Asset Management Plan

Facilities Management Plan

2015 - 2020

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Authorisations

Action	Name and title	Date
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Review cycle	2.5 Years	

Responsibilities

This document is the responsibility of the Facilities Team of Tasmanian Networks Pty Ltd, ABN 24 167 357 299 (hereafter referred to as "TasNetworks").

Please contact Sam Pascoe the Facilities Team Leader with any inquiries or suggestions.

- Implementation   All TasNetworks staff and contractors.
- Compliance   All group managers.

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Record of revisions

To be updated with each formal review.

Section number	Details
	New Document

Table of Contents

1 Purpose

The purpose of this document is to describe the plan for the management of facilities assets, particularly:

- TasNetworks' approach to facility asset management, as reflected through its legislative and regulatory obligations and strategic plans;
- Provision of line items in the Distribution Determination for 2017;
- The key facilities projects and programs underpinning its activities; and
- Forecast CAPEX and OPEX spending, including the basis upon which these forecasts are derived.

The Facilities Asset Management Plan is based on the TasNetworks strategy for Asset Management and the regulatory codes associated with the strategic property plans inherited from Aurora Energy (Distribution) and Transend (Transmission).

2 Scope

The scope for this Asset Management Plan includes only those assets that the facilities team are responsible for. This section is intended to clearly define the scope of what is and is not included as facility assets and covers:

- TasNetworks owned and leased facilities including Buildings, Depots, Offices, Land and other dwellings;

- Construction, Maintenance and Repairs to facilities;

- Maintenance and replacement to facilities fittings, equipment, or furniture;

- Cleaning and Asbestos removal programs to facilities;

- Gardening and external grounds upkeep to facilities;

- Utilities, Rates and other on-going running costs associated to facilities.

The following table provides an overview of the scope of TasNetworks facilities:

Table 1 – Facility Scope

Facility name	Type	Staff Accommodation	Age – Construction - Condition
Cambridge Field Facility	Buildings, Stores, ,Workshops, Land and Parking for field staff	███████	8y – Concrete/Steel/Glass - Good
Mornington Training Facility	Buildings, Land and Parking for field staff	███████	40y(2012 update) - Concrete/Steel/Glass – Very Good
Maria St – Admin 1	Office building, land and parking	███████	11y – Concrete/Steel/Glass - Excellent
Maria St – Admin 2	Office building, land and parking	███████	5y – Concrete/Steel/Glass - Excellent
███████	███████	███████	███████
Kirksway Place – L2, L3	Office space leased from RBF	███████	NA – working to retire the lease before 2020

Facility name	Type	Staff Accommodation	Age – Construction - Condition
Rocherlea Field Facility	Buildings, Stores, Land and Parking for field staff	■	20 – Brick/Steel/Glass – Fair
Trevallyn Field Facility	Buildings, Stores, Land and Parking for field staff	■	60y(2010 addition) – Brick/Steel – Good
Devonport Field Facility	Buildings, Stores, Land and Parking for field staff	■	25y – Brick/Steel/Glass – (internal upgrade 2015) Good
Burnie Field Facility	Buildings, Stores, Land and Parking for field staff	■	32y – Brick/Clad - Poor
Huonville Depot	Building, Land and Parking for field staff	■	32y – WB -Fair
New Norfolk Depot	Leased building, Land and Parking	■	NA - NA – Good
Campbell Town Depot	Building, Land and Parking for field staff	■	6y – WB - Good
St Marys Depot	Building, Land and Parking for field staff	■	65y – Brick and WB -Fair
Scottsdale Depot	Leased building, Land and Parking	■	NA - NA – Good
Deloraine Depot	Building, Land and Parking for field staff	■	65y – Brick/WB - Poor
Smithton Depot	Building, Land and Parking for field staff	■	30y – Brick and WB -Good
Queenstown Depot	Building, Land and Parking for field staff	■	65y – WB – Fair
Maria St – Archive Store	Store office and facilities	■	14y - Colorbond – Good
Maria St – Secondary Store	Store and Training rooms	■	7y – Brick/concrete – Very Good
Denison Lane Store	Archive Store and office	■	65y – Brick – Good
Cambridge Warehouse	Store, yards, workshop and office	■	8y – Brick – Good
Cambridge Oil Management	Store, yards, workshop and office	■	8y – Brick – Fair
■■■■■■	■■■■■■	■	■■■■■■
Bridgewater Primary Store	Store, yards, workshop and office	■	8y – Concrete/Steel – Good
Rocherlea warehouse	Store, yards, workshop and office	■	25y – Brick/Steel - Fair
Rocherlea Oil Management	Store, yards, workshop and office	■	10y – Brick – Fair
■■■■■■	■■■■	■	■■■■■■
Wilmores Lane	Land	■	NA

Facility name	Type	Staff Accommodation	Age – Construction - Condition
Loones Lane	Land	▮	NA

The 'Out of Scope' assets are anything not listed in the table above and is therefore not the responsibility of the facilities team. The assets excluded from scope covers; Electrical Assets (Terminal & Zone substations, Poles and Wires, etc.), IT Assets, Telecommunication facilities and Fleet assets. A description of the key facility assets can be found in the Appendix B – Detailed facility descriptions section.

3 Strategic Alignment and Objectives

This facilities asset management plan has been developed to align with both TasNetworks' Asset Management Policy and Strategic Objectives for the company.

It is part of a suite of documentation that supports the achievement of TasNetworks strategic performance objectives and, in turn, its mission. The facilities asset management plan identifies the issues and strategies relating to facilities assets and details the specific activities that need to be undertaken to maintain assets to the standards and address any identified issues.

The figure below is a representation of the TasNetworks asset management framework. The diagram highlights the existence of, and interdependence between, the 'Plan', 'Do', 'Check' and 'Act' components of modern asset management practice.

Figure 1 – TasNetworks Asset Management Documentation Framework
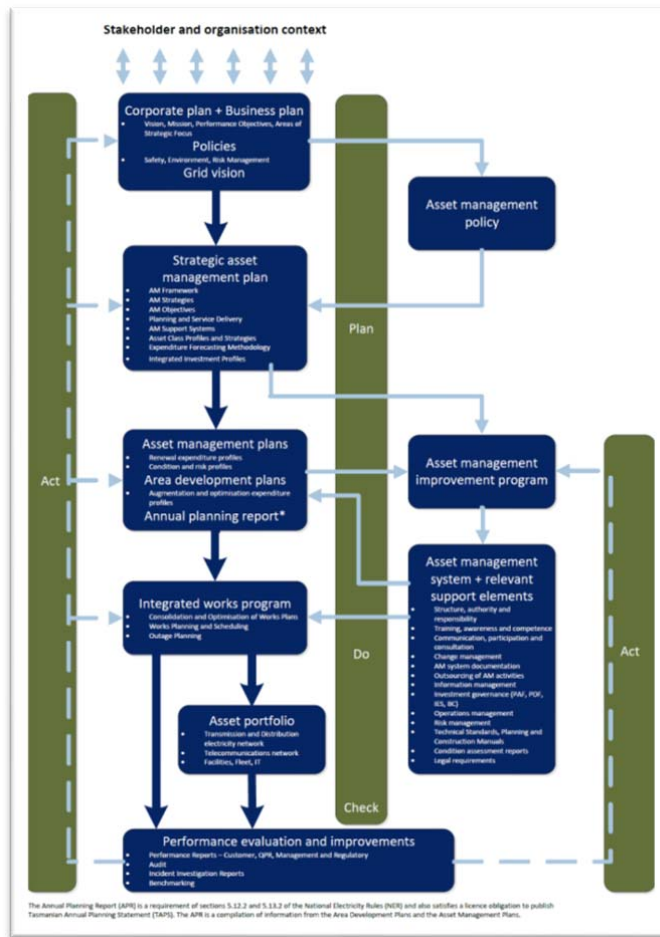
The facilities team has a goal for managing building and property assets that meets the required levels of facility related standards and relevant building codes. The management approach for these assets should focus on the most effective and cost conscious way that benefits asset stakeholders and the Tasmanian community. The facilities asset management plan also enables TasNetworks to deliver on our vision that we will be 'Trusted by our customers to deliver today and create a better tomorrow'.

