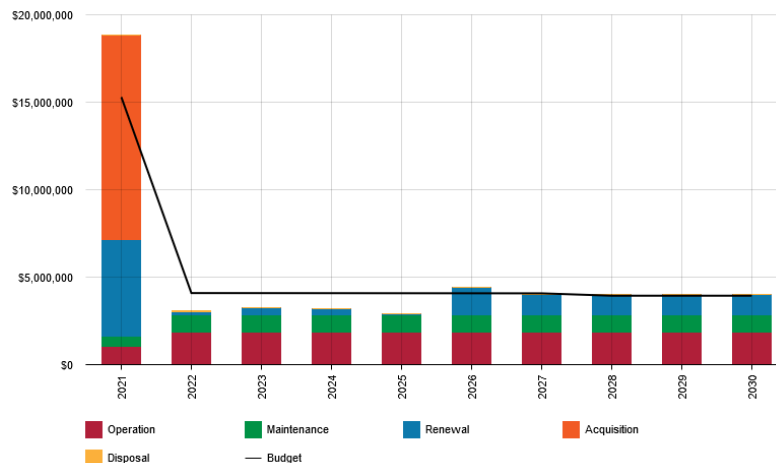
These building assets have an estimated 2019 replacement value of \$89,526,741 and are summarised in the following categories:.

Building Type	No. of Structures
Council Office and Garage	2
Libraries	2
Depot Operations	5
Community/Guides/Scout Halls	21
Emergency Services	1
Heritage	10
Houses	7
Kindergartens	9
Sports Clubs	32
Toilets	14
Commercial	1
Structures	127

What does it cost?

The **estimated** forecast funds required to provide the services covered by this Building Asset Management Plan (BAMP) including operations, maintenance, renewal, upgrade and disposal of existing assets over the 10-year planning period is \$51,755,616 or \$5,175,652 on average per year.

The available budget for this period is \$51,614,512 or \$5,161,452 on average per year which is 99.7% of the cost to provide the service. This equates to a funding deficit of only \$14,110 on average per year. Forecast expenditure required to provide services in the BAMP compared with budgeted expenditure currently included in the Long Term Financial Plan are shown in the graph below.



The next steps

The actions resulting from this Asset Management Plan are detailed in the improvement plan and summarised (in order of priority) as:

- Implementation of Council selected Asset Management System for building component condition rating, maintenance and renewal
- Establish service levels targets with Council for the different categories of buildings
- Undertake a multi criteria-based service level audit of buildings
- Reinspect buildings and develop a lifecycle analysis at the component level
- Complete DDA audit of buildings in accordance with access and inclusion plan
- Fully integrate the findings of the Sports Strategy into this plan, including costings
- Clearly outline the new building assets and the funding options to inform the long term financial plan
- Upgrade works scheduling and required budget allocations.
- Update this Asset Management Plan



City of Mitcham Buildings

234
BUILDINGS



REPLACEMENT
VALUE

\$89.5m

99.73%

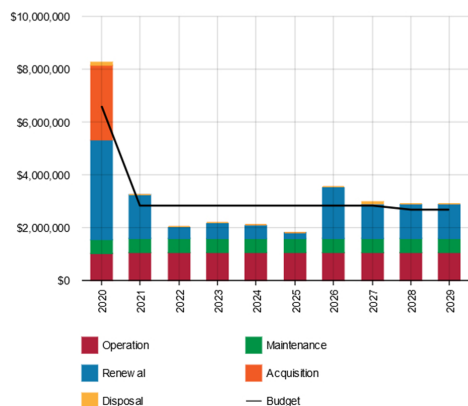
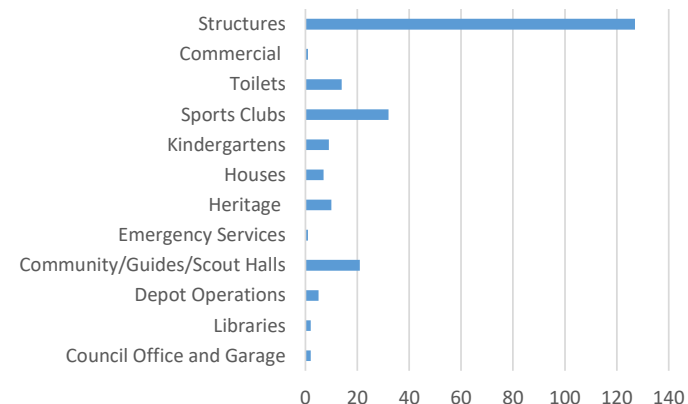
of forecast funds
in budget:

