

# Asset and property management



## The value we provide

- Ensure Council has the right assets at the right time for the right cost to support service delivery now and in the future.

## What we do

- Maintain Council buildings and assets.
- Manage the composition and performance of Council's property portfolio through acquisition, disposal and development.
- Manage the occupancy of Council's properties through leasing, licensing, hiring, and venue management.
- Assess and manage the future of asset infrastructure, including maintenance of current assets.
- Provide workplace/facility management.
- Sponsor works projects.
- Provide property and asset management advice and support.
- Develop and sponsor asset renewal programs and property projects.
- Prepare and implement property and asset strategy, policy, programmes and plans.

## Why we do it

- To ensure that the property and asset portfolio efficiently and effectively meets:
  - strategic and operational needs;
  - current standards and expectations;
  - our contractual commitments;
  - our obligation as Committee of Management of Crown Land; and
  - legislation and regulations (for example: building codes, disability discrimination legislation, the Local Government Act).

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## Activities that support this service

- Asset planning
- Building maintenance services
- Events and corporate facilities management
- Property leases and licences management
- Road discontinuances administration

## Our service at a glance

### Service statistics

	2018/19	2019/20
Property management		
• Leases and licences managed by Council	195	195
• Building maintenance requests processed	4,855	5,733

### Service risk profile

Medium/High

### Strategic risks

Residual risk rating

- Failure to maintain, renew, expand, dispose and acquire our assets in a timely and robust way, that considers service delivery needs
- High

## Policies documents that support this service

[Asset Management Policy 2018-21](#)

[Catering Policy](#)

[CCTV in Council Buildings Policy](#)

[CCTV in Council Buildings Operational Procedure](#)

[Discontinuance and Sale of Roads Policy 2011](#)

[Property Policy](#)

[Town Hall Hire Policy](#)

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## How much it costs to provide the service

	Budget 2020/21		
	\$000	How the service is funded	\$000
<b>Operating costs</b>			
Employee costs	4,078	Rates	11,920
Contracts	6,021	Parking revenue	2,467
Materials and other expenses	2,316	Reserves	(355)
Operating projects	252	Fees and charges (incl. statutory)	(12)
<b>Total operating expenses</b>	<b>12,668</b>	Grants	0
Capital projects	5,738	Other income (incl. property rental)	4,387
<b>Total expenses</b>	<b>18,406</b>	<b>Total funding</b>	<b>18,406</b>

(expenses include management overhead allocation, exclude depreciation and project expenditure)

Revenue from parking fees and fines is allocated on a proportionate basis across all service categories.

FTE=34.3

**\$8.18 is spent on this service out of every \$100 of rates we receive**

**24% of costs are funded from fees and charges, grants or other income**

## Further revenue and expense information on the service

Activity	Expenses \$000	Revenue \$000
Building maintenance services	7,636	0
Property leases and licences management	2,007	3,790
Asset planning	1,431	0
Events and corporate facilities management	924	134
Road discontinuance administration	52	450
Operating projects	252	0
Management expenses	367	0
<b>Total</b>	<b>12,668</b>	<b>4,374</b>

Expenses exclude depreciation. Management expenses consist of apportioned costs for the Executive Leadership Team (CEO and general managers) and all department managers.

## Major contracts (annualised expense) \$000

• Security services	1,400
• Electricity	1,200
• Mechanical maintenance services	402

Major property leases (\$000)	Most recent market rental estimate	Rent per year (\$ excl GST)
• Access Arts Victoria	230	65
• Brewsters	229	229
• Café Watersedge	170	65
• Decanters by The Bay	N/A	107
• Elwood Bathers	350	233
• Foreshore Providore Pty Ltd	119	80
• Palais Theatre Live Nation	694	912

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• Redside	205	41
• Sandbar Beach Café	127	127
• Schiavello Group	350	64
• Shorething Donovans	305	319
• St Kilda Marina	410	134 +7% gross receipts
• St Kilda Sea Baths Car Park	275	275
• Stokegroup	815	590
• The Vineyard	236	243
• West Beach Bathing Pavilion	350	1 +5% turnover

## Major financial contributions \$000

- None

## Major assets

<b>Council assets (June 2020)</b>	<b>Value \$000</b>
• Commercial buildings (36)	141,795
• Corporate buildings (25)	140,085

## Our Council Plan 2017-27 priorities

### Completed

- Review our property policy.

### In progress

- Upgrade the organisation's financial and asset management systems, processes and practices.
- Invest in improving the condition, functionality, capacity and sustainability of Council assets.

## Our projects (\* means 100% and \*\* means partial grant and contribution funding)

Capital projects \$000	2020/21	2021/22	2022/23
Building Renewal and Upgrade Program	1,825	2,785	2,785
Building Safety and Accessibility Program	2,612	1,850	1,850
Building Safety Corrective Actions	390	0	0
Workplace Plan Implementation	900	1,300	800
<b>Total capital projects</b> (excluding Fleet Renewal allocation)	<b>5,727</b>	<b>5,935</b>	<b>5,435</b>
Operating projects \$000	2020/21	2021/22	2022/23
Elwood Foreshore Facilities Strategy	252	0	0
<b>Total operating projects</b>	<b>252</b>	<b>0</b>	<b>0</b>

## How we are performing

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## Recent highlights

- Asset management maturity exceeded target with stable results compared to the previous year.
- The implementation of a new asset management system that is fully integrated with Council's finance, procurement, reporting and project management systems.

## Recent challenges

- Asset performance looks at the sustainability, capacity, function and condition of the assets. A full assessment of our building portfolio was undertaken in 2017/18 which has informed the development of the budget and updated 10-year financial plan. While data confidence is low, it indicated that a third of the capacity and condition of our buildings was good to very good, while 15 per cent of functionality was very good to good.
- Due to deferral and delay of the capital works program in 2019/20 in response to the COVID-19 pandemic Council did not achieve their target on this ratio. This is expected to improve in future years as restrictions ease.

Measure	2017/18 result	2018/19 result	2019/20 result	2020/21 target	Metro councils 2019/20
Asset management maturity	952	1025	1,031	>1,100	No comparison available
Asset renewal as a percentage of depreciation	58%	63%	72%	117%	138%
Number of building maintenance service requests	-	-	-	(a)	No comparison available

(a) This measure is under development and reporting will commence from 1 July 2021.