The strategic objectives for facilities management include:

- Taking a life cycle approach in maintaining assets;
- Developing cost-effective management strategies for the long term;
- Providing a defined level of service, standards, quality and performance monitoring;
- Understanding and meeting the demands of growth and decline for distribution and transmission facility requirements;
- Space utilisation to ensure efficient use of owned assets;
- Building and Facility Risk management;
- Emergency evacuation and facility contingency planning, and
- Continuous improvement in asset management practices.

This facilities asset management plan describes the asset management strategies and programs developed to manage TasNetworks unique facilities portfolio with the aim of achieving the business objectives, including programs, contracts and tasks for:

- Building Construction and Maintenance;
- Cleaning, Garden Management, Pest Control and Security;
- Fire Systems and Air-conditioning servicing;
- Furniture, Fit-Outs and Equipment (FF&E);
- General Repairs;
- Ongoing Expenditure (Rates, Water, Utilities, etc.);
- Asbestos-containing material (ACM) and removal strategy;
- Facility growth planning and accommodation leasing;
- Plumbing and Electrical maintenance contracts;
- Traffic management initiatives, vehicle storage maintenance and external lighting planning;
- Facilities support services, and

This asset management plan adheres to legislative requirements and TasNetworks governing principles and policies. The asset management plan is built on a template derived from the overall corporate asset management strategy.

4 Asset Management Support Systems

4.1 IT Systems

The following IT technical systems and applications are currently utilised by TasNetworks facilities team to manage Construction, Operation and Maintenance of all TasNetworks owned and leased facilities, depots and properties. Key systems include:

Financial

Navision - Finance costs associated with the Aurora Energy legacy owned facility assets are recorded in the Navision finance system. Navision is used for facility financial management and reporting to contribute to the management plan for facilities. Navision functions include; operational planning for cost allocation, depreciation and disposal costs enabling Finance, Analysis and Reporting to prepare facilities cost reporting.

SUN - The SUN finance system is used to manage the Transend legacy owned facilities in the same manner as Navision. Many of the contracts and costs associated with ex Transend owned facilities are retained in the SUN system. This system will hold historical data going forward, with only Navision being used for Facilities.

Safety

RMSS - All Operational facility asset safety incidents should be reported into RMSS. Facilities team members receive incident email notifications from RMSS and will utilise this system to check financial implications and follow up third party incidents.

Asset Management

ProcureGate - The ProcureGate system is used for purchase order requisition for maintenance contracts and services required to maintain fire/security and lift systems.

Document Management

Info Zone - All related facilities documentation is stored in The Business Zone for facilities and shared accordingly with other teams such as Payroll, Finance, Analysis and Reporting and Transaction Business Service teams.

Facilities Systems

████████████████████████

This system by Honeywell allows remote monitoring and management of Heating Ventilation and Air Conditioning (HVAC) systems. It also allows for metering data to be collected and trended. Lighting control schedules are also controlled by the BMS.

████████████████████████████

This system is by Honeywell and is used to provide building and facility access using magnetic swipe cards and fobs. The state wide security cameras are also centrally controlled from this system.

4.2   Asset Information Administration

Facilities asset information is administered through the combined intranet based records in 'The Zone' and the TasNetworks finance system reporting suite. Many assets and asset components are administered through negotiated contracts that may span multiple physical assets; such as in garden maintenance, cleaning and other functions.

This asset management plan includes the following asset management administration functions:

- Asset worth valuation;

- Asset condition reporting;

- Third-Party contract negotiation and renewal;

- Lease management;

- Asset Lifecycle planning and costing;

- Repair and maintenance management, and

- Analysis, Forecasting & Budgeting.

There are however some identified issues with the ability to easily collate this data into presentable readable information. Without access to a **dedicated Asset Management tool**, numerous spread sheets and data sources are still used to record and track the asset information. A TasNetworks integrated asset management system would reduce considerably the effort, time and produce more detailed reporting resulting in a reduction of costs and more timely information to the business. Greater analysis could be undertaken with enhanced intelligence on expected useful life, maintenance and replacement costs.

5 Description of Facility Assets

TasNetworks has developed a portfolio of Facility Assets through the merger of Aurora Energy (Distribution) and Transend (Transmission) businesses. The combined list of facility assets is detailed in the Appendix B – Detailed facility descriptions section. The types of facilities assets covered in the asset management plan are described as:

- Buildings – Having a roof, floors, walls, windows, partitions, furniture and fittings;
- Lifts – Subtype of Buildings;
- Air-conditioning units– Subtype of Buildings;
- Fire Systems – Subtype of Buildings;
- Land – Surrounding buildings and having gates, fencing and gardens;
- Car parks – Subtype of Land;
- Depot Yards – Subtype of Land, with specialized vehicle storage and parking;
- Carpets – Subtype of Buildings;
- Painted Surfaces – Subtype of Buildings;
- Partitioning – Subtype of Buildings, includes desks and shelves;
- Furniture and Equipment – Part of building contents;
- Lighting – Subtype of Buildings, includes security lighting;
- Toilets, Kitchens and Showers – Subtype of Buildings, includes plumbing and fixtures.

The types of assets, shown above, are included in the TasNetworks facilities asset portfolio. The portfolio has a value of total worth made up of the market value of the assets and the internal fittings or improvements made to the assets. The assets are spread across the state of Tasmania and have various configurations, such as office buildings with car parks or depot sites with stores and workshops. The following sub sections will describe the configuration of physical assets, the programs used to maintain the assets (and retain the highest market value) and the ongoing (day-to-day) costs for managing and maintaining facility assets.

5.2   Facility Asset Programs

TasNetworks manages the operation and maintenance of their owned facilities through many asset related programs.   These programs span physical assets and include such items as maintenance contracts and service programs as well as other necessary programs of work. These programs are designed to maintain quality, retain usability, improve the asset market value and extend the useful life of the asset.   This section provides a high level breakdown of facility programs and contracts with an indication of the percentage each one contributes to the portion of the facility management annual budget.

Table 3: Facility asset maintenance programs and contracts

Facility Programs	Spend %	2014-15 Annual Spend
Servicing Maintenance	3%	■
Electrical Maintenance	7%	■
Plumbing Maintenance	4%	■
Cleaning Contracts	19%	■
Pest Control Programs	4%	■
Security Contracts	12%	■
HVAC Servicing	21%	■
Fire System Maintenance	7%	■
Garden Maintenance Contracts	1%	■
Waste & Recycle Program	9%	■
Stationary Contracts	6%	■
Other (UPS etc)	7%	■

Figure 3 – Graph of TasNetworks facility programs and contracts
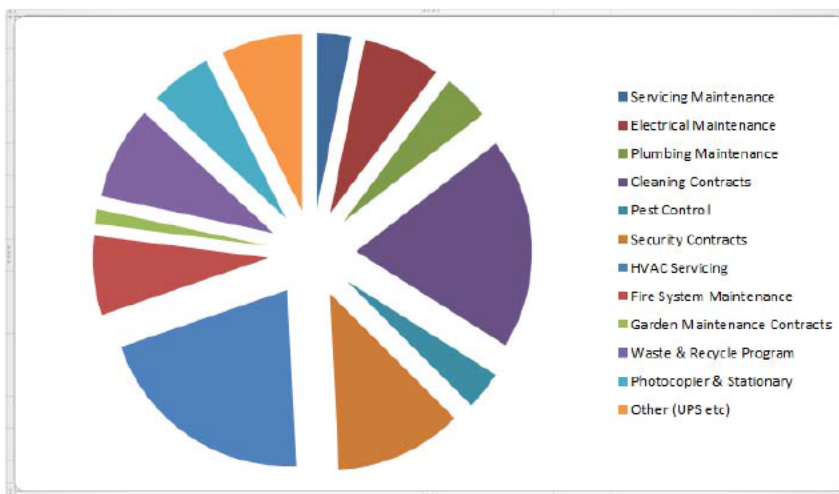
## 5.3   Facility Asset on-Going Operational Costs

TasNetworks operation and maintenance of assets has an associated on-going cost that is included in the financial planning for Facilities. This cost to maintain Facility assets is determined by forward costing previous expenditure. The on-going costs are applied across physical assets and indexed to reflect inflation and cost increases.

