

Council Enterprises Activity Management Plans 2018



Quality Assurance Statement

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Preface

This Council Enterprises Activity Management Plan (AMP) is divided into 6 parts and describes separately in detail each of the following activities:

- Generic summary for Commercial Assets
- Aerodromes
- Holiday Parks
- Commercial Property Holdings
- Forestry
- Ports

Historically, surpluses generated have been directed to other Council activities, which has resulted in minimal reinvestment back into commercial and semi commercial activities. Loan funding has been required for any development projects and renewal programmes and this has contributed towards a lower financial return to Council.

Adoption of the Council's Financial Strategy for Commercial activities has the following key performance areas:

- management of the commercial and semi-commercial assets as a group;
- maximise financial performance and thus returns;
- retention of surpluses that will self-fund future growth and investment needs on commercial activities as a whole;
- balanced internal dividend policy that reflects market practices, whilst ensuring future planned growth is achievable.

Council recognises that some of the assets identified within the Commercial AMP have been acquired subject to restrictive covenants or conditions that create legacy issues and may affect the ability to apply true commercial principles and deliver market related returns. By applying sound commercial principles, the returns to Council from these activities will improve but it is recognised that some assets may never reach the desired return level, however maximising the performance is the key objective.

This change in strategy will require an upfront investment to return the asset condition to their appropriate state, in order to achieve the targeted levels of service and satisfy customer demand.

Council cannot afford to undertake all work at once due to financial and resource constraints. This means that Council needs to prioritise what work it undertakes first, and what work can wait until later. There are multiple factors that affect the priority of individual works. These include public health & safety, statutory compliance, business continuity, security and service delivery.

A Commercial Committee with Councillor membership plus three independent external appointees provides investment recommendations, leverage opportunities, risk management and strategic input in relation to Council's commercial and semi-commercial activities.

Full business cases will be prepared for any investment to commercial asset infrastructure (capital or renewals) and will be required to be self-funding. Having control of all assets and their returns will allow for a high degree of planning and execution driven around directing funds to the best use and highest return, which allows true commercial principles to take hold.

Sources of Operating Funding

Operating expenditure for the activities within the Commercial Property Group are funded through a variety of mechanisms as summarised in the table below:

Table 1: Operating Funding Sources

	General Rates	Uniform Annual General Charges	Targeted Rates	User Fees and Charges	Licences and Leases	Dividends from Investments	Tree Crop Harvest	Other Receipts / Sundry
Aerodromes				✓	✓			✓
Holiday Parks				✓	✓			✓
Forestry							✓	✓
Port Taroakohe				✓	✓			✓
Commercial Property					✓			✓

New Capital Requirement Programme 10 Year Forecast

Proposed projects within the Commercial Property Group are summarised in the table below:






Table 2: Commercial Property Group's Proposed Projects

	Project Summary	Expenditure ¹			
		2018/19	2019/2020	2020/2021	2021-2028
Aerodromes	Reseal Runway - Motueka				\$160,000
	Security - Motueka	\$5,000			
	House - Takaka				\$75,000
Holiday Parks	Murchison Upgrade	\$50,000	\$210,000	\$50,000	\$350,000
	Motueka Plant & Equipment	100,000	\$100,000	\$100,000	\$700,000
	Pohara Improvement Buyback	\$530,000			
	Pohara Upgrade	\$60,000	\$60,000	\$60,000	\$420,000
	Collingwood Coastal Erosion Repairs	\$20,000			\$40,000
	Collingwood Buildings	\$610,000	\$50,000	\$50,000	\$350,000
Forestry	Nil				
Port Taroakohe	New Wharf Construction	\$1,000,000			\$1,000,000
	Taroakohe Marina				\$3,500,000
	Weighbridge, Security & Surveillance				\$100,000
Commercial Property	Golden Bear Mapua Shed 5 Toilet Block	\$250,000			
	Armadillos Restaurant Richmond 183 Queen Street Remedial Works			\$900,000	

¹ Figures not adjusted for Consumer Price Index (CPI)

Assets Overview

Table 3: Assets Overview

Asset	\$M
	\$4.8M
	\$3.7M
	
	\$46.5M
	\$3.3M

Asset	\$M
	<p>Motueka Top 10 Holiday Park</p>
	<p>Pohara Top 10 Holiday Park</p>
	<p>Riverside Holiday Park (Murchison)</p>
	<p>Collingwood Holiday Park</p>
<p>\$10.0M</p>	

Aerodromes Activity Management Plan 2018



1 Introduction

The purpose of this activity management plan is to outline and to summarise in one place, the Council's strategic management and long-term approach for the provision and maintenance of its activities.

1.1 What We Do

The Council owns and operates two aerodromes at Motueka and Takaka.

1.2 Why We Do It

The Council's ownership and management ensures aerodromes are retained for the commercial and recreational community – their economic development and strategic importance is critical to all ratepayers and facility users. These assets provide benefits to all users via employment and development for the wider community.

1.3 Rationale for Council Involvement

- To shape, deliver and sustain a strong regional economy.
- To generate income whilst maintaining public access to recreational facilities.

1.4 Description of Assets & Services

1.4.1 General

The aerodromes activity comprises the provision and maintenance of the following facilities at Motueka and Takaka:

- ownership or agreed use of land designated for aerodrome use
- pavement and surfaces for safe landing, take-off and taxiing of aircraft
- ancillary buildings for administration and housing of associated activities
- navigational aids
- security fencing and other arrangements for protection of the assets and safety of the users and the public

1.4.2 Motueka Aerodrome

The Motueka Aerodrome is the responsibility of the Council and occupies 27.52 hectares. It is bounded on the south by College Street, on the east by Queen Victoria Street and to the north-west by Marchwood Park and Marchwood Park Road.

1.4.3 Land Tenure

The aerodrome land is owned by Council in two freehold titles. CFR NN12C/337, being Lot 1 DP 18903, of 5,159m² and which contains the Nelson Aviation College and CFR NN12C/ 338 being Lot 2 DP 18903.

Under the Tasman Resource Management Plan (TRMP), the site is designated for aerodrome purposes with an underlying zone of Rural 1.

The designation provides for the Council either itself or through its agents to control, manage and approve planning, design, research, construction and maintenance relating to all land within the designation. Designation of the aerodrome is considered the most appropriate mechanism of protecting Council's interest with regard to the safe and efficient functioning of the aerodrome.

