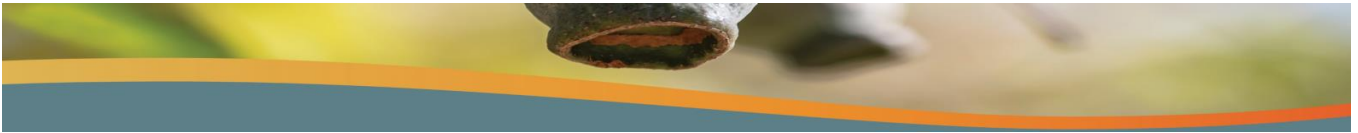




Zig Zag Cultural Centre Asset Management Plan 2021



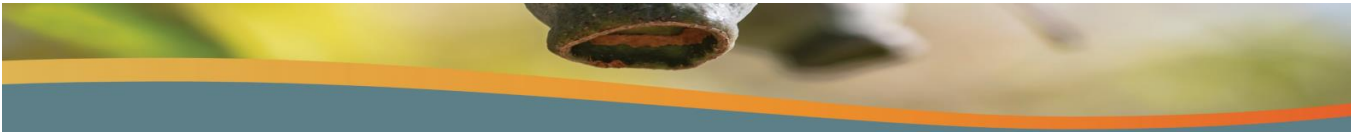


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1 Executive summary

The Zig Zag Cultural Centre (ZZCC) is located on Reserve 24956 (50) Railway Road, Kalamunda. This Reserve is under a Management Order with the City of Kalamunda as "Cultural Centre Precinct and Purposes Ancillary and Beneficial Thereto". The Management Order includes powers to lease for any term not exceeding 21 years.



The Corporate Business Plan 2020 – 2024 "Kalamunda Achieving", Strategy 3.2.1.9, currently lists the following Action:

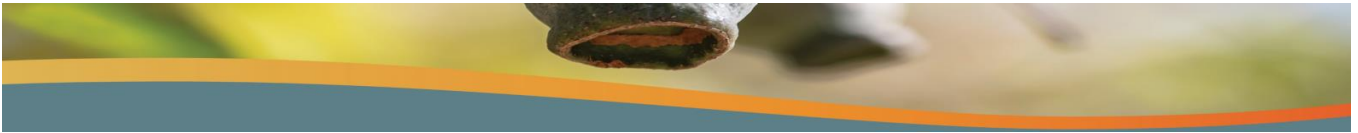
"Develop and implement Building Asset Plans for ZZCC and Hartfield Park Rec Centre to ensure ongoing maintenance and required renewal works are programmed and delivered."

Development of the above Asset Management Plans are scheduled to be undertaken by 30th June 2023.

The key focus of this Asset Management Plan is as follows:

1. Preventative Maintenance
2. Reactive Maintenance
3. Asset Renewals

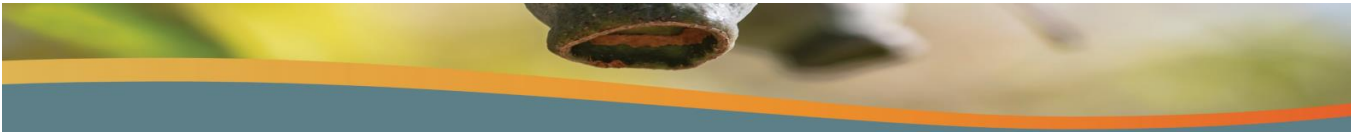
This plan also provides commentary on proposed future asset upgrades.



The aim of the plan is to improve maintenance planning and the programming of renewal works in a timely manner to ensure that maintenance and renewals are initiated before asset component failure or receipt of adverse feedback from facility users.

Recommendations:

- It is recommended that the annual average Renewal Funding be increased from \$17,000 to \$29,000 to undertake the renewal works identified over the next fifteen years. Identified renewal projects will be evaluated for timing and scope over the term of the plan.
- The current listed upgrades will be assessed for need, scoped, estimated, and submitted for consideration for inclusion through the Capital Works Program.
- The identified disability access items identified will be scoped, estimated, and submitted for consideration for inclusion through future Maintenance or Capital Upgrade or Renewal Work Programs.



2 Introduction

2.1 Background

The Zig Zag Cultural Centre (ZZCC) was built in 2011.

The facility is broken up into five main functional areas as follows:

1. Visitor Centre – The Visitor Centre.
2. Art Gallery – The Art Gallery
3. Café – The Café is currently under a Five-Year lease expiring on 30th May 2021, with a further 3 x Five Year Term options available. Under the lease the Lessee is responsible for all maintenance and renewals for painting, fitout and kitchen appliances.
4. Public Toilet – The toilet facility is utilised by the whole facility and is also open to the public Monday – Fridays 8am - 4pm, Weekends and Public Holidays 8am – 4pm, or 10am – 4pm if the Café is closed, and evenings is user in the Seminar Room or Art Gallery. Toilet is compliant with disability access requirements.
5. Seminar Room – The Seminar room is primarily a hired facility and equipped with presentation aids and equipment.

This document is to be read in conjunction with following City documents:

- Service Policy 4: Asset Management,
- Asset Management Strategy to 2021,
- Buildings Asset Management Plan 2019
- Strategic Community Plan to 2027 – “Kalamunda Advancing”,
- Long Term Financial Plan to 2023 – “Kalamunda Accountable”,
- Corporate Business Plan to 2024 - “Kalamunda Achieving”, and
- Disability Access and Inclusion Plan to 2022.



