

PROPERTY ASSET MANAGEMENT STRATEGY

Girl Guides Queensland Property Asset Management Strategy

Overview

Property assets provide essential support to activities and programmes delivered by Girl Guides Queensland (GGQ). These can range from land for a campground, to a lease of a building in the local area that is used by a District.

Girl Guides Queensland is a membership owned and youth led organisation. The Board is vested in the overall direction and control of the property and affairs while implementation of policy and day to day management of the business is vested in the CEO. The Board performs in a stewardship role, cognisant of the inherent responsibility to demonstrate good governance and transparency in its property asset decision making.

The GGQ Property Asset Management Strategy will enable the GGQ Board to align actions relating to its extensive portfolio of property assets with GGQ's Strategic Direction.

This strategy provides a sound basis for achieving a sustainable property portfolio capable of generating enhanced and sustainable outcomes for the GGQ community.

The assessment tools and action plan outlined in this report will assist the CEO via the Property Working Group and GGQ Board to determine future strategic actions in relation to its property assets. Most importantly, application of this strategy will ensure that the GGQ Board is able to undertake property asset management activities in accordance with its statutory obligations and via best practice principles.

Introduction

Property assets are held by GGQ for core operational purposes. But what is property? Property, for the purpose of this Property Asset Management Strategy, is defined as any kind of interest GGQ has in land, either held directly by GGQ or granted to GGQ. It includes all buildings, huts, land or parts thereof, rights-of-way, leases, tenancies, licences, easements, etc. Property has value in an accounting sense and/or in how it contributes to GGQ's strategic objectives and service delivery.

The Property Asset Management Strategy takes into consideration the lifecycles of property assets and how these may influence decisions and actions in relation to individual assets, groups of assets and/or the entire property portfolio. It provides an integrated approach that illustrates the interconnectivity between the lifecycle of an asset and specific property management functions. It also provides a strategy to assess GGQ's current and future needs, acquisition of assets, deployment and operation of assets including ongoing maintenance, refurbishment and replacement of assets, and disposal of assets.

By understanding which actions to take, how and when these actions should be undertaken, and how these actions will ultimately influence the performance of individual assets, the strategy will enable the GGQ Board to make informed decisions that will ultimately provide greater value and benefits in the delivery of services to the GGQ community.

What is the purpose of the Property Asset Management Strategy?

The purpose of the Property Asset Management Strategy is:

1. To provide a clear link between the GGQ Strategic Direction, GGQ's Principles for Managing Property and GGQ's ownership and operation of property assets;
2. To define a strategic decision making framework to guide property related decisions;
3. To provide basic principles to consider when making decisions about the acquisition, retention, growth, redevelopment and disposal of property;
4. To set out a plan of action for the implementation of the Property Management Framework.

What are the benefits of the Property Asset Management Strategy?

There are three fundamental benefits from having a strategic approach to the management of property assets: appropriateness, efficiency and effectiveness.

- A. Appropriateness
 - i. Ensure assets are at or above required regulatory standards.
 - ii. Align assets with community and member expectations.
 - iii. Effectively allocate resources available to GGQ across Districts and Regions, maximising outcomes.
- B. Efficiency
 - i. Achieves improved accountability for use of resources through published performance measures.
 - ii. Provides benchmarks which can be used to evaluate outcomes and better plan for the future.
- C. Effectiveness
 - i. All associated costs are considered and optimised over the lifecycle of the assets.
 - ii. Existing assets are maintained and used more effectively (timely maintenance is cheaper than repairs or new asset acquisitions).
 - iii. Realises opportunities to use partner agencies and private sector assets for GGQ purposes.

What are the Key Principles of the Property Asset Management Strategy?

The GGQ Board is committed to exploring future actions relating to its property assets to optimise both property asset performance and community value. In effect, this is achieved through realising value for money through the acquisition, retention, growth, redevelopment and/or disposal of property assets.

Key principles underlying value for money relating to GGQ property assets include:

- Holding property assets: GGQ will not hold property assets for their own sake and will measure its use of property assets in financial terms.
- Use of property assets: GGQ will occupy the minimum possible amount of property assets (measured in financial terms) which it needs to perform its services and attain its objectives.
- Expenditure and resources: GGQ will expend the required resources on the day-to-day management of its property assets and investigate opportunities that will leverage greater return on investment.
- Disposal: GGQ will seek to achieve or exceed the market valuation when leasing or selling a land asset in financial terms and/or in benefits provided to the community.