\$14.1k annual shortfall

SERVICES
PROVIDED



No of buildings



Total forecast over 10 years:

\$51.76m

Total budget over 10 years: \$51.61m

Levels of Service

Minimum levels of service



Legislation

Group	Legislation
Industry	Local Government Act & Regulations
Access	Disability Discrimination Act 1992 & Regulations
Environment	Environment Protection Act 1993
Food	Liquor Licensing Act 1997 Food Act 2001 Public & Environmental Health Act 1987
Safety	Work, Health and Safety Act & Regulations (2012)
Building	Building Code of Australia Development Act 1993 & Regulations Development Plan Water Industry Act (2012) - trade waste

What the customer values



Customer

Values

Condition of Facility
Aesthetics / Amenity
Operationally Efficient

Customer Measures

	Quality	Function	Capacity
Measure	Defects	Feedback to council	Feedback to council
Trend	steady	steady	steady
Confidence	strong	low	low

How we can influence the customer LoS



Technical

Existing \$ Required \$



\$1.17m av. \$1.17m av.



\$1.80m av. \$1.80m av.



\$0.910m av. \$0.910m av.



\$1.286m av. \$1.286m av.



\$0k av. \$14.1k av.

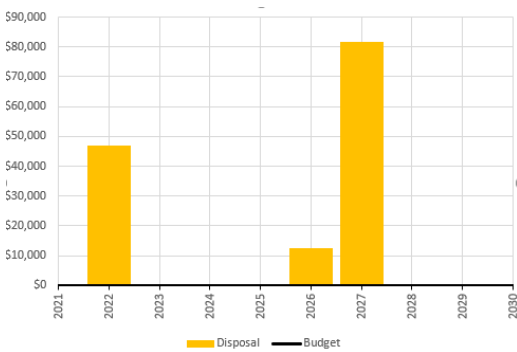


Lifecycle Management



DISPOSAL

Demolition of existing structures

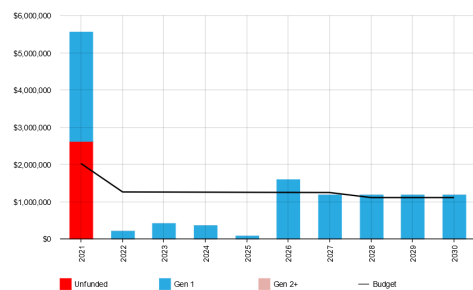


LTFP (budget) to be modified to incorporate identified disposals over the medium / long term



RENEWAL

Replacement of building components to same service levels

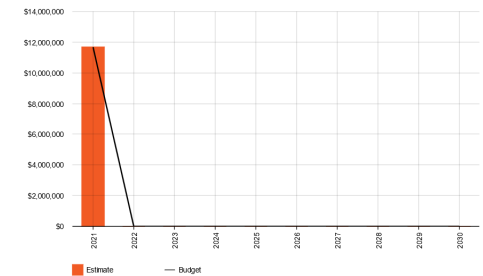


Renewals identified from 'defect' audit conducted in 2015. An allowance of \$1.17m p.a. has been made for renewals beyond the 2026.



ACQUISITION

New or substantially upgraded assets



Driven by 'demand' factors, including:

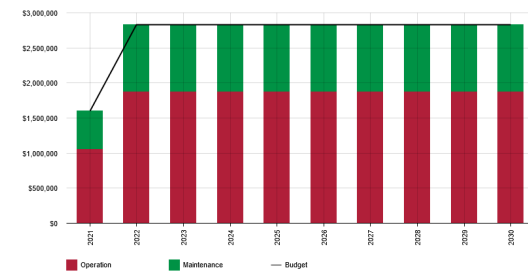
- Level of Service upgrades
- DDA requirements
- Grants from other tiers of Government



MAINTENANCE



OPERATION



Operations: includes power, cleaning etc
Maintenance: regular day-to-day work below capital threshold including painting minor component replacement



Risk Management

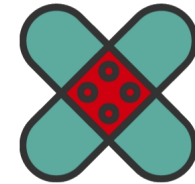
Risk Assessment



Higher service levels and greater expenditure are generally associated with reduced exposure to risk and lower service levels higher exposure to risk and lower service levels

Key objective: To balance Levels of Service against Risk and Funding requirements.