These on-going costs span physical assets and cover items for maintenance, repair and running costs such as utilities. The table below shows the types of expenditure that occur on a regular basis as well as the annual spend and percentage of proportion from the annual budget.

Table 4: Facility On-Going Costs

Facility on-going cost type	Spend %	Approximate Annual Spend
General Maintenance & Repairs	9%	$630k
Salaries, Consultancy, Training & Fleet	6%	$440k
Rates and Land Taxes *	11%	$740k
Electricity *	22%	$1,520k
Leases and Rentals	37%	$2,500k
Staff Amenities	3%	$200k
███████████████	██	███
General Maintenance & Repairs	9%	$630k

Figure 4: Graph for on-going costs
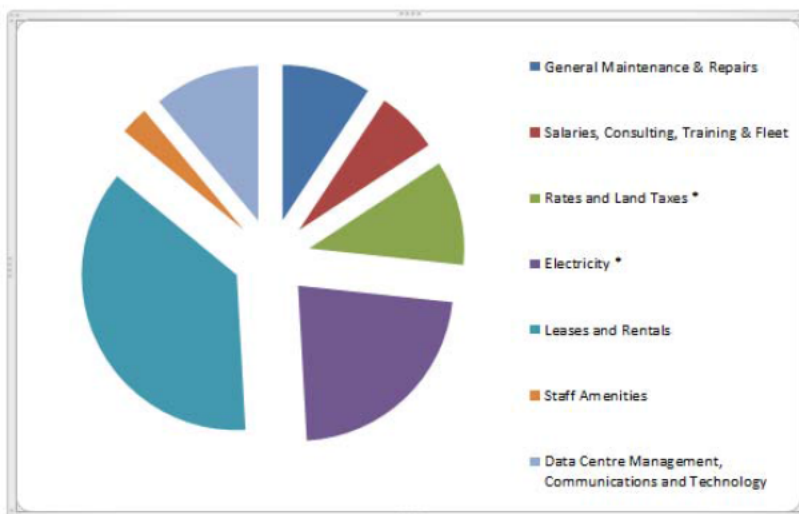
* The cost for Electricity usage, Water and Rates is paid by facilities for other sites (such as Terminal stations, substations) that are not the direct responsibility of the facilities team. These sites are not considered in the facility scope of assets.

6 Associated Risk

The Facilities team acknowledges that risk management is an integral part of operational facility asset management practices. The overall objectives of a formal risk management approach are to:

- Document the processes by which the facilities team will manage risks associated with facility assets so they can be identified, reported and evaluated in a consistent manner;

- Identify operational and organisational risks at a broad level;

- Allocate responsibility for managing risks to specific facility team members or Line managers to improve accountability, and

- Prioritise the risks to identify the highest level priorities in the short to medium term.

Facilities will adopt a systematic and holistic approach to managing risks based on TasNetworks Risk Management Policy and Asset Management Policy.

6.1 Risk Register

Facilities team are in the process of identifying potential risks in the following areas:

- Business practices for asset management;

- Regulatory compliance;

- Economic conditions;

- Environmental management;

- Contract management;

- Financial efficiency;

- Natural hazards and disasters;

- WH&S related risks;

- Property loss;

- Public liability, and

- Statutory compliance.

Risk assessment is an on-going process that strives to identify credible risks, the likelihood of the risks occurring and the consequences should the risk eventuate.

Critical risks, being those assessed as 'Extreme' require immediate corrective actions, and risks assessed as 'High', require prioritised corrective actions, are integrated in to programs commencing in the current financial year. The Risk Rating is determined from the combination of CONSEQUENCE and LIKELYHOOD.

The fully complete Risk Register for Risks associated with facility assets is being maintained in the TasNetworks corporate risk register and are attached to this document in Appendix E

Additional facility risk details can be accessed through the link on 'The Zone':

http://hseqzone.tnad.tasnetworks.com.au/how-to/plans/Forms/AllItems.aspx

For more detailed facility HSE Risk Registers.

7 Facilities Asset Management Plan

7.1 Building Management

This section outlines strategies and actions for the operation and maintenance for TasNetworks Building Management and focuses on the economic and physical management options through to Operational Asset disposal. Building management is made up of programs such as; cleaning, pest control, security, grounds maintenance, scheduled routine and non-routine maintenance, Asbestos removal and adherence to building codes and standards. The intent of these programs is to allow building management to be planned, costed financially and forward determined.

Property maintenance is an extension of Building maintenance that covers the whole of a property including the external aspects and is necessary to ensure fit-for-purpose accommodation. Under TasNetworks operational expenditure allocation at each site a routine of scheduled maintenance is undertaken on a regular basis. This includes a component for repairs and corrective maintenance that allows any defective services or equipment to be maintained in full operational condition.

Facilities will tender maintenance work, including cleaning and ground maintenance, award to suitable service providers in accordance with TasNetworks Tendering and Contracts process and framework. General asset maintenance audits of all TasNetworks properties (within the scope of this plan) are completed every three months, as is the requirement of the annual "essential health and safety features" compliance.

7.1.1 Cleaning Contracts

Cleaning contracts are awarded through successful tender to local contractors relevant for each site. The following table outlines the required strategy, activity and level of service.

Table 5: Facility Cleaning Plan

Strategy	Activity	Levels of Service
To maintain all buildings, workshops and stores to an acceptable level of cleanliness	- General cleaning - External cleaning - Sanitary services - Other cleaning	- Achieve acceptable levels of cleanliness to provide a safe, healthy and comfortable work environment - Minimise disruption to BAU activity - Keep costs to a minimum - Provide employment to local resources
Waste Removal	- Silt & Pit Waste Removal - General Waste Removal - Recycling	- Ensure Waste levels are kept to a minimum - Provide environments free from germs, dirt and grime - Act in an environmentally responsible

		manner

The annual budget for cleaning and waste is approximately: ███████

7.1.2 Routine Maintenance

Routine Maintenance includes activities that are required by law, are regulatory in nature or are needed to be constantly acted upon. For buildings the routine maintenance requirements include; fire system maintenance, pest control, air-conditioning service, electrical and plumbing related as well as Lift and Telecommunication upgrades.

Table 6: Routine Maintenance Plan

Strategy	Activity	Levels of Service
To maintain all building fire systems in accordance with the building fire code	• Fire System audits and testing • Alarm testing • Fire drills • Communication with fire service	• Fire systems operate as expected and meet the relevant code • Minimise disruption to BAU activity • Meeting all regulatory requirements • Provide reporting to stakeholders • Training and Compliance
Sustain the life of Air-conditioning and heating systems (HVAC) to ensure efficient and effective environmental temperature control	• Air Conditioner Servicing • Duct Cleaning • Filter Replacement • Air quality testing	• Air-conditioning is serviced in accordance with the relevant building codes • Serviced by qualified trades persons • Total prevention of airborne particles leading to health risks
Electrical Maintenance for all Electrical related equipment and plant	• Thermal Scanning • Test & Tag • Generator Power-plant management • Lamp Replacement	• Electrical contractors must be qualified and possess relevant and documented proof of qualification • All contractors should be familiar with TasNetworks policies and standards • Be covered with sufficient level of liability insurance • Work to Health and Safety industry standards
Lift Maintenance	• Schedule Lift servicing • Lift inspection, and • Safety systems testing	• Meeting the national standards for lift servicing • Ensure highest levels of public safety • Plan for reliable operation 24 x 7
UPS Maintenance	• Maintain and test all UPS units • Regular maintenance • UPS upgrade and replacement scheme	• Provide a continuous power supply to critical systems and facilities • Ensure safety systems are powered 24 x 7 • Uninterrupted power to all alarm systems and critical infrastructure • Provide UPS with sufficient capacities
Plumbing maintenance	• Drainage Maintenance • Water Treatment • Backflow prevention	• Plumbing contractors must be qualified and possess relevant and documented proof of qualification

Strategy	Activity	Levels of Service
	testing	• All contractors should be familiar with TasNetworks policies and standards • Be covered with sufficient level of liability insurance • Work to Health and Safety industry standards

The annual budget for Routine Maintenance is approximately: ▮▮▮▮▮▮

7.1.3 Non Routine Maintenance

TasNetworks requires non routine maintenance to Buildings and surrounds due to environment damage or staff movements. Where storms cause damage the responsibility for facilities is to repair building damage in a safe and timely manner. Non Routine maintenance can also result in building fit-outs as a result of changes in staffing or equipment required by the occupants.