Critical Success Factors

There are three factors which are critical to the success of the Property Asset Management Strategy:

1. GGQ's property portfolio is regularly reviewed.
2. Property management is able to support the Districts and Regions in the provision of service and the Districts and Regions contribute to strategic property planning.
3. The GGQ Board, leaders, volunteers, and staff are well informed when making decisions relating to property.

The Property Management Framework

The Property Management Framework is based on community decision making methodology that is founded on service needs and is responsive to budgetary implications.

The Property Management Framework and the assessment of property assets via the assessment tools, would be overseen by the CEO supported by the Property Working Group and the GGQ Board.

Overview of the Framework

(A) Strategic Objectives*	(B) Property Assessment Tools	(C) Management Action
<ol style="list-style-type: none"> 1. Contribution 2. Safety 3. Suitability - Use 4. Suitability - Wellbeing 5. Financially Viable 6. Sustainable 7. Democratic Decisions 	<p>Use the below tools to assist strategic decision making –</p> <ol style="list-style-type: none"> 1. Service Asset Delivery Assessment 2. Key Performance Criteria 3. Decision Logic Map 	<ol style="list-style-type: none"> 1. Acquire 2. Retain 3. Grow 4. Redevelop 5. Dispose

*The Strategic Objectives are based on the Principles for Managing Property as outlined in the GGQ Property Policy

(A) Strategic Objectives

1. Contribution

Objective: Every property must contribute to GGQ's Strategic Direction.

Delivered through:

- Clearly defining ownership control of property assets;
- Determining and communicating accountability and reporting responsibilities throughout each step of the integrated approach to property asset management;
- Ethical decision making that promotes corporate fairness, accountability and transparency in property asset transactions.

2. Safety

Every property must be safe for the girls, volunteers and anyone who enters it. This means physically safe, locality safe, and culturally safe.

Delivered through:

- Improved management of the existing property assets;
- Applying best practice property asset management principles.

3. Suitability - Use

Every property must be suitable for Guide activities/programmes. This means that it is actively used by a reasonable number of Guides to best meet their goals. Option for re-use of property for non-GGQ activity.

Delivered through:

- Meeting service delivery demands by providing the right property assets in the right location in the right amounts;
- Ensuring property assets are appropriately used and maintained.

4. Suitability - Wellbeing

Every property must be suitable for the community it services. This means that it should be a venue that the community respects and is proud of. This may vary from location to location to suit the diversity of communities that Guides services.

Delivered through:

- Ensuring property assets promote equality, social inclusion and improve health;
- Ensuring property assets are accessible to all;
- Encouraging property asset improvements that will increase the wellbeing of citizens, promote visitation and add value to the GGQ community.

5. Financially Viable

Every property must be financially viable. This means that at a minimum that the income from fees, fundraising and sub-letting must at least cover the operating costs of the property, including rent, outgoings, maintenance and insurance.

Delivered through:

- Taking a measured and considered approach to the full costs of holding and maintaining each property asset throughout their lifecycle;
- Creating a Property Reserve to sequester funds for unexpected or emergency maintenance and/or repairs;
- Using economies of scale for more cost effective service delivery.

6. Sustainable

Every freehold property must contribute positively to the financial health and or value to GGQ and the organisation. This means that it should be appreciating in value. If a property is not used by Girl Guides but is leased to an external party it should have an annual return appropriate to the purpose, age and type of construction of the property based on statistical data for the geographical area.

Delivered through:

- Encouraging shared use and co-location of property assets;
- Developing and sustaining appropriate partnerships with other agencies and the private sector to maximise utilisation of property assets.

7. Democratic Decisions

If a property no longer aligns with the Strategic Objectives, and is unlikely within a maximum of 5 years, it should be reviewed taking into account membership fluctuations, building condition and general economic condition.

Delivered through:

- A transparent decision process to review the viability of a property asset;
- A measured and considered business case is recorded;
- Proactive communication to Districts, Regions, leaders, volunteers, girl guides and other immediate stakeholders to work with them to produce and/or provide solutions.

