TasNetworks | Powering a Bright Future

Asset Management Plan

Facilities Management Plan 2024 - 2029

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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;
- 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 regulatory codes.

2 Scope

The scope for this Asset Management Plan includes only those assets that the facilities team is 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 of facilities;
- Maintenance and replacement of facilities fittings, equipment, or furniture;
- Cleaning and asbestos removal programs for facilities;
- Physical security
- Gardening and external grounds upkeep at facilities;
- Utilities, rates and other on-going running costs associated with facilities.

2.1 Description of facility assets

TasNetworks has developed a portfolio of facility assets through the merger of the Aurora Energy (distribution) and Transend Networks (transmission) businesses. The combined list of facility assets is detailed in table 1. The types of facilities assets covered in this asset management plan are described as:

- Buildings – structures 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 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.

The following table provides an overview of the scope of TasNetworks' facilities.

Table 1 – Facility consolidated scope

Facility name	Type	Staff Accommodation (max)	Age – Construction – Condition
Cambridge Facility	Buildings, Stores, data centre, Workshops, Land and Parking for field and office staff	180 - 200	2007 – Concrete/Steel/Glass – Excellent (admin upgrade in 2020)
Mornington Training Facility	Buildings, Land and Parking for field and office staff	30 – 40	2012 upgrade – Concrete/Steel/ Glass – Very Good
Maria St – Admin 1	Office building, land and parking	150 - 160	2004 – Concrete/Steel/Glass – Excellent
Maria St – Admin 2	Office building, land and parking	270 - 280	2010 with 2014 extension – Concrete/Steel/Glass – Excellent
Maria St - Operations	Office building, land and parking	60 - 70	1940(part upgrade in 2015) – Brick - Average
Rocherlea Facility	Buildings, Stores, Land and Parking for field and office staff	130 - 150	1998 with Admin upgrade in 2016 – Brick/Steel/Glass – Excellent
Trevallyn Facility	Buildings, Stores, Land and Parking	20 (not currently used)	1998 (2010 addition) – Brick/Steel – Good
Devonport Facility	Buildings, Stores, Land and Parking for field and office staff	50 - 60	1990 – Brick/Steel/Glass – (extension 2014 and internal upgrade 2015) Good
Burnie Facility	Buildings, Stores, Land and Parking for field staff	20-30	1983 – Brick/Clad - Poor
Huonville Depot	Building, Land and Parking for field staff	< 10	1986 – WB – Fair
New Norfolk Depot	Leased building, Land and Parking	< 5	NA – NA – Fair
Campbell Town Depot	Building, Land and Parking for field staff	< 10	1950 – WB – Fair
St Marys Depot	Building, Land and Parking for field staff	< 10	1950 – Brick and WB – Fair
Scottsdale Depot	Leased building, Land and Parking	< 10	NA – NA – Poor
Deloraine Depot	Building, Land and Parking for field staff	< 5	1950 – Brick/WB – fully refurbishment in 2020
Smithton Depot	Building, Land and Parking for field staff	< 10	1986 – Brick and WB – Fair
Queenstown Depot	Building, Land and Parking for field staff	< 10	1960 – WB – Full redevelopment in 2019 – Excellent
Maria St – Archive Store	Store office and facilities	0	2001 – Colorbond – Good
Maria St – Secondary Store	Store and Training rooms	< 30	2008/2010 – Brick/concrete – Very Good
Denison Lane Store	Archive Store and comms facility	< 20	1950 – Brick – Good

Facility name	Type	Staff Accommodation (max)	Age – Construction – Condition
Cambridge Warehouse	Store, yards, workshop and office	< 10	2007 – Brick – Good
Cambridge Oil Management	Store, yards, workshop and office	< 5	2008 – Brick – Good
Chapel St Data Store and back up control centre	Store, Substation Building, Land	< 5	1960 – Brick/Steel – Good
Bridgewater Primary Store	Store, yards, workshop and office	< 5	2009 – Concrete/Steel – excellent
Rocherlea warehouse	Store, yards, workshop and office	< 10	1998 – Brick/Steel – Fair
Rocherlea Oil Management	Store, yards, workshop and office	< 5	2005 – Brick – Good
Derwent Park Data Centre	Building	< 5	2011 – Concrete/Steele – Very Good
Wilmores Lane	Land, Highbay, and sheds	0	NA
Runway Place (14&15)	Land	0	NA
329 Georgetown Rd	Land	0	NA
315 Georgetown Rd	Land	0	NA

The 'out of scope' assets are anything not listed in the table above and are, therefore, not the responsibility of the facilities team. The assets excluded from scope cover: electrical assets (terminal and zone substations, poles and wires etc.), land for future network use, IT assets, telecommunication facilities and fleet assets.