TasNetworks maintains a register of suitable contractors that provide services for non-routine maintenance.

Table 7: Non-Routine Maintenance Plan

Strategy	Activity	Levels of Service
To repair building damage in a safe and timely manner	• Repairs • Storm Damage • Plumbing Repairs • Other	• Repairs are made by suitable qualified trades • Repairs are guaranteed • Repair work is assessed and quality tested
Change to building fit-out with efficiency and minimum disruption to the business	• Desk & shelf repairs • Partition removal • Equipment installed/removed	• Provide timely response to the needs of each business unit • Use quality and sustainable materials • Ensure highest levels of safety are met • Be flexible, functional and adaptable taking cost effectiveness into account
Repair to external damaged items in a safe and timely manner	• Fencing damage repairs • Signage Damage • Tree Removal • Burst water pipe • Flooding	• Provide timely response to the needs of each business unit • Use quality Materials • Ensure highest levels of safety are met
Construction and building renovations	• Maintain the structural integrity of all buildings • Upgrade and refit as buildings age • Extend usable space or adjust structure to accommodate more staff	• Provide building extensions and refit to accommodate new or additional staff • Uplift buildings to a modern style to maintain a high property value • Use of qualified and proven trades
Materials and tools	• Provision of repair materials • Provide tools and equipment for minor repairs	• Ensure appropriate and safe material storage • Retain a stock level of materials to ensure fast repair times • Stock sufficient tools for facilities repairs and minor work • Use qualified trades to perform repairs and maintenance outside the qualification of facility team

The annual budget for Non-Routine Maintenance is approximately: ▮▮▮▮ that includes allocation for tools and materials.

7.1.4 Standards, building codes and specifications

The facilities asset management of buildings requires inspections and auditing (reporting on conformity) of works relative to the various state and federal standards. The plan ensures TasNetworks Building Maintenance work is carried out in accordance with the following standards, building codes and specifications:

- All construction work should adhere to the building codes stated in the Building Act 2000 and the Building Code of Australia;

- Any repairs, extensions or building renovation work should meet the codes specified and standards equal or better to the standards required for construction;

- Any maintenance should meet health and safety standards as stated in the Workplace Health and Safety Act 1995 and Workplace Health and Safety Regulations 1998;

- All property must be maintained to meet the Building Act 2000 and not compromise the Building Code of Australia;

- All fittings and internal fixture must meet safety standards as stated in the Workplace Health and Safety Act 1995 and Workplace Health and Safety Regulations 1998;

- Servicing or inspection of HVAC assets is performed in accordance with TasNetworks specifications, manufacturer's recommendations or regulatory requirements for a specific Asset.

Any deferred maintenance (if applicable), e.g. work which is identified for maintenance but without allocated funds will be documented and included in the risk assessment process. In addition, activities associated with all TasNetworks properties will comply with TasNetworks HS&E safety policies, procedures and processes. A yearly-certified compliance audit of all TasNetworks properties (within the scope of this plan) is completed in accordance with the Tasmanian Building Act 2000. To ensure all work meets these standards and also high-risks sites are identified, a large proportion of costs in this area are allocated to specialist consultants. The consultants will perform specialist tasks for inspection, reporting and testing or verification of standards.

The annual budget for Auditing, reporting and administering code compliance, including contracting specialised services, is approximately: ▮▮▮▮

7.1.5 Ongoing Expenditure

TasNetworks Building Management planning also includes allowance for ongoing weekly, monthly and yearly costs. These costs form part of the Annual management expense for running the buildings and maintaining property to a suitable standard, the table below shows the ongoing expense summary for all TasNetworks Buildings;

Table 8: Ongoing Expenditure Plan

Expenditure Item	Inclusions	Annual Cost
Electricity Usage and Services for facility buildings including substations and terminal stations *	• Electricity usage charges for facilities, buildings, depots and stores • Electricity charges for all substations and terminal stations • Charges and fees	███████
Land tax, Rates and Water Usage for facility buildings including substations and terminal stations *	• Government land taxes • Local council land valued rates • Water usage and service charges for all facilities properties	██████
Lease and rental	• Building Lease • Rental of office space • Other rental	███████
Staff Amenities	• Coffee, Tea, Drinking Water • Other consumables	██████
Stationary	• Stationary supplies • Copier paper	██████

The annual budget for ongoing expenses for facilities buildings is approximately: ████████

* The cost for Electricity usage, Water and Rates & Land Taxes are paid by facilities for other sites (such as Terminal stations, substations) that are not the direct responsibility of the facilities team. These sites are not considered in the facility scope of assets.

7.1.6 FF & E

The building management also has a requirement to maintain the internal furnishings, desks, partitions, walls and any Equipment (Projectors, microwaves, fridges, etc.). The items maintained internal to buildings are referred to as FF&E (Furniture, Fit-Out and Equipment). Furniture, fittings, equipment and air-conditioning need to be adjusted, moved, upgraded and replaced as the occupants move around or the number of staff in an area increases. TasNetworks has the following strategy in place for FF&E:

Table 9: FF&E Expenditure Plan

Strategy	Activity	Levels of Service
Maintain the Desks, Chairs and other Furniture to an acceptable level of quality.	• Desk adjustment and replacement • Office chair upgrade and replacement cycle • Provision of Desk drawers and shelving	• Maintain the desks to WH&S standards • Adjust seating and desk levels to accommodate the WH&S needs of individuals • Ensure adequate storage for employees and contractors
Replace or upgrade air-conditioning to accommodate additional employees	• Air-conditioning tuning • New Air-conditioning systems • Upgrade to Air-Conditioning systems	• Use qualified plumbing and refrigeration trades people • Ensure systems meet all WH&S requirements • Maximize staff comfort

The annual costs covered by the CAPEX budget for FF&E are approximately: ▮▮▮▮▮▮. Some ongoing FF&E (OPEX) costs are spread across general maintenance budget allocations.

7.2   Grounds Management

This section outlines strategies and actions for the operation and maintenance of facility grounds. The facilities team ensure all TasNetworks owned buildings, depots and sites have sufficient and reliable garden or grounds maintenance. The focus is on the external aspects of the facilities asset management plan and includes item such as gardening, grass cutting, tree maintenance and tree removal, car park maintenance, signage, external lighting and external security. The following subsections describe the plan in terms of the strategy and services with an overall estimate of the cost for each item.

7.2.1 Gardening maintenance and grass cutting

TasNetworks utilises local contracts in performing garden maintenance on its sites. The garden maintenance can include general garden upkeep, landscaping, grass cutting and removal and tree management. The table below provides the strategy, activity and level of service has the following contracts in place for Gardening and grass cutting:

Table 10: Garden Maintenance Plan

Strategy	Activity	Levels of Service
To maintain gardens and land area to an appropriate level of usability and safety	• Garden Maintenance • Landscaping • Watering and weeding • Fertilisation and soil improvement • Mulching • Removal and disposal	• Contractor has suitable equipment and safety procedures • Appropriate removal process that is environmentally acceptable • Contractor has proven experience to perform the task
Tree repair or tree removal to maintain public safety and prevent damage to adjacent assets	• Tree lopping • Tree repair • Tree removal • Stump removal	• Contractor has suitable equipment and safety procedures • Appropriate removal process that is environmentally acceptable • Contractor has proven experience to perform the task
Maintain grassed areas to relevant council and TasNetworks standards	• Crass cutting • Weed control • Slashing • Clipping removal	• Contractor has suitable equipment, qualifications and safety procedures • Appropriate removal process that is environmentally acceptable
Pest Control	• Vermin baiting • Spraying for Ants • Termite controls • Pest proofing	• Environmentally approved solutions • Safe and reliable barriers • Approved and tested contractors

The annual budget for gardening maintenance and Pest control is approximately: ▮▮▮▮▮

7.2.2 Vehicle Storage and traffic management

Many TasNetworks owned sites have car parking and spaces for specialised service vehicles that require maintenance and expansion. These vehicle storage areas at TasNetworks sites have the following plan in place for maintenance and traffic management:

Table 11: Vehicle Storage Maintenance Plan

Strategy	Activity	Levels of Service
To safely construct and maintain vehicle storage, car parks and gates, drives for safety and traffic flow efficiency.	• Vehicle Storage construction • Car park resurfacing • Security systems • Lighting • Vehicle Storage signage • Specialist Vehicle Storage construction and refurbishment	• Suitable contractors utilised • Construction meets approved standards • Standard dimensions used for vehicle bays, roads and entrances • Safety standards are maintained • Disaster planning and evacuation contingency considered
Maintain and update line marking for traffic flow and safety	• Line Marking • Signage • Line re-painting • Speed limit evaluation • Speed humps	• A property needs to be used safely, effectively and maintained in a condition that is fit for the purpose for which it is intended • Traffic management maintained for safety and efficient traffic flow • Contributes to vehicle safety and the reduction of accidents
Special Vehicle accommodation to protect high-cost vehicles	• Truck storage • Crane, digger storage • Vehicle shelters • Vehicle wash area maintenance	• A property needs to be used safely, effectively and maintained in a condition that is fit for the purpose for which it is intended • Adopt high levels of safe access

The annual budget for car park maintenance is: ▮▮▮▮▮

7.2.3 Security

TasNetworks uses a variety of security approaches for maintaining the security of the physical facility assets. The buildings and surrounding land must be protected and a security plan has the following strategy, activity and service expectations for security services:

Table 12: Security Plan

Strategy	Activity	Levels of Service
To protect the facility assets from theft, unauthorised access and damage or destruction	• Security Patrol contractors • Alarm system action • Security Staff for monitoring and local patrols • Monitoring systems • Gates and Locks maintenance	• Suitable contractors utilised with security training • Safety standards are maintained above all • Buildings and Exterior have security monitors, alarms or patrols as appropriate • Control locks and keys to ensure secure access to authorised staff only • Acknowledge alarms in a timely manner
Electronic access and building pass controls	• Access FOB system management • Access pass ID printing • Management of security access levels • Termination of access • Monitor and manage access pass distribution	• Ensure appropriate access levels • Allocate photo ID's to all staff and contractors • Terminate access with exit procedure for staff and contractors • Review access levels and allocation of secure areas from time to time

The annual budget OPEX for security, including security labour is approximately: ▮▮▮▮▮

An additional CAPEX 2015/16 budget allocation to security operations was included of approximately: $340,000

* **NOTE: This figure does not cover the substation and terminal station security systems.**

7.3 Facilities supporting services

The building and property management requires items and activities that support the effort to manage facilities. The largest cost item is Labour costs for staff to manage the facilities and administers the various programs and contracts. The area of facility supporting services also includes travel, training, conferences, accommodation, fleet and other employee related costs.

TasNetworks has the following strategy for facilities support:

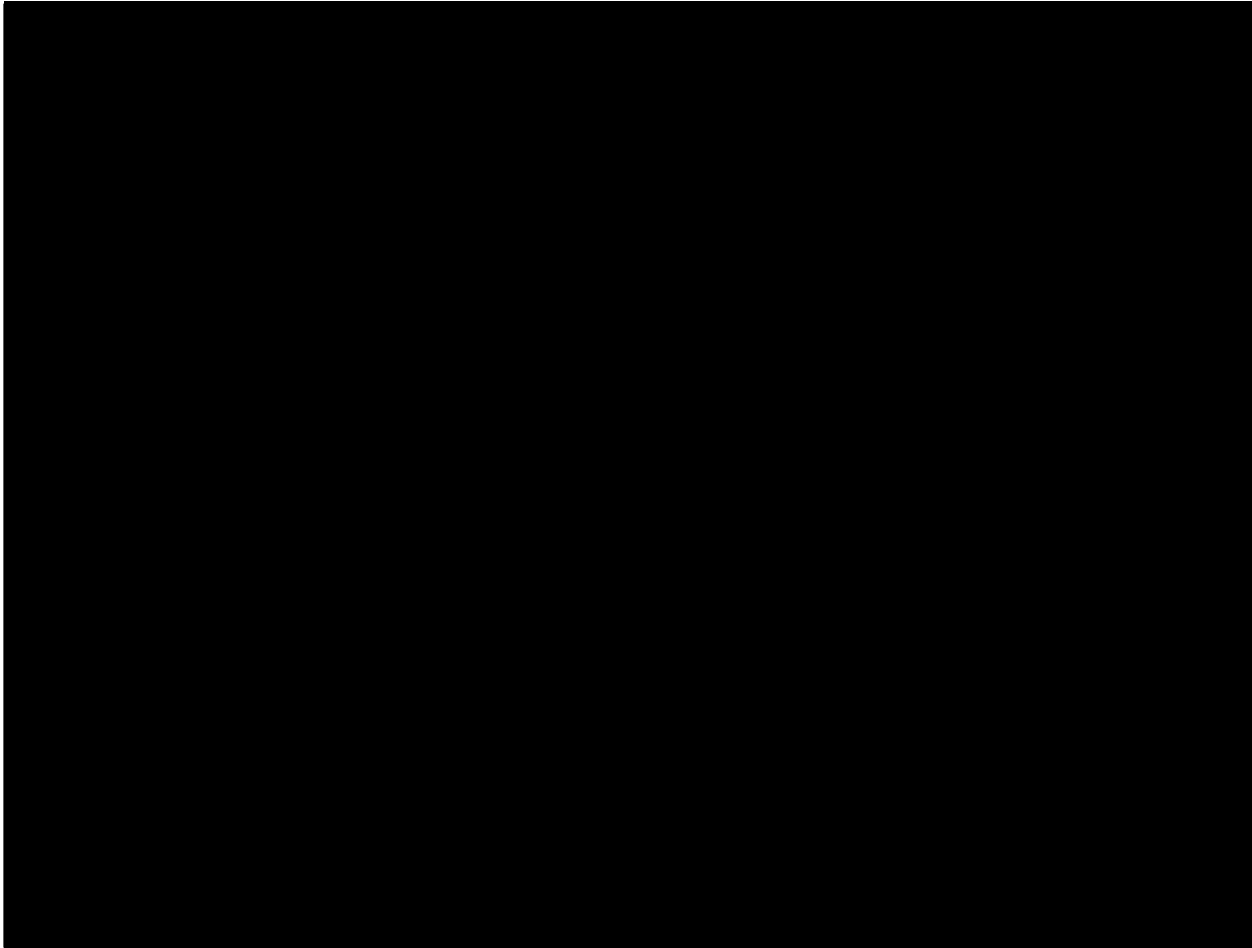**Table 13: Facilities supporting services and activities**

Strategy	Activity	Levels of Service
Staff labour to manage facilities, inspect, plan and report	• Permanent employees form a team to manage facilities • Staff have the relevant skills	• Utilise permanent TasNetworks employees with experience and knowledge of the facilities assets • Ensure appropriate training and support is made available
Provide facilities staff accommodation and travel for training events and conferences	• Provide travel options for visiting the facilities and related training courses • Provide accommodation where required for conferences or overnight on long distance travel when auditing or inspecting facilities • Provision of adequate travel and accommodation expenses occurred by facilities during the course of their duties	• Ensure staff have taxi vouchers or hire cars so as not to be out of pocket • Provide local hotel accommodation where travel distance is significant, such as interstate training • Ensure safety clothing and adequate vehicles for the facility tasks • Provide adequate accommodation for overnight trips to inspect/audit facilities that are a significant distance away
Provide facilities Training	• Training required in modern facilities management techniques • Training for specialist equipment • Training for tools • Administrative training	• Training is relevant and appropriate to the TasNetworks requirements • Training provides a formally recognised qualification • Training tools and administration is appropriate
Provide fleet and service vehicles	• Provide a fleet of vehicles that are suited to facility team requirements	• Provide utilities for transport of goods • Provide service vehicles that are fit for purpose

The annual budget to support facilities management is approximately: ▮▮▮▮▮

7.4 Data Centre Maintenance

At TasNetworks the facilities scope covers data centre management. This significant area of the facilities scope includes managing the data centre facility any refurbishment, climate control upgrades, on-going costs or other maintenance. Within the data centres the maintenance plan also covers; Gas Suppression devices, Chillers, AC and humidifiers, Mechanical controls, lighting, generators, UPS, security access, CCTV upgrades and creating custom storage space. The table below highlights the strategic approach:

Table 14: Facilities communications and IT strategy

The annual budget to support the data centres is approximately: ▮▮▮▮▮ The funds allocated to data centre management are sourced from a combined budget allocation covering Routine Maintenance, on-going costs and IT budgets.