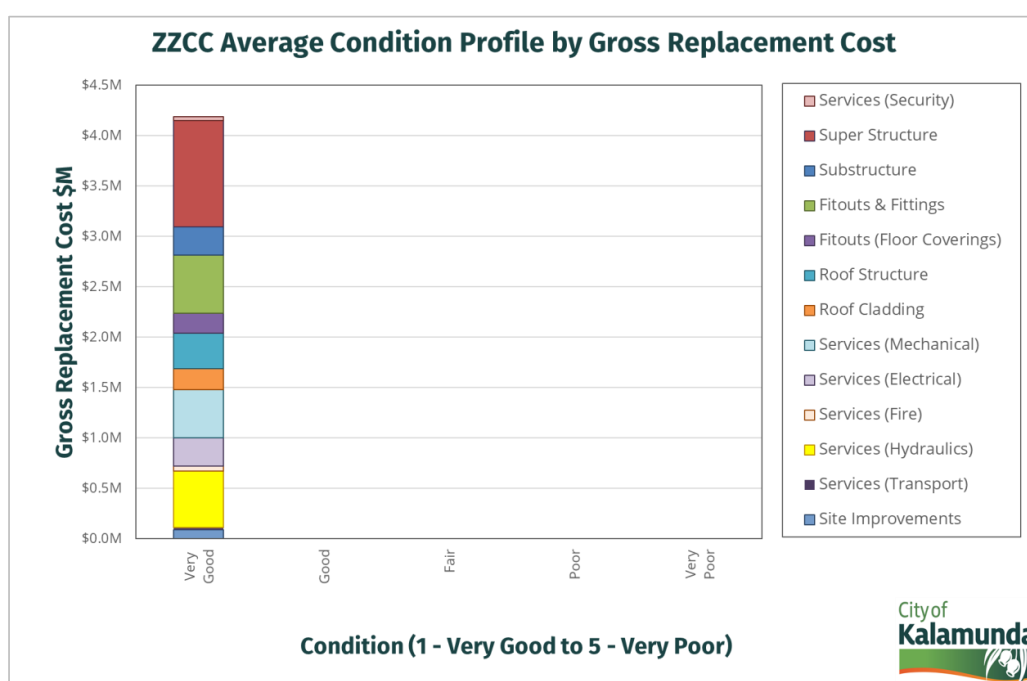
3 Current status of assets

In 2020 the City appointed an external consultant to undertake a comprehensive fair value valuation of its building assets for the 2019/20 financial year. The assessment included a condition rating of the major building components. The condition rating allows an effective age to be determined.

3.1 Condition profile

The average conditions of the assessed components appear in Figure 1 below.

Figure 1. ZZCC average condition of assessed components



Each of these components will have a range of conditions for the individual items which comprise the component (e.g. electrical services with an average condition of Very Good might have water heaters in a different condition). Nevertheless, the average conditions are a good indicator of how a user will experience the buildings, and of the expected renewal expenditure within the next fifteen years. The majority of items identified for renewal over the next fifteen years are short-life components, i.e. painting, fittings and fit-outs, floor coverings, roof plumbing etc.

The very good average component conditions reflected a relatively low expenditure for long-life component renewals as listed in the fifteen-year program presented in Section 7.2.2 below.

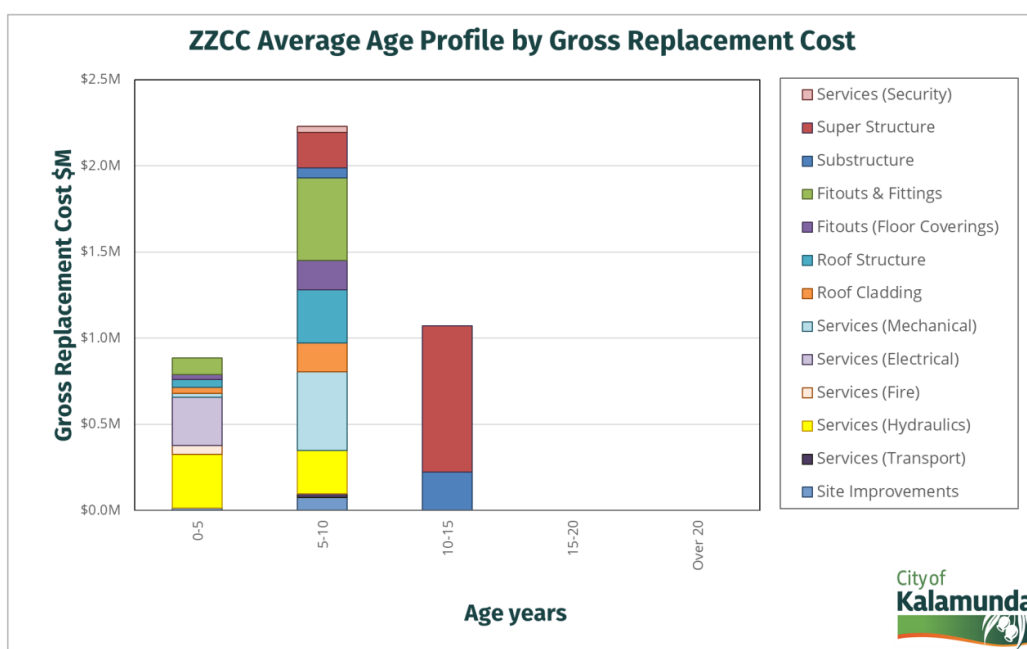


3.2 Age profile

The Zig Zag Cultural Centre was constructed 2011 and is 10 years old.

By analysing the average conditions of the assessed components, an average representative age for each can be calculated, as show in Figure 2 below. Each of these components will in fact have a range of ages for their individual elements. Nevertheless, the average ages are a good indicator of the degree of modernness with which a user will experience the facilities.

Figure 2. ZZCC average age of assessed components





4 Maintenance and renewal works programs

This section clarifies whether expenditure on the buildings constitutes maintenance or renewal. Tables and charts with detailed financial figures appear in Section 5 below.