2.2 Physical asset composition

TasNetworks has a varied composition of the asset types (listed above) that makes up the facilities portfolio. This section highlights the breakdown of facility composition and draws attention to the high value assets under management. The table below shows the value between administration buildings compared to other categories such as workshops and also lists the number and value of each category. The value percentage has an indication of the portion of the total capital value of all facility assets.

Table 2: Facilities composition

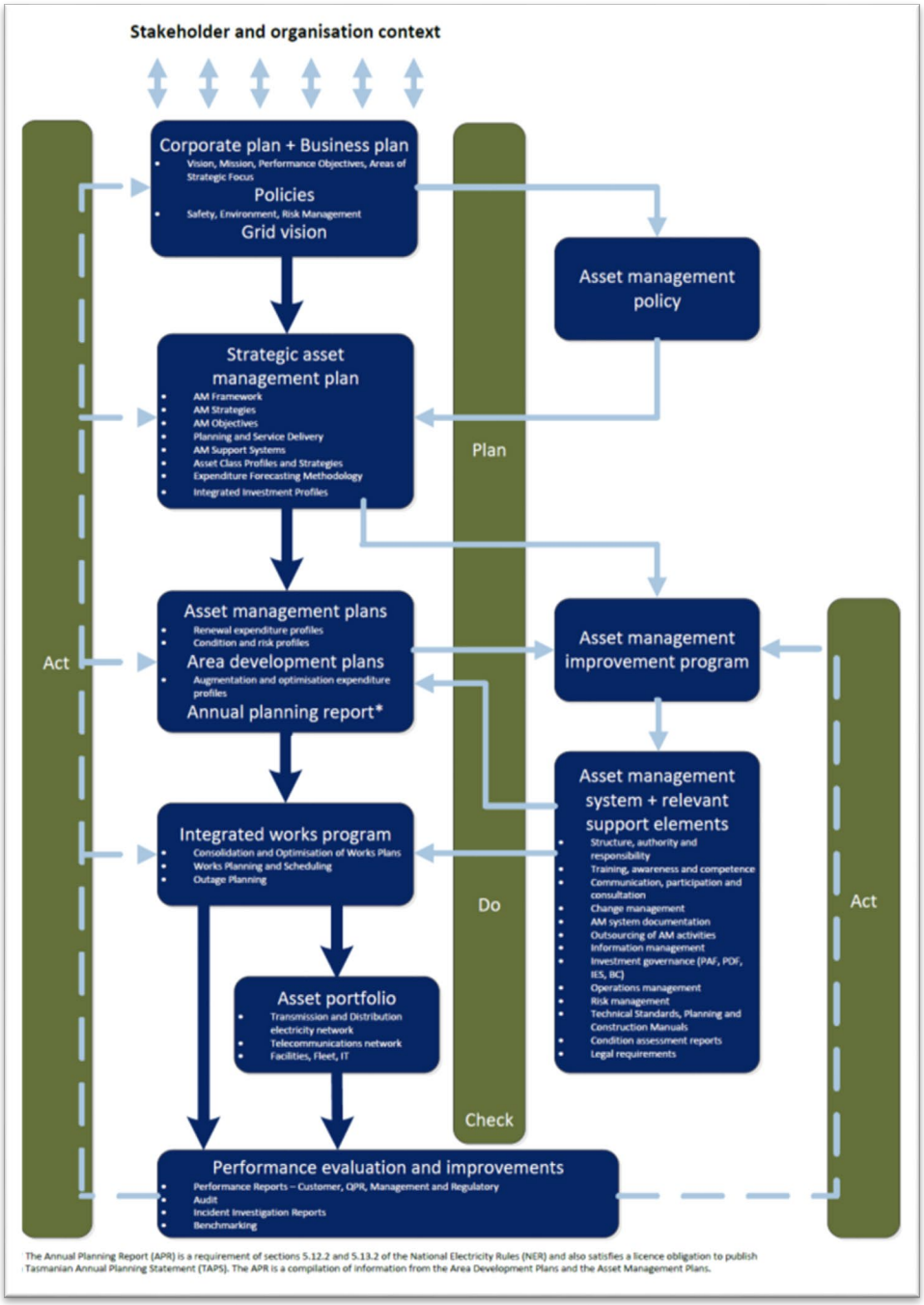
Facility asset category	Number	Value %	Approximate capital value
Administration Buildings	9	44%	$50M
Stores	9	16%	$18M
Depots	8	7%	$8M
Oil Management Facilities	2	2%	$2.5M
Workshops	7	3%	$3.5M
Land Parcels	22	10%	$11M
Data Centres	4	14%	$16M
Training Complex	1	2%	$2M
Specialist Vehicle Storage	4	2%	$2M