The aerodrome is recorded in the Civil Aviation – Aeronautical Information Publication (AIP) as a non-certified aerodrome that is unattended.

1.4.4 Structures and Layout

The site is near flat grassland and abuts horticultural uses on all frontages except College Street where there is residential development on the south side. The land is at the upper end of the Thorp catchment and thus receives very little if any stormwater runoff from land above the site.

In 1991/92 Council formed and sealed a 724m by 8m runway. Subsequent extensions increased the length and the runway was widened and resealed to an average width of 11m in March 2004. The current runway is 729m long by 12m wide and asphalt concrete surfaced. In addition, there is adjacent a grass runway 733m long by 30m wide. A runway reseal is scheduled for 2024/2025 in the current LTP programme.

There is a 52m long concrete pad at the northern end which was established by the Nelson Drag Racing Association for their events and is not included in the runway threshold for aircraft operations.

A 40m by 12m concrete pad was constructed at the southern end of the runway in 2008 to facilitate safer entry and exiting of the runway.

Currently the runway length is adequate for a Piper Navajo aircraft.

The strength of the runway pavements and hence allowable aircraft landing is given in equivalent single wheel loading (ESWL) for the sealed runway. The sealed runway has an ESWL 1,020 kilograms.

There is an assortment of 14 buildings throughout the aerodrome. Skydive Abel Tasman and the Motueka Aero Club, along with other small hangars are along the College Street frontage. An unsealed carpark is between the Skydive Abel Tasman and Abel Tasman Aviation. Nelson Aviation College is on Queen Victoria Street. There is an aviation fuel dispenser pumping from a tank near to the Aero Club building, and an underground fuel tank outside the hangar. These provide both Avgas and Jet A1 fuels.

The Motueka Aerodrome Development Plan sets out the areas available for development and the types of development that will be allowed.

The height of structures around the aerodrome is controlled by “transitional plane surfaces” which are to protect the flight paths of aircraft using the aerodrome. Those height restrictions apply irrespective of any greater permitted height stipulated in the TRMP.

1.4.5 Takaka Aerodrome

The Takaka Aerodrome was established in 1940 and occupies 39.66 hectares. Bounded by farmland on the northern, eastern and part of the western side, State Highway 60 bounds the southern and south-western boundaries.

1.4.6 Land Tenure

The site is an Aerodrome Reserve being Section 20, Block V of the Waitapu Survey District. The land is vested in the Tasman District Council.

Under the TRMP the site is designated for aerodrome purposes with an underlying zone of Rural 1.

The designation provides for the Council either itself or through its agents to control, manage and approve planning, design, research, construction and maintenance relating to all land within the designation. Designation of the aerodrome is considered the most appropriate mechanism of protecting Council's interest with regard to the safe and efficient functioning of the aerodrome.

The aerodrome is recorded in the Civil Aviation – Aeronautical Information Publication as a non-certified aerodrome - unattended.

1.4.7 Structures and Layout

There is an assortment of buildings and structures on the site. These include:

- a house and garage (Council owned)
- toilets facilities available for public use
- clubrooms and private hangars.
- a fuelling facility

The boundary of the aerodrome is secured by a post and wire fence.

The aerodrome has an extensive concrete tile drainage system, following from the southern end of the property to the northern end (average of 1:100 fall).

The aerodrome has been built on pakihi clays which makes the site hard to drain and grow good vegetation on. Grazing of the site is leased out periodically.

Takaka has two runways, one running more or less north to south, and the other running south-east to northwest, crossing the north to south runway. The north to south runway is sealed and is the primary runway at 11m wide by 825m long and was resealed in 2007. The cross runway is 534m long by 12m wide. The allowable ESWL is 3,000kg for the sealed runway and 1000kg for the unsealed runway. The reseal of the main runway is programmed for 2020/2021 in the current LTP year. It is expected a portion of these costs will be required to be met by facility users.

The height of structures around the aerodrome is controlled by “transitional plane surfaces” which are to protect the flight paths of aircraft using the aerodrome. Those height restrictions apply irrespective of any greater permitted height stipulated in the TRMP.

1.4.8 Activities at Aerodromes

The following uses are considered appropriate possible activities at the Motueka and Takaka aerodromes.

1.4.9 Ordinary Uses:

- fixed wing and rotary aircraft operations
- microlight aircraft
- hangars for aircraft storage and maintenance
- passenger terminals
- airfreight depots, including cool storage facilities for perishable cargo
- facilities for storage of fertilisers and sprays used by top-dressing aircraft using the aerodrome
- Aero Club clubrooms
- facilities for pilot training
- rental car depots and carparks associated with aerodrome facilities
- emergency service facilities
- accommodation unit's accessory to aviation (Motueka only)
- arable farming and grass harvesting
- navigation and air traffic control facilities
- recreation facilities (Motueka only)
- meteorological facilities
- infrastructure services
- telephone facilities
- storage facilities for aviation fuel
- an aviation museum
- other commercial activities that complement this operation e.g. Fire and Emergency services

1.4.10 Discretionary Uses with Special Conditions:

The following uses may be appropriate subject to special conditions, which may be reviewed annually.

- parachuting

- drag racing (Motueka only)
- gliding
- model aircraft and drones
- microlight aircraft
- gyrocopters and similar aircraft
- hang-gliding activities
- aerodrome based displays and events
- commercial and light industry associated with aviation or aerodromes
- other uses not already listed

In determining any use, each application will be considered on its merits and appropriate conditions will apply including:

- hours/days of operation
- regulations of flight paths
- restrictions to the use of noisy aircraft
- location of activity within the aerodrome
- consideration of environmental concerns
- health and safety
- effect of existing aerodrome operations

The Takaka Aerodrome Management Committee will recommend any appropriate conditions to be included in any lease or agreement. The final decision however, rests with Council.

2 Strategic Direction

Council proposes to continue to maintain, operate and develop the Aerodromes as strategic assets for facility users and, ratepayers and the wider community.

2.1 Our Goal

The Council aims to provide commercial activities that meet user needs, provide a safe and compliant working environment and that contribute to the financial sustainability of Council.

2.2 Contribution to Community Outcomes

Table 1-1 summarises how the aerodrome activity contributes to the achievement of the Council's Community Outcomes.