4.1 Definitions of maintenance and renewal

4.1.1 Maintenance

(Please see the glossary in Appendix B for various terms in bold in the following description).

Maintenance is corrective actions on the infrastructure asset which improve its condition to allow it to achieve its intended useful life and to provide its required level of service. An example is repair of defects.

Maintenance comprises:

- Reactive maintenance: unplanned work to address condition problems after they have arisen.
- Planned maintenance: planned work to prevent condition problems arising.
 - Cyclical: performed on a schedule. Can be preventive but could also be the organisation's choice of level of service delivery.
 - Preventive: performed according to manufacturers or industry standards, and not triggered by indications in the asset. Includes cyclical maintenance.
 - Predictive: performed when leading-indicator conditions reveal that maintenance is necessary.

In Section 7.3.2 below, the current above maintenance activities are split into statutory and non-statutory lists to demonstrate the legal compliance of the management of the facility.

4.1.2 Renewal

Renewal is the replacement of an existing infrastructure asset or asset component with an asset providing the same level of service or capacity. The City's capitalisation threshold for capital renewals is \$5,000. This will only increase the gross replacement cost of the organisation's assets if the modern equivalent exceeds the original cost.

See also new works, which creates a new asset and does increase the gross replacement cost of the organisation's assets.

See also upgrade, which increases the performance or capacity of an asset and does increase the gross replacement cost of the organisation's assets.



5 Upgrades

The Cultural and Commercial Services Business Unit have the following upgrade projects listed in the 15 Year Capital New Works Program for consideration into annual budgets:

- Visitor Centre – Redesign / Upgrade to internal layout and office space.
- Visitor Centre – Provision of a new office for ticketing and control of access to the History Village.

These new and upgrade works need to be assessed for need, and scoped and estimated and submitted for consideration for inclusion through the Capital Works Program.

6 Disability access

As the ZZCC is a relatively new building basically compliant with the current accessibility standards for access to the buildings from both William Street and Railway Road, internal building access and toilet facilities.

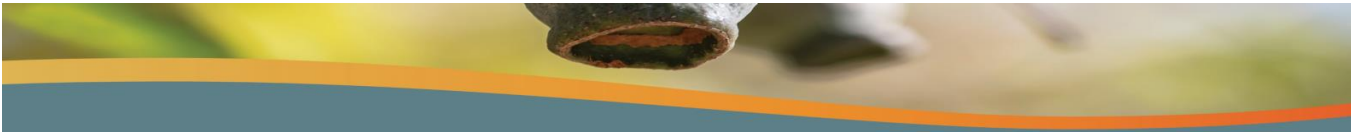
While undertaking the building inspections for development of this plan and the fifteen-year Capital Renewal Works Program, it was identified the access ramp from Railway Road may have some minor non-compliant items.

The following possible upgrades / improvements will be evaluated, scoped, and estimated for consideration for inclusion into future Maintenance or Capital Upgrade Works Programs:

- Additional tactile pavers.
- Modification to access ramp handrail ends.
- Modification to access ramp paving to include mid-block landing area.

William Street Access to ZZCC





7 Financial summary

This section contains the financial performance and projections resulting from the information presented in previous sections of this Asset Management Plan. The financial projections will be reviewed as analysis is undertaken on future asset performance over the term of the plan.

7.1 Fair value

In 2020 the City appointed an external consultant to undertake a comprehensive fair value valuation of its building assets for the 2019/20 financial year. The current fair value is shown in Table 1 below.

Table 1. ZZCC asset valuation results as at 30 June 2020

Valuation result	Amount
Gross replacement cost	\$4,184,400
Depreciated replacement cost (fair value or written down value)	\$3,560,624
Annual depreciation	\$93,740

7.2 Renewal funding

Note: For the Café, the Lessee is responsible for all maintenance and renewals for painting, fitout and kitchen appliances, and are excluded from the City's future renewal funding needs.

7.2.1 Historical renewal funding

A review of completed renewal works over the past five years as listed in Table 6 of Appendix B and graphically shown in Figure 3 below indicates an average annual renewal expenditure of \$17,400.

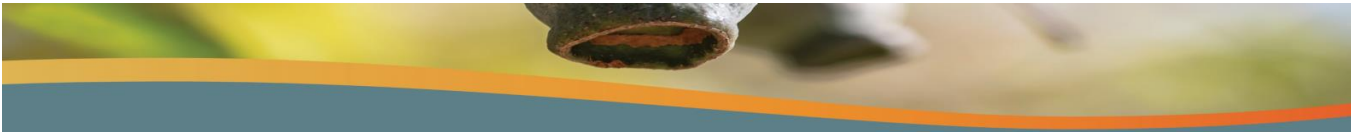
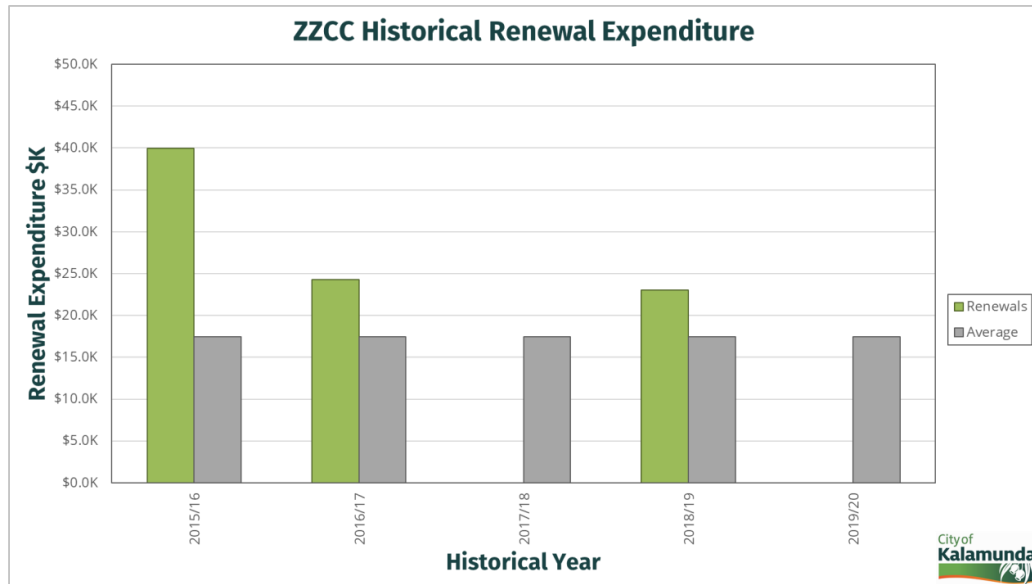