3 Strategic alignment and objectives

This facilities asset management plan has been developed to align with both TasNetworks' Asset Management Policy and the Strategic Objectives of the company. It is part of a suite of documents 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 will focus on the most effective and cost conscious way that benefits our team members and the Tasmanian community. The facilities asset management plan also enables TasNetworks to deliver on its vision that we will be 'Trusted by our customers to deliver today and create a better tomorrow'.

The strategic objectives for facilities asset 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 facility asset management plan describes the asset management strategies and programs developed to manage TasNetworks' 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.);
- 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
- Data centres and communications requirements.

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.

3.1 Facilities policy

This section has an overview of the principles used by facilities, to model the asset management plan. The TasNetworks Facilities Policy and Consolidated Facility Plan can be referenced in full from the facilities management documents section on The Zone. This summary of the principles 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.

Principle 1: The facilities team will partner with our internal customers to identify facility requirements to support team members and ensure alignment with TasNetworks' vision, strategies, values, culture, and of its services, processes and environment; achieved through a business partnering model.

Principle 2: Facilities are appropriately managed, governed and comply with regulatory and legislative requirements.

Principle 3: The facilities team will provide fit for purpose facilities and depots for team members to ensure a safe and productive working environment.

Principle 4: The facilities team creates value and contribute towards sustainability as it impacts the economic, environmental and social aspects of operations.

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

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

Safety

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

Asset management

SAP - The SAP system is used for purchase order requisition for maintenance contracts and services required to maintain fire/mechanical/electrical/security etc. systems. The system will also allow for trend analysis, defect and cause analysis and overall asset management.

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

Building Management System (BMS)

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.

Honeywell Enterprise Building Integrator (EBi)

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.

Data Centre Security system and BMS

This system is used to provide building security access using magnetic swipe cards and fobs. The data centres used dual authentication of fobs and PINs. Monitoring of critical temperatures and functionality also occurs within the BMS

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 and budgeting.

There have been identified issues with the ability to easily collate this data into presentable, readable information. The implementation of SAP has considerably reduced the effort and time to produce more detailed reporting, however there are still reporting requirements which could be improved regarding leasing management and asset condition reporting, which SAP is unable to assist with.

5 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 team leaders to improve accountability; and
- Prioritise the risks to identify the highest level priorities in the short to medium term.

The facilities team adopts a systematic and holistic approach to managing risks based on TasNetworks' Risk Management Policy and Asset Management Policy.

5.1 Risk Register

The facilities team has identified 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. Risks assessed as 'High' require prioritised corrective actions and are integrated in to programs commencing in the current financial year. The risk rating is determined from the combination of CONSEQUENCE and LIKELYHOOD. The following table provides an overview of some general facility related risks.