Table 1 - 1: Community Outcomes

Community Outcomes	How Our Activity Contributes to the Community Outcomes
Our unique natural environment is healthy and protected.	All aerodromes can be managed so the impacts of any effects do not affect the health and cleanliness of the receiving environment.
Our urban and rural environments are people-friendly, well-planned and sustainably managed.	The aerodromes activity ensures our built urban environments are functional, pleasant and safe by ensuring the aerodromes are operated without causing public health hazards and by providing attractive recreational and commercial facilities.
Our infrastructure is efficient, cost effective and meets current and future needs.	The aerodromes provide commercial and recreational facilities to meet the community needs at an affordable level and are available to the whole community. The facilities are also sustainably managed.

2.3 Key Issues

The Motueka and Takaka aerodromes are relatively small operations and, therefore, do not benefit from economies of scale. It is difficult to manage the income and costs so that these activities do not require rating support.

Council has considered options for reducing the general rate requirement for the Motueka and Takaka aerodromes and has reviewed the work programme and levels of service for the aerodromes. The objective is for these facilities to be operated without support from general rates over the medium term. Changes include:

- increasing income from the aerodromes
- consideration, if necessary, of lower levels of service

Council will improve its knowledge of the asset condition focused on the key assets of both aerodromes and undertake a financial review of the operations of both aerodromes in the first three years of the AMP.

2.3.1 Motueka Key Issues

The key issues for the Motueka Aerodrome are:

- provision of a service that is affordable to the users
- the current use of the aerodrome for drag racing events (up to four per year) that have both a safety and environmental affect and can cause localised damage to the runway
- the need to continue to increase the income to reduce the dependence on funding from rates
- the need to provide funding for the high cost of periodic runway reseals and regrassing
- asset knowledge
- maintenance of aerodrome facilities to a standard which maximises the life and returns from the assets
- reviewing the Motueka Aerodrome Management and Development Plans.

2.3.2 Motueka Strategic Approach

The strategic approach to these issues is:

- regular engagement with users through the Management Committee (Takaka) and Aerodrome Advisory Group (Motueka)
- limited tenure for the drag racing under strict operating conditions
- encouragement of additional hangars, aviation businesses and other development associated with the aerodrome activities in order to widen the income base and improve financial returns
- current service contracts are held with key service suppliers
- condition assessments to be undertaken and reviewed at least every three years
- consideration of aerodrome user requirements with any renovations, renewals or new works
- carry out a financial review with an objective of medium to long term financial sustainability
- condition assessments to be undertaken and reviewed at least every three years.

2.3.3 Takaka Key Issues

The key issues for the Takaka Aerodrome are:

- high fixed costs and limited demand for the facility
- reliance on rates to fund the shortfall in operating income and annual upgrades, particularly runway resurfacing and drainage
- cash funding of depreciation on aerodrome assets
- asset knowledge
- management and governance structures for the aerodrome.

2.3.4 Takaka Strategic Approach

The strategic approach to these issues is.

- develop an Aerodrome Management Plan
- encourage the development of hangars, aviation related businesses and leasing of other assets to supplement the income base and improve financial returns
- carry out a financial review with an objective of ensuring financial sustainability
- condition assessments to be undertaken and reviewed at least every three years
- implement a governance and management review.

2.4 Key Changes

Table 1-2 summarises the key changes for the management of the aerodromes activity since the 2015 AMP.

Table 1 - 2: Key Changes

Key Change	Reason for Change
Adoption of Emergency Plan, Management Plan, and Development Plan for Motueka aerodrome.	These plans are fundamental for the operation, management and future development of the aerodrome.
Planned development of a governance and management strategy and associated plans for Takaka aerodrome.	Development of the strategy and plans will be fundamental to the operation and management of the aerodrome.
Takaka Aerodrome User Group	Propose to establish by March 2018 to proactively secure the aerodrome workplace as free from hazards and risks as is reasonably practicable for workers and other persons.

2.5 Key Legislation

Table 1 - 3: Key Legislation

Legislation	How it Relates to
Health and Safety at Work Act 2015	Secure the aerodrome workplace as free from hazards and risks as is reasonably practicable for workers and other persons.
The Local Government Act 1974 and 2002	Provides a framework and powers for local authorities to decide which activities they undertake and the manner in which they will undertake them.
Te Tiriti o Waitangi – Treaty of Waitangi	The Treaty of Waitangi is an agreement between Māori and the Crown. Under Section 4 of the Local Government Act 2002 local authorities are required to 'recognise and respect the Crown's responsibility to take appropriate account of the principles of the Treaty of Waitangi and to maintain and improve opportunities for Māori to contribute to local government decision-making processes'. Further sections of the Act, particularly 77 and 81, detail the scale of requirement for local authorities to seek contributions and involvement from Māori in consultation and decision-making processes.

2.6 Key Planning, Policies and Strategies

Table 1 - 4: Key Planning, Policies and Strategies

Planning, Policy & Strategy	How it Relates to ...
Flying Drones & Other Unmanned Aircraft Over Council Land - Policy	Outlines where you can and cannot fly drones, model aircraft and other unmanned aircraft over Council land.
Nelson Tasman Visitor Strategy 2015-2025	To grow the economic value of the tourism sector.
Nelson Tasman Regional Economic Development Strategy (REDS) 2014-2020	To enhance understanding of the levers to boost our regional economy.
Motueka Aerodrome Advisory Group	Provides a conduit for users and the community to provide advice/recommendations to Council.
Risk Management Policy 2017	Provides framework and approach to risk management that follows the Australian/New Zealand Standard ISO 31000:2009 Risk Management – Principles and Guidelines.
Motueka Aerodrome Safety & Operations Committee	To proactively secure the aerodrome workplace as free from hazards and risks as is reasonably practicable for workers and other persons.
Motueka Aerodrome Management Plan October 2017	To coordinate the aerodrome's use, operations, maintenance and development with the aerodrome users.
Motueka Aerodrome Development Plan September 2017	To enable the aerodrome to be used for aviation related activities in a manner that minimises the conflict with the local community and amongst operators whilst servicing the aviation needs of the district.
Civil Aviation Rules-particularly Part 139	Covers certification, operation and use.

2.7 Tasman District Council Bylaws

There are no bylaws relating to this activity.

3 Levels of Service

A key objective of this plan is to match the levels of service provided by the Aerodrome activity with the agreed expectations of our customers and their willingness to pay for that level of service. These levels of service provide the basis for the life cycle management strategies and works programmes identified in this plan.