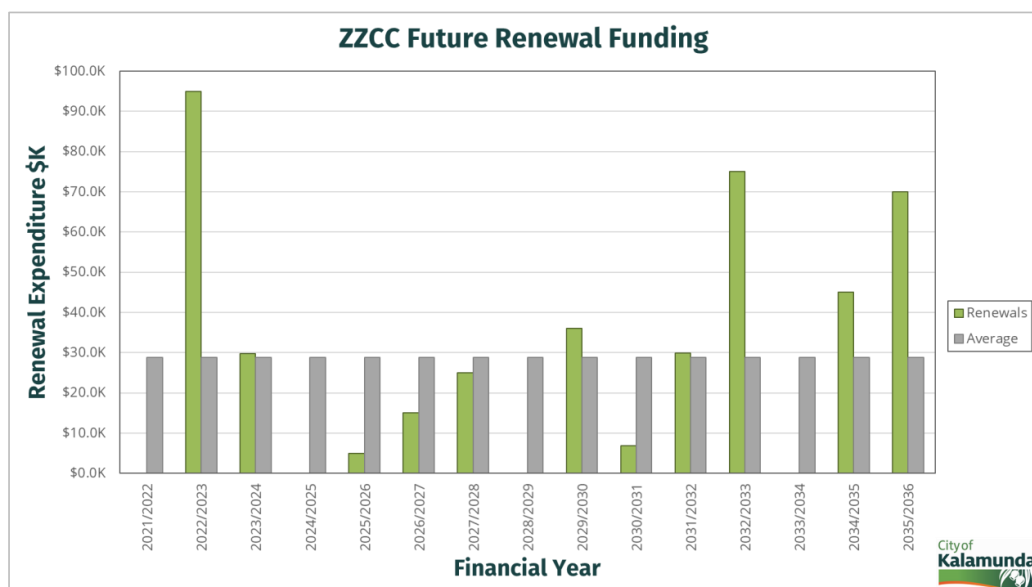
Figure 3. ZZCC historical renewal expenditure

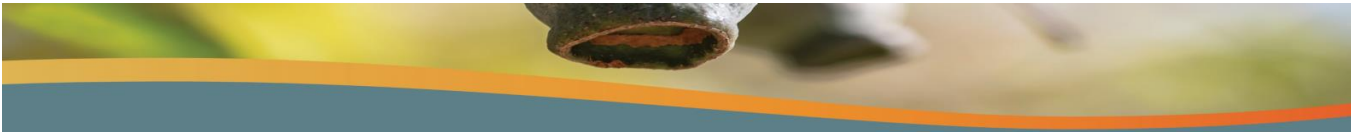


7.2.2 Future renewal funding

A detailed level two building inspection was undertaken by City staff to identify all renewal works required over the next fifteen-year period. The future required renewal projects and associated funding are in Table 7 of Appendix C and graphically shown in Figure 4 below.

Figure 4. ZZCC future renewal expenditure





Based on the identified renewal projects, an annual average expenditure of \$29,000 per years over the next fifteen years is recommended.

In Figure 4 above the high annual expenditures in years 2022/23, 2032/33 and 2035/36 are attributed to the following major renewal works:

- 2022/23: Renewal of Seminar / Public toilet gas hot water storage unit and ring main \$20,000, Internal and External painting totalling \$75,000.
- 2032/33: Internal and External painting totalling \$75,000 based on a ten-year cycle.
- 2035/36: Replacement of the platform lift within the Visitors Centre \$70,000

7.3 Maintenance funding

7.3.1 Historical maintenance funding

Based on previous records, the past five years of historical maintenance expenditure are shown in Table 2 and Figure 5 below. The average annual expenditure is \$68,000.

Table 2. ZZCC historical maintenance expenditure

Year	Expenditure
2015/16	\$96,036
2016/17	\$60,639
2017/18	\$59,473
2018/19	\$52,801
2019/20	\$73,800
Average	\$68,550