Table 3: Potential facility related risks (summary)

Risk Category	Description of Risk	Risk Rating	Risk Mitigation Plan
Facility asset condition	Physical injury to employees, the public as a result of damage to a facility asset or related item	Very High	Regular inspections and reporting defects to facilities to mitigate an asset issue, scheduled maintenance and repairs, safety inspections and audits
Asbestos-containing materials (ACM) disaster	ACM is damaged and Asbestos fibres are released into a populated area with poor ventilation	Low	During past regulatory period, all known ACM has been removed from TasNetworks Facilities buildings
AER compliance	TasNetworks fails to secure sufficient funding to support facilities management	High	Invest resources and time on AER submission. Accurate and timely reporting to AER. Engage experts and AER help in dealing with exceptions
Building code breach	TasNetworks builds or renovates a building that does not comply with National, State or Local building regulations	High	Use only qualified and proven contractors Use independent Auditing services

Risk Category	Description of Risk	Risk Rating	Risk Mitigation Plan
Asset Management Data	The Asset related data for facilities is not stored or managed in a central location Failure to correctly record information and manage the data will result in inefficient and high cost outcomes	High	Invest in a central Asset Management System for managing all facilities assets, this will be achieved with SAP implementation. Ongoing need to continually update data.
Crane operation, Loading/ unloading trucks in the yard	Danger due to collision between pedestrians, forklifts and vehicles Injury from items falling from cranes.	High	Signs, barriers and line marking to be appropriate Trucks are to be parked in designated areas when loading/ unloading
Slipping, Tripping and falling hazards	Personal hazard for tripping over items left on the floor or fallen from shelves Poor housekeeping can present tripping and slipping hazards resulting in injury to operators and others Access to roof can result in falling	Med	Ensure sufficient and secure storage and clean and clutter free floors Ensure no water on floors Ensure roof access ladders are locked, as per the standards Inspect and report damaged barriers
Chemical or Oil Leak	Oil leaking into the surrounding facility environment Chemical leak into the environment or atmosphere Oil or Chemical contamination or exposure	Med	Conduct regular environmental audits Update dangerous chemical registers Ensure staff have adequate chemical handling training
Absence of an Emergency Management plan may hinder operations during emergency situations	Lack of a current Emergency Management plan for individual facilities Poor training or lack of knowledge for Emergency Management	Med	Emergency Management Procedures are in place Annual testing of the Emergency Procedures is conducted Ensure all staff read and understand local Emergency Management Manual
Risk of injury during a fire	Inability to gain ready access to fire extinguisher in case of a fire due to blocked or hindered access Inability to find emergency exits in the event of fire	High	Ensuring access to the fire extinguisher is not blocked Illuminated exit signs are installed Fire procedure is known in all facilities, review fire plan regularly for all sites

Risk Category	Description of Risk	Risk Rating	Risk Mitigation Plan
	Potential hazard to personal safety where fire exits or the exit plan is not well known No printed exit plan, Poor signage or out-dated plan		Document evacuation procedures and publish exit plan on notice boards Ensure all signage meets standards
Security risk for failing to adequately secure facility buildings and yards	Threat to staff, inability to account for visitors in an emergency, theft of property Security fences, gates or doors fail to restrict access Security alarms fail	Med	Ensure persons cannot enter without swiping their identification card All persons sign in and receive a brief induction on location of amenities and emergency assembly point Regular alarm testing

The complete Risk Register for risks associated with facility assets is being maintained in the TasNetworks corporate risk register.

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

5.2 Regulatory obligations and compliance

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.
- Work Health and Safety Act 2012 – 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 2012** 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 reasonably 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.

5.2.1 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 and 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 2016* 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 *Work Health and Safety Act 2012* and *Work Health and Safety Regulations 2012*;
- All property must be maintained to meet the *Building Act 2016* and not compromise the Building Code of Australia;
- All fittings and internal fixture must meet safety standards as stated in the *Work Health and Safety Act 2012* and *Work Health and Safety Regulations 2012*;
- 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 of 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 2016*. To ensure all work meets these standards and that high-risks sites are also 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.

6 Facilities asset management plan

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.

6.1 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, 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.

The facilities team have open tendered maintenance work, including cleaning and ground maintenance, and awarded contracts to suitable service providers in accordance with TasNetworks' procurement process and framework. General asset maintenance audits of all TasNetworks properties (within the scope of this plan) are completed every three months.

6.1.1 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 4: Ongoing expenditure plan

Expenditure item	Inclusions	Annual cost
Electricity Usage and Services for facility buildings	• Electricity usage charges for facilities, buildings, depots and stores • Charges and fees	$655,000

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	$1,331,000
Lease and rental	• Building Lease • Rental of office space • Other rental	New Norfolk $30,000 Scottsdale $42,000 Other $15,000
Staff Amenities	• Coffee, Tea, Drinking Water • Other consumables	$78,000

The annual budget for ongoing expenses for facilities buildings is approximately: $2,151,000

* The cost for water, rates and land tax are paid by the facilities team for other sites (such as terminal substations, substations, vacant network land) that are not the direct responsibility of the facilities team. These sites are not considered in the facility scope of assets.