Levels of service are attributes that Tasman District Council expects of its assets to deliver the required services to stakeholders.

A key objective of this plan is to clarify and define the levels of service for the Aerodrome assets and then identify and cost future operations, maintenance, renewal and development works required of these assets to deliver that service level. This requires converting user's needs, expectations and preferences into meaningful levels of service.

Levels of service can be strategic, tactical, operational or implementation and should reflect the current industry standards and be based on:

- Customer Research and Expectations: information gained from stakeholders on expected types and quality of service provided.
- Statutory Requirements: Legislation, regulations, environmental standards and Council bylaws that impact on the way assets are managed (e.g. resource consents, building regulations, health and safety legislation). These requirements set the minimum level of service to be provided.
- Strategic and Corporate Goals: Provide guidelines for the scope of current and future services offered and manner of service delivery, and define specific levels of service, which the organisation wishes to achieve.
- Best Practices and Standards: Specify the design and construction requirements to meet the levels of service and needs of stakeholders.

At a macro level, the levels of service and performance measures for all asset activities will have components of health and safety, economic performance, fit for purpose condition assessment and customer satisfaction measures. Each specific Level of Service (LOS) is specified in the respective section of this AMP (i.e. Aerodromes, Holiday Parks, Commercial Property, Forestry and Ports).

3.1 Consultation Outcomes

The Council is currently consulting on the Motueka Aerodrome Management Plan and Development Plan. It is also receiving feedback on the Memorandum of Understanding for the Motueka Aerodrome.

3.2 Our Levels of Service

Table 1 - 1 - 5 summarises the levels of service and performance measures for the Aerodrome activity. Shaded rows are the levels of service and performance measures to be included in the Long-Term Plan.

Table 1 - 5: Levels of Service and Performance Measures

Levels of Service	Performance Measure	Current Performance	Future Performance Targets			
			Year 1	Year 2	Year 3	Year 10
			2018/19	2019/20	2020/21	2028/29
All Council-owned buildings are safe	All operational buildings comply with resource and building consents and any other legislative requirements.	All buildings have a current Warrant of Fitness.	100% compliance	100% compliance	100% compliance	100% compliance
All Council-owned buildings are fit-for-purpose	All operational buildings (offices and libraries) are adequate for the service provision needs of the occupiers.	Service managers generally confirm that buildings that they are responsible for meet their service needs.	80%	80%	80%	85%
Commercial assets are managed prudently to provide a financial return for the benefit of the districts ratepayers	EBITDA for Aerodromes will provide adequate funding cover for debt servicing or depreciation, whichever is the larger.	Funding cover = 2.1	Funding cover = 2.3	Funding cover = 2.5	Funding cover = 2.8	Funding cover = 3.0
Leases and licenses for Council properties are current and reviewed on time.	Percentage of leases and licences for Council properties that are current (i.e. have not expired).	100% of leases and licences are current.	100% of leases and licences are current	100% of leases and licences are current	100% of leases and licences are current	100% of leases and licences are current
Management systems and strategic planning are up-to-date.	Activity Management Plan completed for Property and Council Enterprises.	100% compliance – all building facilities are encompassed in an AMP	100% compliance	100% compliance	100% compliance	100% compliance

4 Activity Management

There are multiple factors that influence how Council manages this activity. They can be internal or external and include legislation, policies, regulations, strategies and standards. This section summarises these key linkages.

4.1 Demand Drivers

4.1.1 Motueka Aerodrome

Future demand at Motueka aerodrome has been recognised for with the adoption of a development plan for the aerodrome. This allocates development areas and specifies the types of buildings, construction requirements and activities which may be undertaken. Council does not expect to undertake any building development unless there is a sound business case. All proposed developments will be assessed on a fully commercial basis.

Future proposals to install data and power feeds around the perimeter of the aerodrome would be funded by council and costs recovered from current and future tenants if they elect to connect. This is subject to a full business case being prepared establishing financial viability.

There has been demand for improved aerodrome facilities to assist with take-off, landing, taxiing, parking and refueling.

4.1.2 Takaka Aerodrome

There have been issues identified for Takaka aerodrome which create minor additional demand or development requirements and supporting commercial operations.

4.2 Asset Condition and Performance

Monthly walkover inspections are undertaken by the Commercial Portfolio Manager and the management committee (Takaka). The Commercial Portfolio Manager inspects Takaka Aerodrome at least twice each year.

4.2.1 Motueka Aerodrome

The sealed runway is in average condition and is programmed for resurfacing in 2024/2025.

Other assets and landscaping requires regular maintenance to maintain their level of service.

4.2.2 Takaka Aerodrome

The sealed runway is in good condition. The cross runway is unsealed, is in very poor condition and has been closed. No funding has been set aside to bring it up to a usable standard. Taxiways require regular maintenance to maintain their level of service.

Drainage to the main runway is adequate but will require regular monitoring and maintenance to maintain an acceptable level of service.

4.3 Operations and Maintenance

4.3.1 Overview

The aerodromes are managed by Tasman District Council through Council staff and Council agents as required, (with input from user groups). The reports and recommendations to Council are made through the Commercial Committee which reports to the Full Council. These include but are not restricted to:

- operations and maintenance works
- hours of operation
- types of uses
- occupancy
- landing fees and other charges.

The Property Services Manager is the officer responsible for the Motueka aerodrome and has been delegated the responsibility for its administration. For Takaka, the administration is managed through the secretary for the local management committee.

The Council may, at its discretion, delegate some of their authority to a management committee.

At Takaka, the local management committee consists of the local Councilor, one member of the Golden Bay Community Board, and three to four members elected at the public annual meeting.

The Motueka Aerodrome Management Plan was adopted in November 2012. This document covers the day to day management of the aerodrome, the activities carried out thereon and the relationship between users and aerodrome management. The Motueka Aerodrome Operations and Safety Committee oversee operational and safety requirements as well as best practice on the aerodrome and this committee is represented by aerodrome users and Council. The Motueka Aerodrome Advisory Group has input to the maintenance contract and is a conduit between aerodrome users and council.

4.3.2 Maintenance Strategy

Council's strategy is to maintain the aerodromes with associated runways and aids to navigation, as well as any Council owned buildings suitable for lease income; so that the aerodromes provide an aviation facility suitable for the recreational and commercial users at the least long-term cost to Council. Council expects Motueka Aerodrome to work towards being able to operate without a rates contribution.