An additional capital (CAPEX) budget for data centre improvements is approximately: ▮▮▮▮▮

7.5   Asbestos Removal (ACM) Plan

Many old building owned by TasNetworks may be constructed with Asbestos-containing materials (ACMs). These buildings will eventually be included into a plan to identify, classify and remove or stabilise any material containing dangerous Asbestos. A program to actively remove ACM would be funded through the capital (CAPEX) budget and conducted in parallel to general maintenance of buildings. The safety for all staff and contractors is paramount in providing a working environment that is free from hazardous materials. This section outlines a proposed plan for the complete removal of all Asbestos-containing material (ACM) in all TasNetworks owned facilities.

Table 15: ACM Removal Plan

Strategy	Activity	Levels of Service
ACM Identification program	• Utilise specialist ACM audit contractors • Ensure audit results is recorded and communicated	• Use only accredited auditors • Document clearly the extent and threat • Communicate the level of urgency
To safely remove any items of construction that may contain traces of Asbestos	• ACM identification and removal planning • Engaging suitable and qualified contractors • Removal and disposal from sites • Clean up and testing	• Removal is made by suitable qualified trades • Repairs are guaranteed • Safety standards are maintained • Disaster plan drafted and approved • Contingency planed • Evacuation procedures covered
Replacement of material that may contain ACM with new materials	• Removal of any material with ACM • Plan and design replacement materials • Engage contractors • Construct or repair as required	• Removal is made by suitable qualified trades • Construction with environmentally friendly materials • Safety standards are maintained • Relocation and temporary accommodation planned

A proposed annual (CAPEX) budget for ACM removal and building renovation is approximately:
███████

7.6   Regulatory Obligations

Compliance with relevant Australian standards, legislative requirements, code of practice, design rules, environmental considerations and safety requirements across the facility portfolio is a critical and ongoing driver of performance and expenditure. A list of key compliance requirements are listed below.

Local – Local Council Codes

- Asset Maintenance Standard (Form 56) – for public amenities, per city council regulations.

- Other local council regulations as required.

Tasmanian Codes

- Tasmanian amendment to the Plumbing Code of Australia. Including additions and amendments specifically to meet Tasmania requirements for building code.

- Building Amendment Act (2012) for local amendments relevant to Tasmania. Covering the named acts: Fire Service, Drains, Building, Water and Sewerage and plumbing.

- Workplace Health and Safety Act 1995 – providing local Tasmanian government health and safety regulations.

National Codes

- The **Australian Building Code (ABC)** is followed for all building construction, renovations and repairs.

- The **Plumbing Code of Australia (PCA)** is used for all Plumbing related Construction and repairs.

- The **National Construction Code (NCC)** of 2014 supersedes the Australian Building Code (ABC) and the Plumbing Code of Australia (PCA). This code is used for all Building and plumbing construction and repair work. Includes state code amendments (TAS).

- Model the **Work Health and Safety Regulations 2014** to provide a safe working environment to all staff and contractors.

- Managing the Work Environment and Facilities – Code of Practice (**Work Health and Safety Act 2012)**

- EMPCA 1994, Environmental Management and Pollution Control (Waste Management) Regulations 2010

ACM – Asbestos Removal

- The **Work Health and Safety Act 2012** requires all persons who conduct a business or undertaking (PCBU) to ensure, so far as reasonable practicable, that workers and other persons are not put at risk from work carried out (regarding ACM removal) as part of the business or undertaking.

- The **Work Health and Safety Regulations 2012** include specific obligations to manage and control asbestos and ACM at the workplace.

Australian Standards

- AS 3745:2010 – Planning for emergencies in Facilities

- AS1851:2012 – Maintenance of Fire Protection systems

- AS14520 – General fire-extinguisher systems

- AS1668 – The use of ventilation and air-conditioning in buildings

- AS1670 – Automatic fire alarm installation code

- AS1603 – Automatic fire detection systems

- AS 3806-2006 - Compliance Programs

There are other associated Standards used in reference to sections of the above Standards.

7.7   Quality System and Audits

Facilities at TasNetworks operate under the Quality Management System Standard AS/NZS 9001/14001/4801 framework. Internal and external audits are conducted on the elements to ensure TasNetworks is in full control of its activities and conforms to the quality accreditation requirements.

Refer to the section on Regulatory Obligations for the specific codes and regulations that underpin the quality measures for facilities management.

7.8   Lifecycle Maintenance Plan

TasNetworks own all Operational Facility assets through the CAPEX program as there are no current financial or operational reasons to move to a leasing arrangement. Further analysis would be required to move away from the current position and consideration on the fiscal impacts to business operating costs. As such the Lifecycle maintenance plan is used to maintain consumable items of a building and thus retain the value of the asset over time. The following table lists the life spans of facility asset types included in the plan:

Table 16: Lifecycle Maintenance Plan critical Items

Asset	Life Span	Replacement Options
Buildings	• 30 – 50 years	• Renovate or Refit • Demolish and rebuild • Sell and Purchase new • Lease
HVAC (Heating and AC)	• 10 years	• Refurbish • Replace
Fire Systems	• 20 years	• Replace only
Carpets	• 10 Years	• Replace only
Painted surfaces	• 7 years	• Repaint • Render • Cover • Replace with non-paint material
Lighting	• 3 years	• Replace • Update with LED or Long Life • Add natural lighting
Partitions	• 10 years	• Replace • Construct / Repair

As part of determining the replacement program, consideration is given to the following Facilities asset replacement criteria:

- Fit for purpose;

- Cost required to make asset 'fit for purpose';

- Changes to service levels to meet operational requirements;

- Technology obsolescence;

- Potential useful life;

- Safety ratings and features;

- Environmental ratings and sustainability, and

- Replacements lead times.

The cost for life cycle maintenance is split between Routine and Non-Routine maintenance.

7.9   Facilities Strategy

This section has an overview of the Strategy used, by facilities, to model the asset management plan. The TasNetworks facilities asset management strategy can be referenced in full from the facilities management documents section on The Zone. This summary of the strategy is included here to provide background on the drivers for decisions in the asset management plan and to contextualise the intent of the plan to move toward a more mature model.

The Asset Management Strategy for Facilities Management content is summarised through the sections described below:

Introduction, Purpose and Scope – is used to highlight the challenges posed with the merger of Transmission and distribution assets and the need for a more mature, functional and flexible approach to managing facility assets. The scope highlights the properties and buildings that are the responsibility of the facilities team;

Background Drivers – describes the drivers used as instigators for changes and other alterations, including, space utilisation, standard accommodation, risks & critical sites, emergency planning and lifecycle condition planning. These drivers work together to provide effective planning of asset maintenance that is cost effective and suited to the condition of the asset that will provide the best long-term solution;

Life-Cycle Management – explains the strategy to maintain facility components based on the expected life of each. The life-cycle for carpet, paint and lighting should reflect the expected life and the replacement budgeting, similar to other assets that have a definitive life span;

Levels of service – is used to outline the statutory regulations and building codes that drive the requirements for a mandatory maintenance cycle;

Asbestos Strategy – has a comprehensive strategic overview for the need to remove asbestos containing materials (ACM) that is present in TasNetworks owned buildings and sites;

Governance and Guidelines – looks into the reporting and responsibility framework and the planning guidelines for property maintenance, specifically with facilities management as the focus;

Maintenance – is a section that outlines the fit-for-purpose and sustainability components of effective maintenance routines and programs. This covers the provision of items such as indoor environment quality, energy, transport, materials & innovation and the balance with cost and return on investment;

Appendices – cover specific site commentary along with a complete list of all properties TasNetworks owns.

8 Financial Summary

The financial summary section is intended to provide a summary of line items and programs required, along with the coast value, to meet the construction, repair and maintenance requirements stated in this plan. The Financial Summary is separated into OPEX and CAPEX with a 7 year forecast for each.