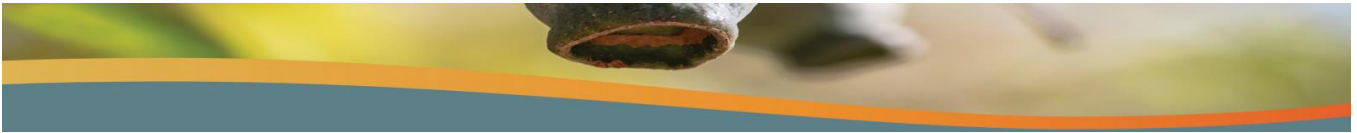
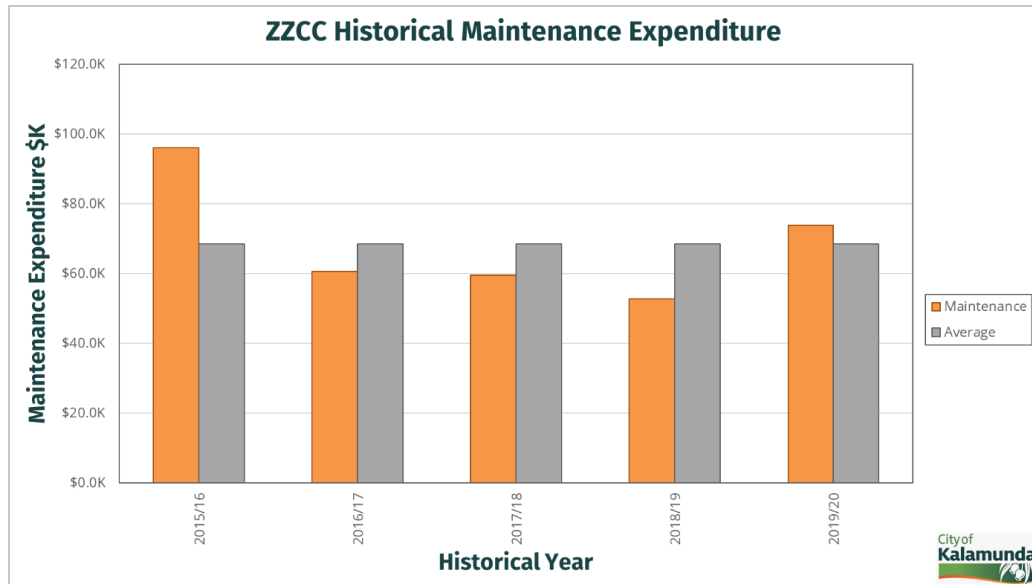


Figure 5. ZZCC historical maintenance expenditure



The proposed Maintenance Budget for 2021/22 is \$66,350 and is considered sufficient based on the current building condition. Should the proposed renewal works identified for the next fifteen years be delayed then the level of annual Maintenance Funding will need to be reviewed.

7.3.2 Current maintenance activities

Table 3. Current statutory maintenance items

Statutory Maintenance Items	Statutory Standard	Frequency
Elevators, low rise lifts	AS 1735.1:2003	6 Monthly, Annually
Fire Fighting Equipment i.e. Extinguishers, Blankets, Hose Reels	AS 1851:2012	6 Monthly, Annually, 5 Year
Fire Indicator Panels	AS 1851:2012	Monthly, Annually
Emergency Exit Signs & Lights	AS 2293.2	6 Monthly, Annually
RCD's	AS 3760:2010	6 Monthly, Annually
Air Conditioning (HVAC)	AS 1669, AS 1677 & AS 3666	Dependent on environment and usage
Pest Control Inspection - White Ants	AS 3660	Annually



Statutory Maintenance Items	Statutory Standard	Frequency
Roof Anchor Points	AS 1891 – Part 4 Section 9.3.3	Load Test - Annually
Test & Tag	AS 3760:2010	Annually
Fixed platforms, walkways & Ladders	AS 1657:2013	Annually

Table 4. Current non-statutory maintenance items

Non-Statutory Maintenance Items	Statutory Standard	Frequency
Alarm Monitoring	N/A	Quarterly
Security Patrols	N/A	Monthly
Gutter Cleaning	N/A	Bi-monthly
Sanitary Bins	N/A	Monthly
Carpet Steam Cleaning	N/A	3 Monthly
Hard Floor Cleaning (Tiles)	N/A	6 Monthly
Cleaning (General)	N/A	Weekly
Timber Floor Sanding and Resealing	N/A	2 Yearly
Automatic Doors	N/A	Bi-annually
Thermal Imaging Testing (Dis Boards)	AS 3760:2010	Annually

7.4 Conclusions and recommendations

It is recommended that the annual average Renewal Funding be increased from \$17,000 to \$29,000 to undertake the renewal works identified over the next fifteen years. Identified renewal projects will be evaluated for timing and scope over the term of the plan.



8 Improvements, monitoring, and review

8.1 Performance Monitoring

The effectiveness of this ZZCC Asset Management Plan can be measured in the following ways:

- The degree to which the required cash flows identified in this Asset Management Plan are incorporated into the City's Fifteen Year Capital Renewal Works Program and Corporate Business Plan.
- The degree to which the City's one-to-five-year detailed works programs, budgets, business plans and organisational structures take into account the asset performance trends provided by this Asset Management Plan.

8.2 Improvement Plan

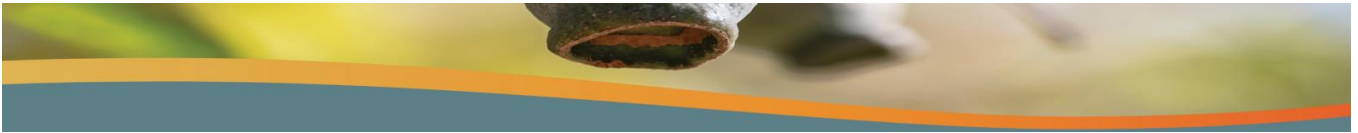
The Improvement Plan generated from this ZZCC Asset Management Plan is shown in Table 5 below. No specific detailed improvements are required for the Asset Management planning process.

Table 5. Asset management improvement plan for ZZCC

Task No.	Task	Responsibility	Timeline
1	Review the ZZCC Asset Management Plan (Five yearly cycle)	Asset Planning	2025/26
2	Review annually the renewal projects priorities, scope, and costs as part of the annual budget considerations.	Asset Planning	Annually

8.3 Review Procedures

This AMP will be reviewed every five years. The AMP will be referenced during annual budget preparation and amended to recognise any changes in service levels and/or resources available to provide those services.