At Motueka, all buildings are privately owned. An improvement for this plan is to bring the council owned assets at Takaka into the Aerodromes AMP. Hangars are privately owned on leased sites. The local management committees manage the day to day issues and the leases. At Takaka, this includes the maintenance and income for the council owned house. Landing fees are administered by council staff for Motueka and the committee secretary at Takaka.

4.3.3 Control and Management of Operations and Maintenance

Fence, drainage and repairs and inspections are managed through the Commercial Manager for Motueka and by the management committee at Takaka; this includes the large grass areas for Takaka only. Significant repairs or upgrades to the sealed/unsealed runways are managed through the Commercial Manager.

For Motueka, the grass runways, taxiways, and vegetation control of the sealed runways and grass environments are managed through a competitively tendered maintenance contract. This contract is currently held by Nelmac. All other reported minor maintenance is undertaken as required by selected Council approved contractors.

Mowing is a lump sum per annum contract to maintain specified standards while other repairs and maintenance are on an as required basis.

For Takaka, the local committee instruct selected contractors to undertake the work on an as required basis within the limits of their delegated authority.

The minimum level of service requires a high standard of maintenance for the runways and taxiways.

Charges and other income (such as leases) may not always be sufficient to cover the required expenditure.

4.3.4 Maintenance Standards

The sealed surfaces, grass runways and taxiways, painted markings and navigational aids are maintained in accordance with best practice. At Takaka this is the responsibility of the Management Committee with input from staff and at Motueka the day to day overview is undertaken by the Operations and Safety Committee plus staff and consultant involvement as required.

4.3.5 Deferred Maintenance

Deferred maintenance is:

- the shortfall in rehabilitation or refurbishment work required to maintain the service potential of the asset, or
- maintenance and renewal work that was not performed when it should have been, or when it was scheduled to be, and which has therefore been delayed for a future period.

Heavy maintenance of the crosswind runway at Takaka is not planned. Operators are unwilling to fund upgrades and therefore the reinstatement of this runway is deferred indefinitely. The Council has decided to reduce rate funding of the aerodromes with a view to making the aerodromes self-funding over time. With exception of the above, the current budget levels are believed to be sufficient to provide the proposed levels of service and therefore no other maintenance work has been deferred. This however is subject to the changes in levels of service and expectations of customers.

4.3.6 Increase in Network Size through Development

Extension of the aerodromes boundaries are unlikely, however some development is likely to occur within the aerodromes such as new carparks and facilities to support additional users and the construction of new hangars. Additional maintenance and operational costs for these assets may need to be included in future budgets.

4.3.7 Projected Operations and Maintenance Costs

The projected operations and maintenance expenditure for the next 10 years are listed in the summarised financials within the summary front end of this AMP and Section 9.

4.4 Asset Renewal/Replacement

Renewal expenditure is major work that does not increase the asset's design capacity but restores, rehabilitates, replaces or renews an existing asset to its original capacity. Funding of work over and above restoring an asset to its original capacity is considered to be new capital works expenditure.

The renewal programme has been developed using the following methodology:

- Taking the asset age and remaining life predictions from the valuation database, calculating when the remaining life expires, field validation of the current condition, and converting that into a programme of replacements based on current unit rates.
- Reviewing and justifying the renewals forecasts using the accumulated knowledge and experience of asset operations and asset management staff.

The renewal programme is reviewed in detail during each Activity Management Plan (AMP) update (i.e. three yearly), and every year the annual renewal programme is reviewed and planned with the input of the maintenance contractor.

The Council proposes to maintain the existing level of service provided to the aerodrome users and the lessees to meet at least the existing needs.

Resurfacing of carparks and runways will typically be undertaken by the Council's resurfacing contractor who is engaged to undertake sealed road resurfacing throughout the district. Packaging the work in this way is an efficient way of engaging an experienced contractor at competitive rates. The resurfacing contractor is required to comply with the various NZ Transport Agency (NZTA) standards for chip sealing, asphaltic concrete and markings. The layout of markings will be in accordance with the Civil Aviation Authority (CAA) requirements.

4.5 Asset Development

The forecast capital programme for Aerodromes is summarised in the front end of this AMP and in detail in Section 10. An individual business case is required to establish the commercial viability of any proposal, or where this cannot be established because of legacy and social issues related to activities these are clearly set out.

4.6 Asset Disposal

There are no planned asset disposals.

5 Financials

Council has planned a prudent financial approach to managing its assets and services. This section provides a summary of the total value of the activity and the investment that Council has planned to make over the next 10 years.

5.1 Funding Policy, Fees and Charges

The Aerodromes activity is currently funded through a mixture of the following sources:

Table 1 - 6: Funding Sources

	General Rates	Uniform Annual General Charges	Targeted Rates	User Fees and Charges	Interest	Dividends from Investments	Financial Contributions	Grants and Subsidies	Leases and Other Sources
Aerodromes				✓					✓

- leases income
- fees and charges
- sundry income
- general rates, uniform annual general charges, rates penalties
- loans and borrowings
- development and financial contributions
- depreciation funds and other reserves
- subsidies and grants for operating purposes (if any)
- internal charges and overheads applied
- local authority fuel tax

The objective is for all commercial facilities to be operated without support from rates and provide a sustainable financial return for Council.

Major capital projects may be loan funded. When loans are made, the loan is taken for a fixed period, usually 20 years, with a fixed annual principal repayment as a capital expense on the account, and interest payments as an operating expense. For the purpose of the financial forecasts, all new works and renewal work have been assumed to be loan funded.

Commercial activities may dispose of low performing assets and purchase additional assets that produce a better return or improve consolidated financial performance to Council.

5.1.1 Project Drivers

All expenditure must be allocated against at least one of the following project drivers.

- Operation and Maintenance: operational activities that do not involve the renewal or upgrade of assets, or work that is necessary in order to provide on-going services at the agreed levels.
- Renewals: significant work that restores or replaces an existing asset towards its original size, condition or capacity.
- Increase Level of Service: works to create a new asset, or to upgrade or improve an existing asset, beyond its original capacity or performance.
- Growth: works to create a new asset, or to upgrade or improve an existing asset, beyond its original capacity or performance to provide for the anticipated demands of future growth.