Risk Treatment

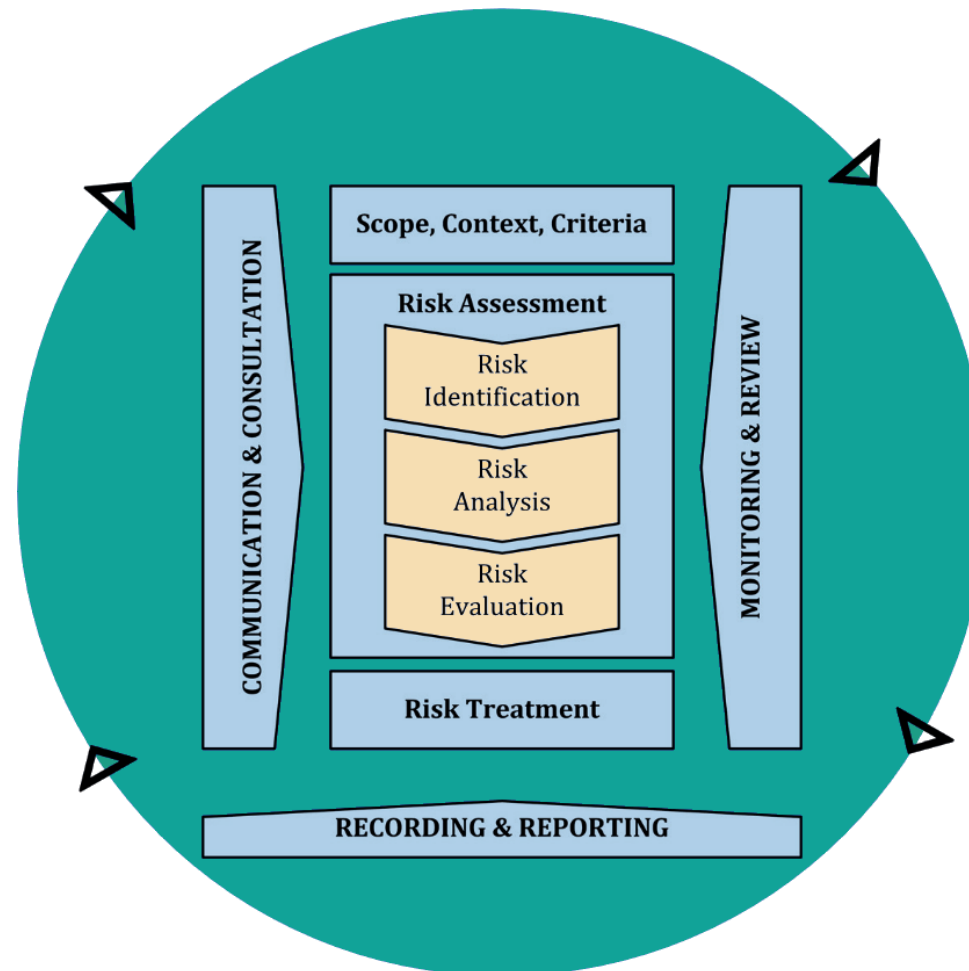


Actions:

- Categorise complaints received against hierarchy of buildings (staff resources)
- Undertake service level review (\$30,000)
- Undertake condition audit at the component level (\$80,000)
- Undertake DDA access audit (\$30,000)

Adequate funding is available to address existing risks, however further work is required to identify additional risks as follows:

- Not undertaking renewals at optimum time
- Staff resource allocation not optimized
- Renewals not being driven by defect identification
- Upgrades not including DDA access issues





Financial Summary & Improvement

Renewals Only

RENEWAL

100% of estimated re-
quired costs are budgeted

\$1.3m

Average annual required renewal



Assumptions

- Acquisitions only known for first year
- Renewal data is 'old'
- Renewal allowance used from 2027

10 Year Planning Period

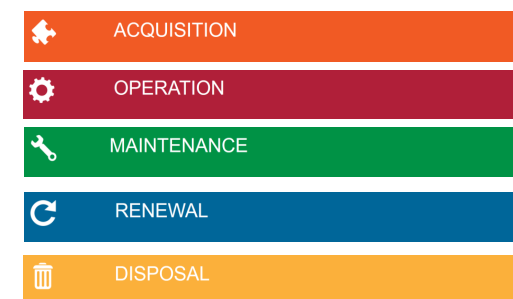
All Costs



Improvements

- Establish service level targets
- Undertake DDA audit
- Implement asset management system
- Undertake condition audit
- Update this AMP

All Estimated Costs



\$5.175m annual average forecast

\$5.161m annual average budget

\$14.11k annual shortfall

Reason for shortfall:

- Future disposals not currently budgeted