(B) Property Assessment Tools

The Property Assessment Tools provide a logical framework for making decisions about property assets in a clear and transparent manner. There are three tools to assess the property asset –

1. Service Asset Delivery Assessment
2. Key Performance Criteria
3. Decision Logic Map

1. Service Asset Delivery Assessment

The first step to assessing a property asset is to determine the effectiveness of its service delivery. Fundamentally, each property asset that GGQ possesses is required to support the delivery of a service (e.g. camping, Girl Guide programmes etc.). The below table can be used to determine the effectiveness of the delivery of a service(s) by a property asset –

Service Asset Delivery Assessment Elements
Description of the service
Details and assessment of current property asset used to facilitate service
Review/forecast of service usage and demand (possibly making use of demographics and geographic analysis, SWOT analysis, environmental analysis, risk analysis, etc.)
Review of alternative (non-asset) methods of service delivery
Prioritised, multi-year action plan for property asset

2. Key Performance Criteria

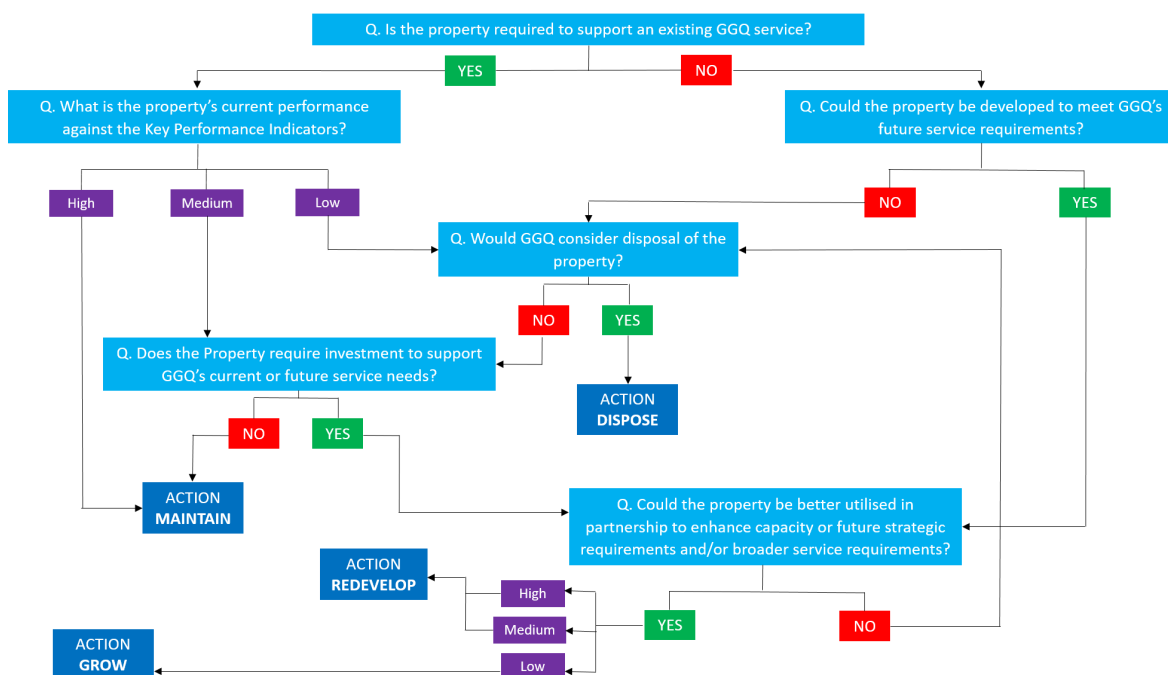
After completing the Service Asset Delivery Assessment, a property asset can be assessed against the Key Performance Criteria. GGQ's property asset performance can be measured against four primary indicators:

1. Financial
 - a. Income
 - b. Outgoings (electricity, water, tax etc.)
 - c. Property Maintenance Expenditure
 - d. Capital Works Expenditure
 - e. Cost of Income Ratio
2. Utilisation
 - a. Number of members per hut
 - b. Usage rate (number of days out of the year the property is used for Guiding activities)
 - c. Usage rate (number of days out of the year the property is used by Community or other groups)
3. Condition
 - a. Condition Rating (scale of 1-10)
 - b. Estimated life (in years)
 - c. Remaining useful life (in years)
4. Suitability & Sufficiency
 - a. Funding required to make property "fit for purpose"

3. Decision Logic Map

The final assessment step is to use the Decision Logic Map. The questions contained within the Decision Logic Map relate to how critical the property is to GGQ's core property functions and the role of that property asset in meeting GGQ's current and future service requirements.

The Decision Logic Map provides a series of questions about a property asset to determine the most appropriate management action to undertake (a larger version of this is in the appendix):



This table breaks down each question to help answer it.