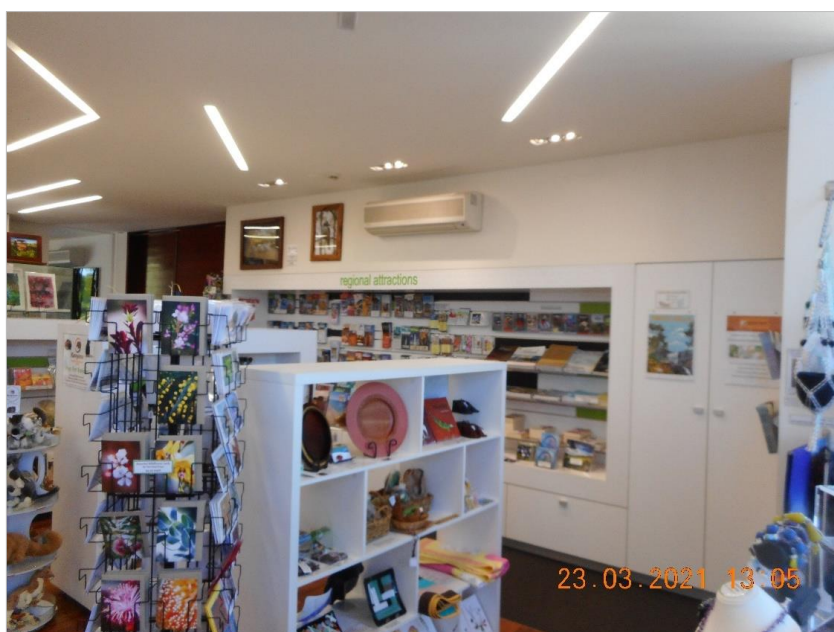


Appendix A Photos of building

A.1 Typical Photos









A.2 Photos of required renewals

Repair of superstructure





Replacement of water heating units



Replacement of commercial dishwasher

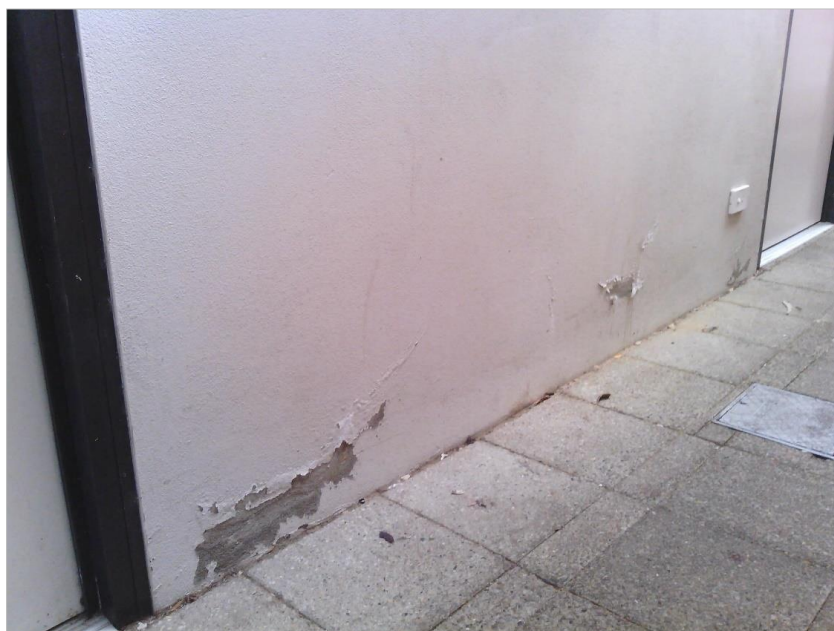




Replacement of evaporative air conditioners

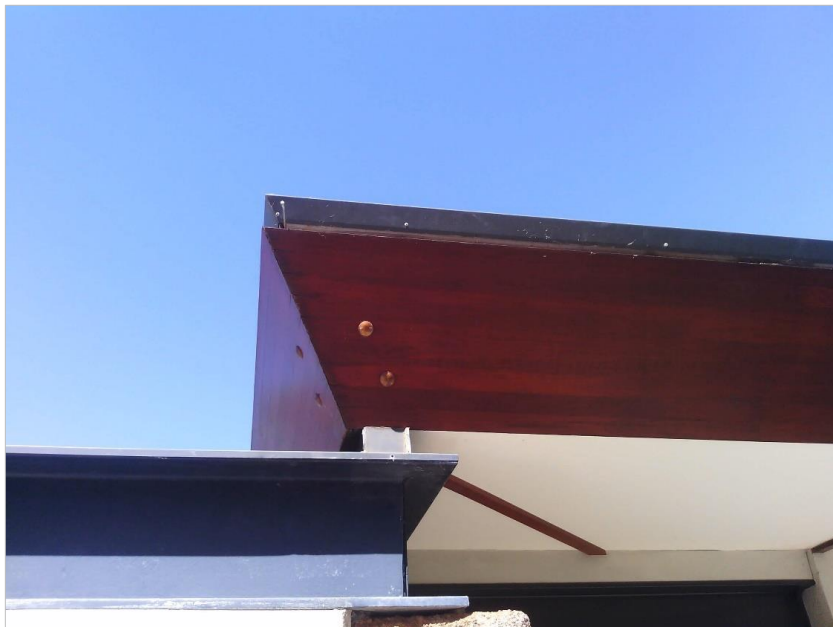


External painting





Renewal of roof flashing

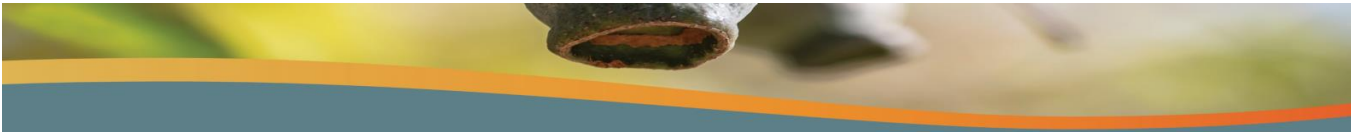




Appendix B Historical renewal funding

Table 6. ZZCC historical renewal funding

Year	Description	Cost
2015/16	Café Refurbishment - Timber Floors renewed, h/w system replaced, repaint throughout, decking recoated, concrete floor cleaned and resealed, skylights removed, ceiling repairs. Work was completed for new tenant.	\$24,389
2015/16	ZZ Visitor Centre lighting upgrade	\$15,546
2016/17	Totem Pole Relocation	\$24,250
2018/19	Exterior timber and decking re-oiling	\$18,300
2018/19	Recoat Gallery Timber floors	\$4,700
Total		\$87,184
Annual Average (5 years)		\$17,437