6.1.2 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 services as well as lift and telecommunication upgrades.

Table 5: 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	• Scheduled lift servicing • Lift inspection • Safety systems testing	• Meeting the national standards for lift servicing • Ensure highest levels of public safety

Strategy	Activity	Levels of service
		• 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 testing	• Plumbing 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

The annual budget for Routine Maintenance is approximately: $735,000

6.1.3 Cleaning contracts

Cleaning contracts are awarded through successful tender to a state-wide contractor with local representation for each site. The following table outlines the required strategy, activity and level of service.

Table 6: Facility cleaning plan

Strategy	Activity	Levels of service
To maintain all buildings, workshops and stores to an acceptable level of cleanliness and hygiene specifically related to COVID19	• 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: $837,000

6.2 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.

6.2.1 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 7: 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: $225,000

6.2.2 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 8: 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

An annual budget is set each year following reviews at each site.

6.3 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 9: 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: $305,000*

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

6.4 Non-routine maintenance

TasNetworks requires non-routine maintenance to buildings and their surrounds due to environmental 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 10: 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

Strategy	Activity	Levels of service
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: $527,000 (including tools and materials).

6.5 Furniture, fittings and equipment (FFE)

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). FF&E and air-conditioning need to be adjusted, moved, upgraded and replaced as the occupants move around or the number of staff in an area change. TasNetworks has the following strategy in place for FF&E.

Table 11: 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 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
Ensure replacement whitegoods meet environmental standards	• Whitegoods replacement, purchase	• Seek to procure electrical items with a 4* or above rating

The annual costs covered by the CAPEX budget for FF&E are approximately: $150,000.

Some ongoing FF&E (OPEX) costs are spread across general maintenance budget allocations.

6.6 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 administer 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 12: 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 incurred 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 vehicles that are suited to facility team requirements	• Provide utilities for transport of goods • Provide service vehicles that are fit for purpose

6.7 Data centre maintenance

At TasNetworks the facilities scope covers data centre management. This significant area of the facilities team's 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, air-conditioning and humidifiers, mechanical controls, lighting, generators, UPS, security access, CCTV upgrades and the creation of custom storage space. The table below highlights the strategic approach.

Table 13: Facilities data centres

Strategy	Activity	Levels of Service
Data centre UPS and Generator maintenance	• Testing and servicing of the UPS • Testing and servicing of the backup generators	• Ensure continuous power supply • Provide power supply of the highest quality

	• DR training and testing	• Prevent supply interruptions and data loss • Practice disaster recovery
Data Centre security and systems	• Provide appropriate alarming and security • Provide adequate data centre climate control • Provide equipment and devices to suit growth • Provision of consumables	• Provide sufficient and up to date alarming • Appropriate levels of security and monitoring • Air-conditioning with sufficient cooling and heating to maintain constant temperatures • Expansion program for data storage to meet growth needs
Provide capital budget for ongoing data centre improvement	• Plan and budget for data centre needs • Lifecycle replacements for fire systems and HVAC • Security upgrades	• Engage appropriate contractors to plan and forecast the future data needs • Factor in the growth in technology from a global indication • Consolidation of systems • Meeting the SLAs for data centres

The annual budget to support the data centres is approximately: $203,447 (unreg. only).

The funds allocated to data centre management are sourced from a combined budget allocation covering routine maintenance, on-going costs and IT budgets. Please note TasNetworks allows for the regulatory component, currently 15 per cent, whilst 42-24 allows for the un-regulatory component, currently 85 per cent. This split is based on floor space used between the regulated and un-regulated businesses.

An additional capital (CAPEX) budget for data centre improvements is approximately: $1,443,000 for the 2024-2029 regulatory control period. This is the total figure (regulated and unregulated) of the projects proposed.