Question	Explanation
Is the property required to support an existing GGQ service?	<ul style="list-style-type: none"> • Identified to support existing service in a strategic plan? • Clear need to support existing service? • Seek input/advice from Region/District
Could the property be developed to meet GGQ's future service requirements?	<ul style="list-style-type: none"> • Clear potential to support future service? • Is the future need supported by GGQ? • Seek input/advice from Region/District
Could the Property be better utilised in partnership to enhance capacity or future strategic requirements and/or broader service requirements?	<ul style="list-style-type: none"> • Partnership or joint venture with external body (public, private or not-for-profit) • Clear need for existing service or potential to support future service? • Is future need supported by GGQ? • High to Medium rating would be indicated by attractiveness of external partnership potential for the site • Low rating would be applied to those sites that require investment but are unable to attract external partnership • Seek input/advice from Region/District
What is the property's current performance against the Key Performance Criteria?	<ul style="list-style-type: none"> • High rating for those properties that are currently meeting performance metrics and do not need further investment • Medium rating for those properties that may need some investment to improve performance • Low rating for those properties that do not meet performance metrics • Seek input/advice from Region/District
Does the Property require investment to support GGQ's current or future service needs?	<ul style="list-style-type: none"> • Is funding required to upgrade/redevelop the facility to improve its ability to provide/meet service?
Would GGQ consider disposal of the property?	<ul style="list-style-type: none"> • Is this a property which GGQ can dispose? • Is it required for heritage or special purpose? • Is there a market for purchase? • Is it the right time to sell? • Would the community accept disposal?

(C) Management Action

The three Property Assessment Tools are designed to produce a result that will relate to one of four management actions:

RETAIN	<ul style="list-style-type: none">• Hold, plan and strategically manage all property assets corporately• Strengthen the function of the Properties unit in the day-to-day management of property• Support best practice property management procedures• Promote accountability for the sustainable use and management of property resources• Continually review the property portfolio to determine performance, utilization, need and provision.
GROW	<ul style="list-style-type: none">• Measure the performance of operational property to identify optimum use levels and to inform and ensure objective decision making for the long term• Continue to resource and improve the accessibility and sustainability of all GGQ properties• Explore innovative ways of providing services incorporating both property as well as non-property based solutions• Maintain adequate property data to enable efficient asset management and planning• Align assets with service and community expectations
REDEVELOP	<ul style="list-style-type: none">• Ensure existing methods of property accounting reflect the full substance of the total transaction for each property - e.g. rental income, and rental outgoings plus expenditure (e.g. repairs, bad debts, management costs etc.)• Investigate opportunities for private sector investment• Explore opportunities to stimulate a variety of new development and investment capable of generating highest and best use outcomes
DISPOSE	<ul style="list-style-type: none">• After carefully considering GGQ's property asset requirements as determined by its strategic strategies and policies, identify property assets surplus to GGQ service delivery requirements• Declare unwanted properties surplus to requirements as soon as possible and refer to GGQ Board for considerations of options.• Ensure that appropriate governance arrangements are in place to demonstrate transparency and accountability for each property disposal.

Appendix

Legislative Requirements

GGQ's property management practice is governed by various pieces of legislation including:

- Crown Land (Reserves) Act 1978
- Land Act 1958
- Guides Queensland Act 1970

GGQ Strategic Direction

Our Vision

To be Australia's leading organisation for girls and young women in leadership and personal development

Our Mission

To empower girls and young women to grow into confident, self-respecting, responsible community members

Goals

The Five Pillars

1. Be an efficient and effective organisation
2. Deliver Australian Guide Program
3. Promote the value and brand of Girl Guides
4. Support adult members and volunteers
5. Increase adult and youth membership

Values

Respect and collaboration to engender leadership qualities

Governance Principles

Girl Guides Queensland is an autonomous organisation which manages its affairs based on the Guides Queensland Constitution with accepted practices and policies set out in Girl Guides Australia's Guide Lines. Guide Lines details the requirements of the organisation and incorporates the policy and rules of Girl Guides Australia and WAGGGS.

The Girl Guides Queensland Policy and Procedures outlines the policies and procedures for Girl Guides Queensland. This document should be read in conjunction with Guide Lines.

The Girl Guides Queensland Board directs the general policy of the Association, providing vision and policy decisions.

Decision Logic Map