8.1 Proposed OPEX Expenditure Plan

The Proposed Budget for facilities OPEX (operational expenditure) is derived from the cost estimates within this Asset Management Plan. The operational expenses have been forecast out for 5-year cost projections from 2017-2022. The table below provides a summary view of rolled-up costs until the year 2022:

Table 17: Total OPEX for period between 2015/16 and 2021/22 financial years

The OPEX budget is reviewed on a yearly basis and is monitored on a monthly basis by facilities team and Finance managers. Total OPEX budget for the 2015/16 financial year has been determined to be approximately $9,000,000. The base OPEX budget (15/16 financial year) has been used for the preparation of this document, no CPI increase have been applied to subsequent years .

Table 18: Total OPEX for period between 2015/16 and 2018/19 financial years

	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
OPEX Budget ($) *	9.0M	9.0M	9.0M	9.0M	9.0M	9.0M	9.0M

Refer to section <u>Appendix A –2015-2016 OPEX & CAPEX Budget</u> for a detailed listing of GL accounts in each category.

8.2 Proposed CAPEX Expenditure Plan

The capital programs and expenditure identified in this management plan are necessary to manage facility operational issues, safety risks and maintain facility assets to an acceptable level of quality and safety. Items previously covered by the CAPEX budget include:

- Car parking construction and expansion projects
- Building renovations
- Data Centre upgrades and expansion
- Depot upgrades
- Staff relocations
- Garden Re-developments
- Furniture, Fixtures and Equipment (FF&E) upgrades
- Security and Access control improvements
- Hazardous Material removal (including potential for ACM removal program)

The proposed capital spending will, over time, adjust funds to utilise CAPEX budget allocation towards projects and work programs with the greatest business need. This allows TasNetworks to use capital funds for urgent repair and improvement works, such as the ACM – asbestos removal program and other critical facility requirements.

TasNetworks proposes a total capital expenditure of approximately **$26 million** over the next 7 years, with an average annual CAPEX budget of **$3.7 million** per annum. The base CAPEX budget (15/16 financial year) has been used for the preparation of this document, no CPI increase have been applied to subsequent years .

Table 19: CAPEX proposed for the period between 2015 and 2022 financial years

Proposed	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
CAPEX Budget ($) *	5.6 M	2.4 M	2.1 M	1.9 M	2.5 M	5.6 M	5.6 M

Refer to section <u>Appendix A –2015-2016 OPEX & CAPEX Budget</u> for an indication of the 2015-2016 CAPEX spending.

9 Responsibilities

Maintenance and implementation of this management plan is the responsibility of TasNetworks facilities team.

Approval of this management plan is the responsibility of the TasNetworks Leadership Team.

10 Related Standards and Documentation

The following TasNetworks documents have been used to either in the development of this management plan, or provide supporting information to it:

1. TasNetworks Corporate Plan
2. TasNetworks Asset Management Policy
3. TasNetworks Procurement Policy
4. TasNetworks Compliance Policy
5. Crisis and Emergency Management Plan

Refer to the appropriate section on The Zone for references to corporate standards and other reference documentation. (http://businesszone.tnad.tasnetworks.com.au/policies)

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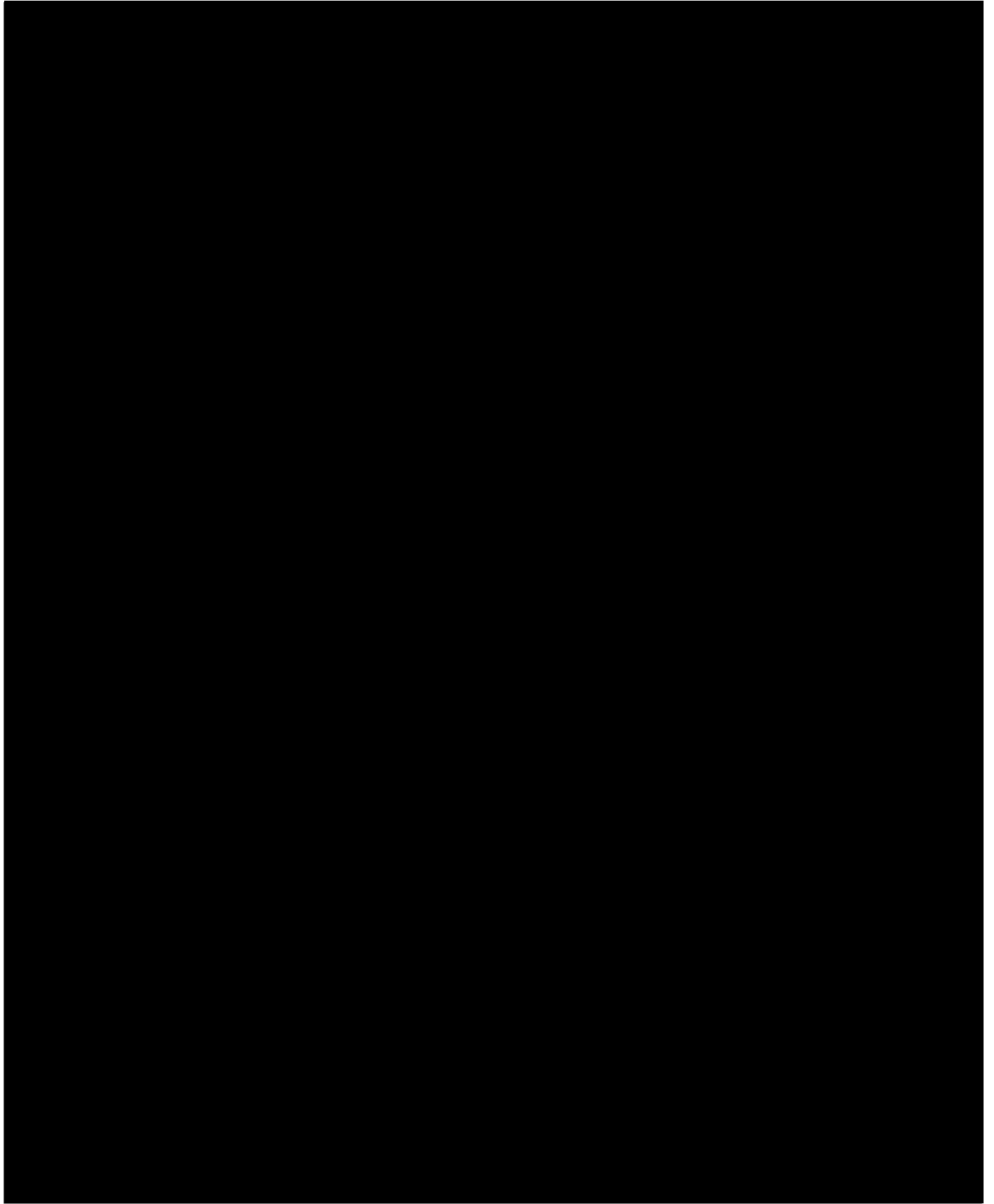
Cambridge Facility

The Cambridge site houses ███ staff at desk locations, along with being a base for xx field staff. Within the Distribution warehouse building other functional groups such as EHV operators, etc. etc. are housed. The warehouse itself is caged and partitioned off for these other groups. The site also houses a yard holding facility for distribution items.

The facility space caters for staff from the works and service delivery teams and has meeting room space that doubles as an Incident Control Centre (ICC) for when major incidents occur within the distribution network. There are currently 5 meeting spaces, toilets, kitchens and storage areas within the facility. The facility was constructed in 2007 and repainting of most areas has just been completed. It would be necessary to replace lighting tubes in all the lights as they don't meet lux levels currently and there is potential to recarpet further as this has deteriorated in the common areas.

Mornington Facility

The Mornington site houses ██ staff at desk locations and has dedicated training rooms available for internal and external training. The site also has a training yard for transmission and distribution live line training. The facility had a major upgrade in 2012 to make it fit for purpose. The Health, Safety and Environment team are based at this site. The facility is still fit for purpose and requires little additional works at present.

Maria St Admin 1

Admin 1 building at Maria St campus houses ███ staff from various departments in an office type setup. The facility currently has 6 meeting rooms, kitchens, toilets and the main café for the site, where an external business operates from, providing food and drinks at a cost, to staff. This facility was constructed in 2004 and has been altered over the years to accommodate different needs. Lighting and painting have been replaced during the past 10 years, however it would be recommended to replace the carpet in the near future.