7 Lifecycle maintenance plan

TasNetworks owns all operational facility assets through the CAPEX program, as there are no current financial or operational reasons to move to a leasing arrangement (with the exception of 2 depots as shown previously in Section 2). Further analysis would be required to move away from the current position and consideration of the fiscal impacts to the business' operating costs. As such, the lifecycle maintenance plan is used to maintain consumable items of a building and thus maintain the value of the asset over time. The following table lists the life spans of facility asset types included in the plan.

Table 14: 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

Asset	Life span	Replacement options
HVAC (Heating and AC)	• 15 years • 10 years for data centres	• Refurbish • Replace
Fire Systems	• 20 years	• Replace only
Carpets	• 15 Years	• Replace only
Painted surfaces	• 7 years	• Repaint • Render • Cover • Replace with non-paint material
Lighting	• 3 years when T5 or older technology • 10 years when LED	• Replace • Update with LED or Long Life • Add natural lighting
Partitions/workstations	• 15 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.

8 Financial summary

The financial summary section is intended to provide a summary of line items and programs required, along with the cost value, to meet the construction, repair and maintenance requirements stated in this plan. The Financial Summary is separated into OPEX and CAPEX with a 5 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 2024-2029. The table below provides a summary view of rolled-up costs until the year 2029.

Table 15: Total OPEX, 2024-25 to 2028-29 financial years

Facilities OPEX budget*	2024-25	2025-26	2026-27	2027-28	2028-29
Building Maintenance	$441,000	$441,000	$441,000	$441,000	$441,000
Electrical Maintenance	$332,000	$332,000	$332,000	$332,000	$332,000
Plumbing Maintenance	$88,000	$88,000	$88,000	$88,000	$88,000
Cleaning and Waste Contracts	$837,000	$837,000	$837,000	$837,000	$837,000
Security Contracts	$305,000	$305,000	$305,000	$305,000	$305,000
HVAC Servicing	$193,000	$193,000	$193,000	$193,000	$193,000
Fire System Maintenance	$180,000	$180,000	$180,000	$180,000	$180,000
Grounds and pest maintenance contracts	$224,000	$224,000	$224,000	$224,000	$224,000
Rates and Land Taxes*	$1,331,000	$1,331,000	$1,331,000	$1,331,000	$1,331,000
Electricity*	$655,000	$655,000	$655,000	$655,000	$655,000
Leases and Rentals	$87,000	$87,000	$87,000	$87,000	$87,000
Staff Amenities	$78,000	$78,000	$78,000	$78,000	$78,000
General office items	$89,000	$89,000	$89,000	$89,000	$89,000
Total Facilities	**$5,018,000**	**$5,018,000**	**$5,018,000**	**$5,018,000**	**$5,018,000**
Data Centre operating costs (unreg. only)	$203,447	$203,447	$203,447	$203,447	$203,447

The OPEX budget is reviewed on a yearly basis and is monitored on a monthly basis by the facilities team and its Finance business partners. Total OPEX budget for the 2024-29 financial year has been determined to be approximately $5,018,000. The base OPEX budget (2022-23 financial year) has been used for the preparation of this document. No CPI increases have been applied to subsequent years.

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

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, and other critical facility requirements.

TasNetworks proposes a total capital expenditure of approximately **$13.76 million** over the next 5 years, with an average annual CAPEX budget of **$2.7 million** per annum.

Table 16: Proposed CAPEX, 2024-25 to 2028-29 financial years

Proposed	2024-25	2025-26	2026-27	2027-28	2028-29
CAPEX Budget	$2.75M	$2.75M	$2.75M	$2.75M	$2.75M

The proposed submission to the AER for the Revenue Reset period 2024-2029 has been included for reference. The capital projects planned during this time include, (and may also be refined)

Table 217: Proposed CAPEX projects as per Revenue Reset 2024-2029

Project description	Total costs
Depot Optimisations NWC	$7.5M
Cambridge Runway Place Training development	$4.0M
Regional depot security improvements	$1.3M
Compliance, Safety and Contingency improvements	$750k
Facilities data centre equipment upgrades	$214K (reg only)

9 Administration of this policy

This Policy is administered by the Facilities Team of Tasmanian Networks Pty Ltd, and will be reviewed on a five yearly basis and updated where applicable.

Authorisation		
Action	**Name**	**Date**
Prepared by (Reviewer)		
Reviewed by (Owner)		
Authorised by		

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