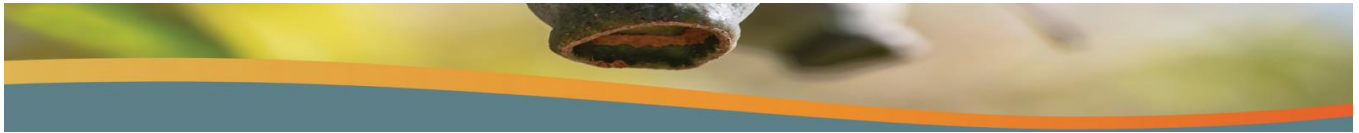
Appendix C Future renewal funding

It should be noted that the City currently has a large number of identified projects that are planned over a fifteen year horizon. Candidate projects are assessed on an ongoing basis.

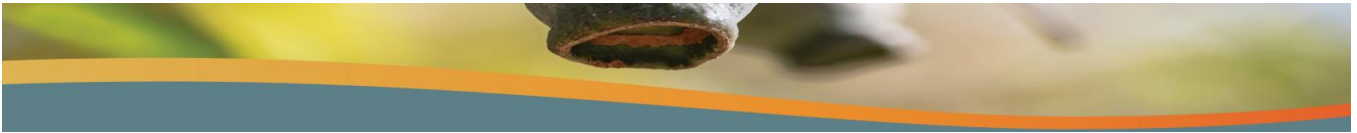
The City reviews its fifteen year capital works program annually and the projects for the Zig Zag Cultural Centre will be reviewed along with many other requests for the construction of new infrastructure and the renewal of existing infrastructure when replacement due to poor condition is required. Annual budgets are subject to available funding and competing priorities.

Table 7. ZZCC future renewal funding

Year	Description	Cost
2022/2023	Fit Outs & Fixtures: Seminar, Public Toilets: Renewal of failed Gas storage unit and hot water Ring Main	\$20,000
2022/2023	Painting External: All Facilities: All previously Painted surfaces outside i.e. veranda columns/framing, walls, doors, frames, trims, gates bin enclosure etc. (Excludes all timber decking)	\$15,000
2022/2023	Painting External: Gallery, Visitors, Seminar: Re-oiling of all exterior Ceiling lining timbers	\$20,000
2022/2023	Painting Internal: Gallery, Visitors, Seminar, Toilets (Café Lessee is responsible for internal painting): All previously Painted surfaces inside i.e. ceilings, walls, doors, frames, trims etc. (Excludes internal timber floors as that's a separate programme)	\$40,000
2023/2024	Exterior Decking: Seminar: Replacement of decking on Northern side due to splitting and lifting timbers boards	\$25,200
2023/2024	Roof Cladding: Gallery: Replace clear roof sheeting, gutters and flashing to joining walkway between the Gallery and Visitors Centre as past attempts to rectify leaks have all failed.	\$4,550
2025/2026	Air Conditioning: Café: A/C - Evaporated Unit	\$5,000
2026/2027	Fit Outs & Fixtures: Café: Rangehood motor replacement only canopy is stainless Steel	\$5,000
2026/2027	Fit Outs & Fixtures: Gallery, Seminar: Commercial Dish Washer (15 Yrs)	\$10,000
2027/2028	Fit Outs & Fixtures: Café: Gas storage Hot Water Unit	\$5,000
2027/2028	Painting External: Gallery, Visitors, Seminar: Re-oiling of all exterior Ceiling lining timbers	\$20,000
2029/2030	Gutters/Downpipes: All Facilities: Replace all gutters, downpipes	\$36,000
2030/2031	Roof Safety Anchor Points: All Facilities: Anchor Points (Replace every 10 Yrs)	\$6,900



Year	Description	Cost
2031/2032	Flooring (Carpet): All Facilities: Renew carpet with new (Low use so extending out to 20yrs)	\$21,120
2031/2032	Flooring (Vinyl): Visitors, Seminar, Café: Renew Vinyl (Low use so extending out to 20yrs)	\$8,760
2032/2033	Painting External: All Facilities: All previously Painted surfaces outside i.e. veranda columns/framing, walls, doors, frames, trims, gates bin enclosure etc. (Excludes all timber decking)	\$15,000
2032/2033	Painting External: Gallery, Visitors, Seminar: Re-oiling of all exterior Ceiling lining timbers.	\$20,000
2032/2033	Painting Internal: Gallery, Visitors, Seminar, Toilets (Café Lessee is responsible for internal painting): All previously Painted surfaces inside i.e. ceilings, walls, doors, frames, trims etc. (Excludes internal timber floors as that's a separate programme)	\$40,000
2034/2035	Air Conditioning: Gallery, Visitors, Seminar, Café: A/C - Multi Split & Ducted System	\$45,000
2035/2036	Personal Lift (Elevator): Visitors: Platform Lift - Breaking down more regularly and told no Australian wholesaler for parts. Lift will need to be fully replaced as current stock of parts in Australia become exhausted.	\$70,000
Total		\$432,530
Annual Average (15 years)		\$28,835



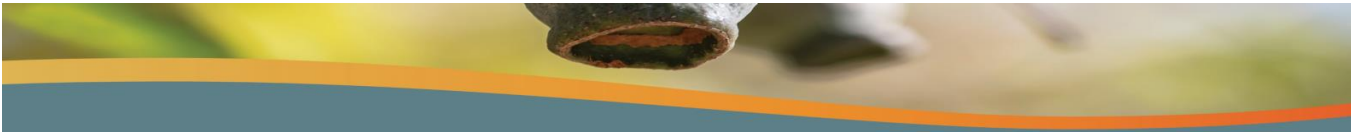
Appendix D Glossary

All the definitions below apply in the context of Local Government Infrastructure Assets.