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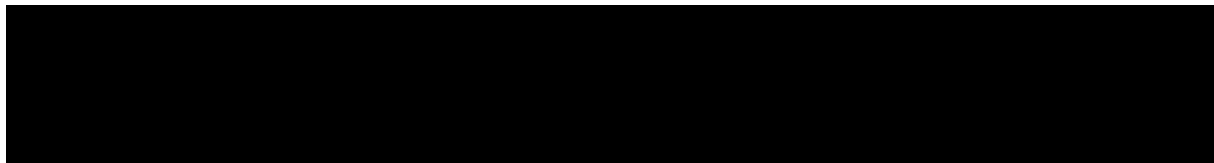
Kirksway Place - L2, L1

21 Kirksway Place is currently rented from RBF until 2020 for levels 1 and 2. █████████████
███
███
████████████████████████ As such, TasNetworks needs to continue to maintain the facility until such time as a new tenant is found.

Trevallyn Facility

The Trevallyn facility houses the ███████████████ team, along with Transmission related staff, and all these staff will be relocated to the Rocherlea facility in the future. The transmission staff will be moved by late January 2016, with the ██████████ requiring workshop/store facilities to be available prior to their moves. The facility was fitted out in 1998 and was originally all substations, this section still remains at one end of the building. ████████████████████████ ███████████████████████████████████████ Once all staff can be relocated, the first floor office space will be available for lease. Preliminary discussions with Aurora Retail have commenced to determine their appetite to relocate from Rocherlea to Trevallyn. Unfortunately the Trevallyn building may not meet BCA and DDA compliance, so some works may have to be completed prior to leasing to an external party. These matters are related to toilet numbers and access to the first floor. A building surveyor has been engaged to provide a report on this matter in 2015.

Rocherlea Facility

The Rocherlea facility houses ███ staff and is also the base for ██ field staff. Currently TasNetworks Retail leases 258m2 space within the facility under the Transitional Agreement. A new arrangement either at Rocherlea or Trevallyn will need to be negotiated prior to July 2015.

Rocherlea is in need of an upgrade with this facility now 25 years old and a separate business case will be drafted for further information.

Devonport Facility

The Devonport site is used for some office based staff, many field crews and storage. This facility was built in 1990 and cosmetic changes have just been approved and are being completed by February 2015. This work also includes aligning the work teams for the TasNetworks structure. Further works are likely to be required such as HVAC and lighting upgrades as they would both be over their useful lifespan and are possibly not up to standard.

Burnie Facility

Burnie facility houses a small number of staff and field crews, and has a small store area also. This facility was constructed in 1983 and will need to be branded during the next 12 months.

Depot Sites

Various depot sites exist that are weatherboard, cladding or brick. The depots range in age from the 1950s through to 2010. Most depot sites have a building the size of a typical 3 bedroom house and additional sheds and vehicle storage/car parks and fencing. Most depot sites can accommodate between 5 -15 staff and each building includes a kitchen and toilets with some sites having showers or other amenities.
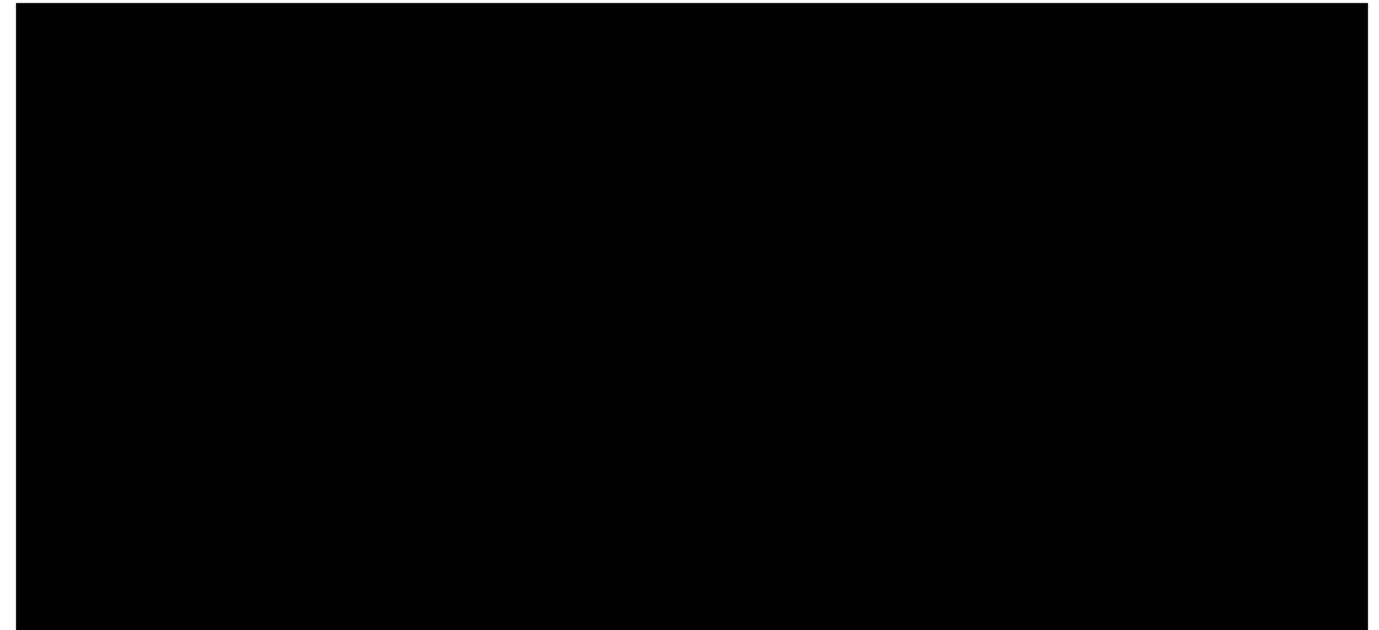
Appendix D – Asbestos Handling Overview

This section is included to provide a description of the terms used and history of Asbestos issues for materials in older buildings:

Types of asbestos-containing material (ACM)

Asbestos has been used in the manufacturing of various products. These products can be found in either friable or non-friable form. All products are also known as asbestos-containing material (ACM).

Friable asbestos

Friable asbestos products are generally quite loose and, when dry, can be crumbled into fine material or dust with very light pressure, such as crushing with your hand. These products usually contain high levels of asbestos (up to 100% in some cases), which is loosely held in the product so that the asbestos fibres are easily released into the air.

If disturbed, friable asbestos products are dangerous because the asbestos fibres can get into the air very easily, and may be inhaled by people living or working in the area.

Bonded asbestos products that have been damaged or badly weathered (including hail damage), may also become friable.

When and where were friable asbestos products used?

Friable asbestos products have been commonly used in commercial and industrial settings since the late 1800's for fireproofing, soundproofing and insulation. Some friable products were also used in houses and may still be found in houses built before 1990.

Examples of friable asbestos-containing material may include:

- pipe lagging
- boiler insulation
- fire retardant material on steel work
- sprayed insulation.

Bonded (non-friable) asbestos

Bonded asbestos products are made from a bonding compound (such as cement) mixed with a small proportion (usually less than 15%) of asbestos. Bonded asbestos products are solid, rigid and non-friable, and cannot be crumbled, pulverised or reduced to powder by hand pressure. The asbestos fibres are tightly bound in the product and are not normally released into the air.

Common names for bonded asbestos products are 'fibro', 'asbestos cement' and 'AC sheeting'.

When they're in good condition, bonded asbestos products do not normally release any asbestos fibres into the air. They are considered a very low risk for people who are in contact with them, as long as appropriate safety precautions are used when they are disturbed.

However, when bonded asbestos products are damaged or badly weathered (including hail damage), areas may become friable.

Examples of non-friable asbestos containing material may include:

- asbestos cement sheet
- asbestos cement moulded products
- bitumen-based water proofing
- vinyl floor tiles.

Over time, some non-friable material may become friable.

Examples of non-friable asbestos-containing material that can become friable as a result of a work process include:

- asbestos cement sheeting that has been crushed
- asbestos cement sheeting that has deteriorated from long-term exposure to a chemical mist.