This is necessary for two reasons as follows.

- Schedule 13(1) (a) and section 106 of the Local Government Act require Council to identify the total costs it expects to have to meet relating to increased demand resulting from growth when intending to introduce a Development Contributions Policy.
- Schedule 10(2)(1)(d)(i)-(iv) of the Local Government Act requires Council to identify the estimated costs of the provision of additional capacity and the division of these costs between changes to demand for, or consumption of, the service, and changes to service provision levels and standards.

All new works have been assessed against these project drivers. Some projects may be driven by a combination of these factors and an assessment has been made of the proportion attributed to each driver.

5.2 Asset Valuation and Depreciation

The Local Government Act 1974 and subsequent amendments contain a general requirement for local authorities to comply with Generally Accepted Accounting Principles (GAAP).

Key assets were previously revalued every three years. Council continues to adopt a three year revaluation cycle. Historic asset valuation reports are held with Council and last valued their assets as at the end of June 2017 for key assets.

Some commercial assets have not been regularly valued and valuations are underway as at June 2017 and will be updated as per the improvement plan. As we move to a greater commercial focus, all commercial assets will be revalued on a minimum of a 3 yearly basis or as required based on specific project work.

We stress that due to the origin of a number of these legacy assets, which were vested or transferred to Council, their valuations do not reflect an impairment as a result of restrictions and covenants affecting these assets and restrictions on any possible disposal. These assets are managed using commercial disciplines to maximise returns.

5.2.1 Asset Data

The information for valuing the assets was obtained from Council's commercial asset registers.

5.2.2 Asset Lives

Economic lives and residual lives have been defined for all properties. As structures near the end of their theoretical lives, minimum residual lives have been adopted to reflect the remaining base value still existing prior to any renovation or upgrading. Lives used in the valuation are presented in Table 1-7.

Table 1 - 7: Asset Lives

Aerodrome Assets:	Life (years)	Minimum Remaining Life (years)
Structure	50 - 100	5
Beacon	50	5
Sign	7	2
Mechanical and electrical	10	2

5.2.3 Asset Valuation

The current valuation information is based on either individual property valuation, valuations on specific assets or a generic valuation undertaken during 2017. Asset value dates vary as do the types of valuation used based on the complexity of each asset. The asset depreciated value (as at 30 June 2017) and annual depreciation applying to each group of building assets is summarised below.

Table 1 - 8: Asset Valuation

Asset type:	Current Valuation Method	Current Value as at 30 June 2017
Aerodromes	Rating Valuation	\$3,677,700

5.2.4 Depreciation

Depreciation of assets must be charged over their useful life. Depreciation is provided on a straight line basis on some infrastructural assets at rates which will write off the cost (or valuation) of the assets to their estimated residual values, over their useful lives.

5.3 Financial Summary

Council has planned a prudent financial approach to managing its assets and services. This section provides a summary of the total value of the activity and the investment that Council has planned to make over the next 10 years.

5.3.1 Total Expenditure

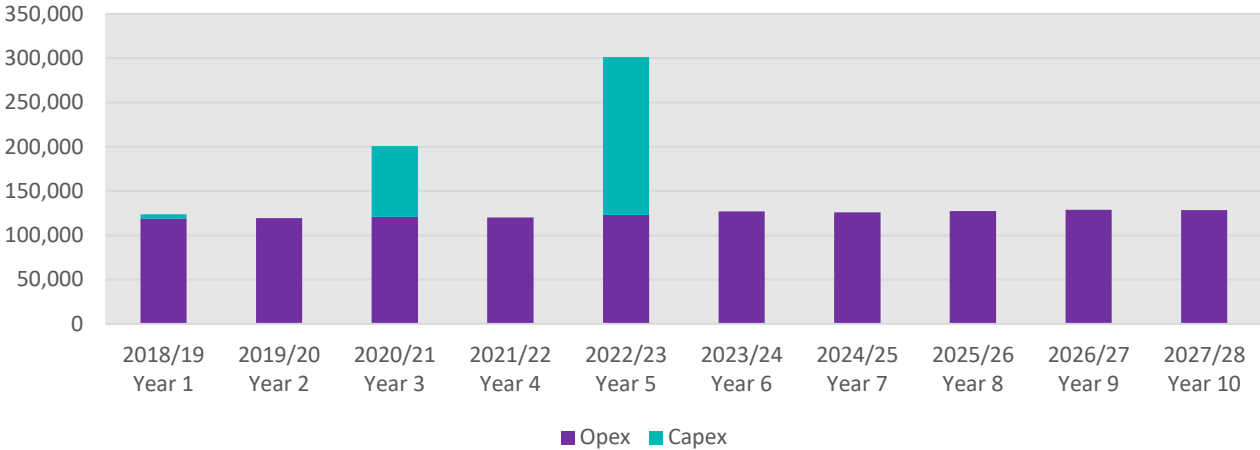


Figure 1-2: Total Expenditure Years 1 to 10 Including Inflation

5.3.2 Total Income

- The income proposed for the next 10 years is consistent with recent income streams.
- Landing charge increases are planned on both assets over the next year to cover future maintenance and renewal costs.
- Specific business case reviews of the asset are planned in 12-24 months.