Asset Management	Applying management practices to Infrastructure Assets to provide the required Levels of Service in the most cost-effective manner.
Asset Management Plan	A documented plan for managing one or more classes of Infrastructure Assets over their Useful Lives to provide the required Levels of Service in the most cost-effective manner.
Condition	An assessment of the progress of an Infrastructure Asset from new to end of life. The Condition determines the Level of Service provided by the asset and also the Maintenance actions required. The Condition also provides an estimate of the Remaining Useful Life.
Condition Rating	A number, typically from 1 (new) to 5 (end of Useful Life), as a measure of the assessed Condition.
Depreciable Amount	The proportion of an asset's Gross Replacement Cost which loses value over time due to Depreciation. The proportion which does not lose value is the Non-depreciating Value.
Depreciation	<p>The loss of financial value of an Infrastructure Asset as it progresses from new to end of Useful Life.</p> <p>Accumulated Depreciation is the total depreciation of the asset to the date of assessment.</p> <p>Annual Depreciation is the loss of financial value in one financial year.</p>
Fair Value	<p>The best estimate of the financial value of Infrastructure Assets in their condition at a point in time. It includes loss of value due to depreciation, and depends on an appraisal of active markets, or in the absence of active markets, the cost of constructing the asset.</p> <p>See also Written Down Value, which is an alternative name for Fair Value.</p>
Gross Replacement Cost	The cost of building a new Infrastructure Asset in the place of the current one, including the disposal cost of the current one.
Infrastructure Asset	A physically constructed asset with a life of longer than 12 months, which has a financial value, and which provides services to the community.



Level of Service	<p>The quality of experience that the Infrastructure Asset provides to the community.</p> <p>Community Levels of Service describe the quality from the perspective of the users, in terms of subjective measures, such as of how safe, how clean, how new, etc.</p> <p>Technical Levels of Service describe the quality from the perspective of the providing organisation in terms of objective measures, such as how frequently, what metrics, what response time, etc.</p> <p>The organisation chooses the objective Technical Levels of Service to provide the users' required Community Levels of Service.</p>
Maintenance	<p>Corrective actions on the Infrastructure Asset which improve its Condition to allow it to achieve its intended Useful Life and to provide its required Level of Service. An example is repair of defects.</p> <ul style="list-style-type: none"> Reactive maintenance: unplanned work to address condition problems after they have arisen. Planned maintenance: planned work to prevent condition problems arising. <ul style="list-style-type: none"> Cyclical: performed on a schedule. Can be preventive but could also be the organisation's choice of level of service delivery. Preventive: performed according to manufacturers or industry standards, and not triggered by indications in the asset. Includes cyclical maintenance. Predictive: performed when leading-indicator conditions reveal that maintenance is necessary. <p>See also Operations, which are necessary actions to provide the required Level of Service but do not affect the Condition.</p>
New Works	<p>The creation of an Infrastructure Asset which did not exist before. This increases the Gross Replacement Cost of the organisation's assets.</p> <p>See also Renewal, which replaces an existing asset and does not increase the Gross Replacement Cost of the organisation's assets.</p>
Non-depreciating Value	<p>The portion of the Gross Replacement Cost of an Infrastructure Asset which does not lose value over time. An example is land, which does not wear out over time and cannot be replaced.</p>
Operations	<p>Expense or actions on the Infrastructure Asset which are necessary to provide the required Level of Service, but which do not affect its Condition. An example is electricity supply to provide lighting.</p> <p>See also Maintenance, which covers actions necessary to provide the required Level of Service and that do affect Condition.</p>



Renewal	<p>The replacement of an existing Infrastructure Asset with an asset providing the same Level of Service or capacity. The City's capitalisation threshold for capital renewals is \$5,000. This will only increase the Gross Replacement Cost of the organisation's assets if the modern equivalent exceeds the original cost.</p> <p>See also New Works, which creates a new asset and does increase the Gross Replacement Cost of the organisation's assets.</p> <p>See also Upgrade, which increases the performance or capacity of an asset and does increase the Gross Replacement Cost of the organisation's assets.</p>
Upgrade	<p>Modifications or replacement of an existing Infrastructure Asset which increase the Level of Service or capacity. This increases the Gross Replacement Cost of the organisation's assets.</p>
Useful Life	<p>The total length of time during which an Infrastructure Asset is expected to be usable and to provide the required Level of Service.</p> <p>The Remaining Useful Life is the length of time until an Infrastructure Asset is expected to require Renewal.</p>
Sustainability Ratios	<p>Metrics required by the WA State Government to indicate whether a Local Government's Asset Management practices and budgeting are sustainable in the long term.</p>
Valuation	<p>The regular determination by qualified inspectors and assessors of the Gross Replacement Cost of a collection of Infrastructure Assets, as well as their Accumulated Depreciation, to report on their current Fair Value.</p>
Written Down Value	<p>An alternative name for Fair Value, which is Gross Replacement Cost less Accumulated Depreciation.</p>