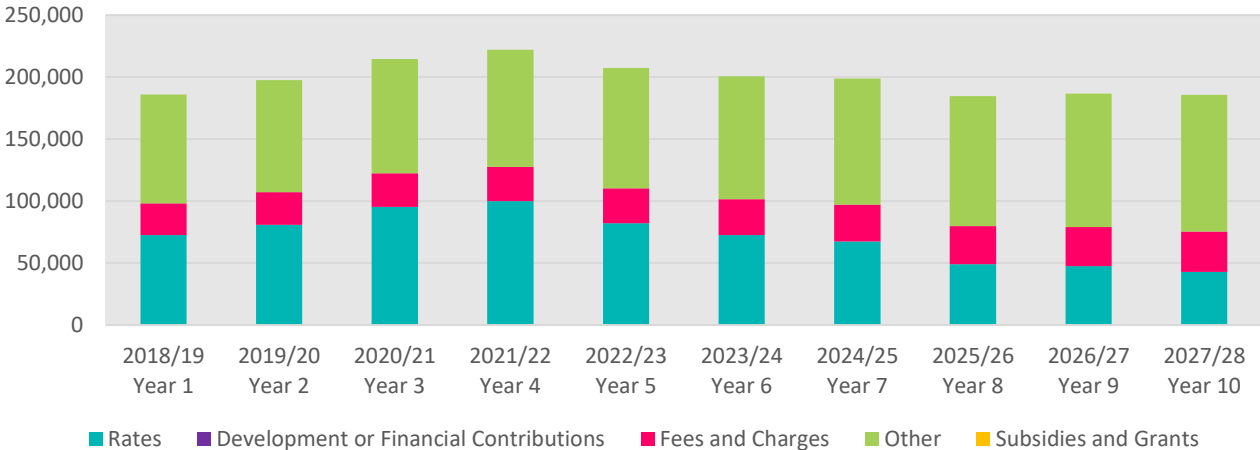


Figure 1-3: Total Income Year 1 to 10 Including Inflation

5.3.3 Total Operating

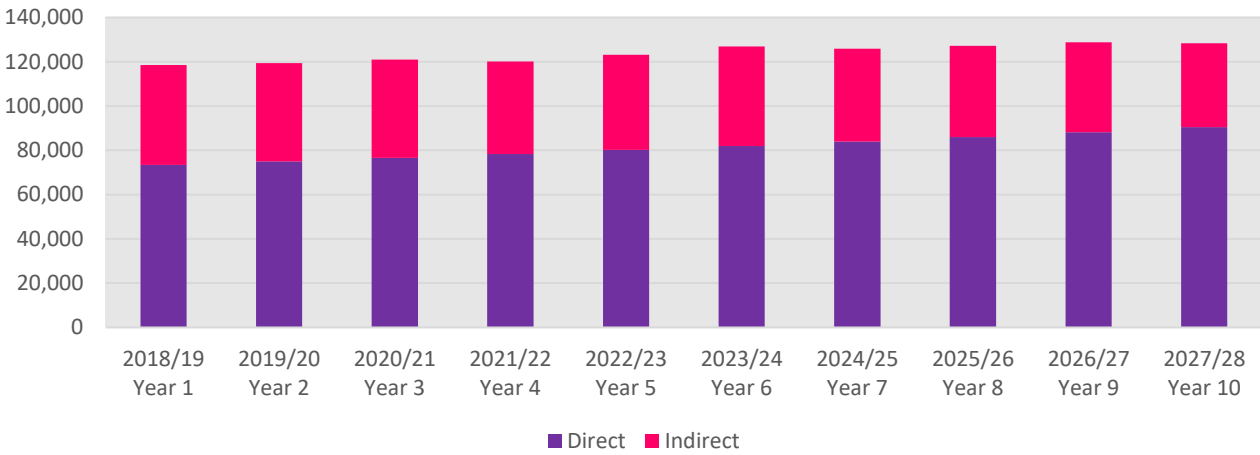


Figure 1-4: Total Operating Expenditure Year 1 to 10 Including Inflation

5.3.4 Total Capital

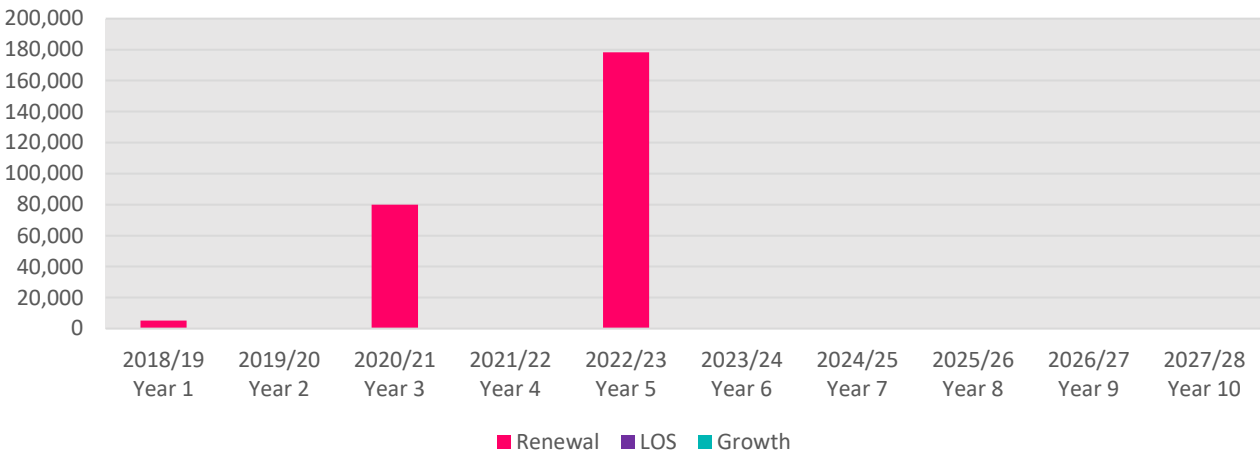


Figure 1-5: Total Capital Expenditure Year 1 to 10 Including Inflation

5.3.5 EBITDA Profitability

- Aerodromes collectively operate at a nominal loss.
- Rates funding is required in some years to balance the trading result through the LTP period.
- Motueka has some critical mass and provides a small profit. Takaka aerodrome records a loss.
- Capital Expenditure (Capex) schedule will be met from loan funds and repaid over a 10 year period.

5.3.6 Net Profit

- Aerodromes collectively operate at a net loss after high depreciation and servicing costs.
- Business case review and changes to operating models are being planned for review to make these operations self-funding.
- Planned capital expenditure (capex) has a resulting impact on profitability of aerodromes – e.g. runway sealing.
- Depreciation reduces towards the end of the LTP at an accelerated rate.

6 Sustainability

Sustainability means that we effectively balance the needs of present and future communities. From an asset management perspective, sustainability is critical, as many assets have a long lifespan and must be ‘future-proofed’. Council has a responsibility to manage this activity in way that supports the environmental, social, cultural and economic well-being of current and future generations. This section focuses on social, cultural and environmental sustainability.

6.1 Negative Effects

The significant negative effects are listed below in Table 1 - 9.

Table 1 - 9: Negative Effects

Effect	Council's Mitigation Measure
Noise from aircraft within the aerodromes and flying overhead in residential areas. This has social effects with associated frustration caused by excessive noise.	The Council restricts the hours of operation to daylight hours only and enforces noise restrictions at the aerodrome as per its RMA consent requirements. The aerodrome has been in its current location for many years. The Council ensures no breaches of consents occur.
Noise from drag cars (Motueka only).	The Council restricts the hours of operation and the number of events per year.
Building height restrictions to protect flight paths.	This has very low impact, therefore the Council accepts this issue.
Increased traffic movements from both the commercial businesses and drag racing events (Motueka only).	The Council restricts the hours of operation, and number of events per year for drag racing.
Aerodrome buildings are out of character with the nearby residential area (Motueka only).	The Council sets criteria for exterior finishing and maximum heights via its district plan provisions.

6.2 Positive Effects

The significant positive effects are listed below in Table 1 -10 1 - 10.

Table 1 -10: Positive Effects

Effect	Description
Economic development.	Provision and maintenance of aerodromes allows for the development of commercial businesses, therefore contributing to economic growth and prosperity in regions. The Council's management of the aerodromes activity using industry best practice, commercial imperatives and competitive tendering, which aims to provide the economic efficiency (i.e. best value for money) for the ratepayers.
Community value.	The provision and maintenance of the aerodromes is of community value as it contributes to tourism, recreation, education and business within the communities.
Environmental sustainability.	The Council aims to achieve environmental sustainability whilst managing the aerodromes activity.

6.3 Environmental Management

6.3.1 Resource Consents

The statutory framework defining what activities require resource consent is the Resource Management Act (RMA) 1991. The RMA is administered locally by Tasman District Council, as a unitary authority, through the Tasman Resource Management Plan (TRMP). The following section discusses key consents that Council holds in order to undertake this activity.

The following resource consents have been issued against all aerodrome activities. Some are for private activities and do not relate to the operation or maintenance of the aerodromes.

Table 1 - 11: Property Consents Motueka Aerodrome

Consent No	Applicant	Location	Type of Consent	Use	Effective Date	Expiry Date
960432	Nelson Aviation College	Motueka Aerodrome	Land use	Accommodation and office facilities for trainee pilots	6/05/1997	-
970235	Tasman District council	Motueka Aerodrome	Subdivision	Two lot subdivision	10/12/1997	-
020202	W & M Hane	Motueka Aerodrome	Land use	Erect hangar for private storage of aircraft and related items	23/05/2002	-
020399	R & Y Troughton	Motueka Aerodrome	Land use	Erect helicopter hangar and use of helicopter	8/08/2002	-
040167	C Shipley	Motueka Aerodrome	Land use	Erect storage shed for aircraft	30/09/2004	-
040679	K Broady	Motueka Aerodrome	Land use	Erect hangar	6/07/2004	-
050339	L.S. Hart	Motueka Aerodrome	Land use	Upgrade and extend an existing aircraft hangar	31/05/2005	-
050910	Z Energy Limited (formerly Shell NZ Limited)	Motueka Aerodrome	Land use	Remove an existing storage tank, install 2X35000L storage tanks, associated facilities, security fencing	19/12/2005	-
050734	Motueka Recreational Flight Training Ltd	Motueka Aerodrome	Land use	Establish and operate flight training for microlight aircraft	13/10/05	-
060552	Blue Sky Microlight 2006 Limited	Motueka Aerodrome	Land use	Establish a commercial venture to take tourists for adventure rides	30/08/2006	-
060864	Abel Tasman Helicopters	Motueka Aerodrome	Land use	Build a helicopter hangar	22/11/2006	-

Consent No	Applicant	Location	Type of Consent	Use	Effective Date	Expiry Date
081091	Abel Tasman Aviation	Motueka Aerodrome	Land use	New building for aircraft hangar flight operations administration and retail	27/01/2009	-
080583	Nelson Drag Racing Association	Motueka Aerodrome	Land use	Operate 4 race days per year on sealed runway	2/06/2009	-
090703	Nelson Aviation College	Motueka Aerodrome	Land use	Relocate classroom for student training	11/11/2009	-
100951	Coast to Coast Helicopters	Motueka Aerodrome	Land use	Construct an aircraft hangar and office	28/02/2011	-
110310	Frank Frost	Motueka Aerodrome	Land use	Construct an aircraft hangar that does not meet building coverage or car parking	17/05/2011	
110671	J H & M L Richards	Motueka Aerodrome	Land use	Construct a hangar for private use	7/10/2011	-
110667	Motueka Aero Club	Motueka Aerodrome	Land use	Replace an existing hangar with a larger hangar and to use the aircraft hangar for a recreational activity	17/04/2012	-
140298	Tasman Aerospace Limited	Motueka Aerodrome	Land use	Establish and operate an aircraft maintenance hangar and a dangerous goods storage shed and to site water tanks in	17/04/2014	-

6.3.2 Property Designations

Council has various designations for 'Aerodrome' which ensures that:

"The existing aerodromes, Motueka and Takaka are the responsibility of the Tasman District Council. The designation provides for the Tasman District Council either itself or through its agents to control, manage and approve planning, design, research, construction and maintenance relating to all land within the designation. Designation of the aerodromes is considered the most appropriate mechanism of protecting Tasman District Council's interest with regard to the safe and efficient functioning of the aerodromes".

All Council designations associated with the Aerodromes activity are summarised in Table 1- 12.

Table 1 - 12: Property Designations Relating to Aerodromes

ID	Location of Site	Area Map No	Site Name/ Function	Purpose of Designation	Legal Description	Area (ha)	Duration of Designation
D209	Motueka	AM 52, 118	Motueka Aerodrome	Aerodrome	Lot 1-4 DP5499, Lot 1 DP7107, See 190 Pt Section 189 District of Motueka.	30.3875	*
D210	Puramahoi	AM 75	Takaka Aerodrome	Aerodrome	Section 20, Block V Waitapu Survey District.	39.6592	*

7 Risk Management and Assumptions

There are factors outside of Council’s control that can change having an impact on Council’s ability to do what it planned. Sometimes the impact can be significant. There is always uncertainty in any planning process but the key to good quality planning is to make clear assumptions to help address this uncertainty. This section sets out the key risks and assumptions that relate to this activity.

7.1 Activity Risks and Mitigation

7.1.1 Aerodrome Risks

The table below lists addresses key risk issues for aerodromes.

Table 1 - 13: Key Aerodrome Risks

Risk Event	Mitigation Measures
Catastrophic failure of key Aerodrome Infrastructure.	<p>Current:</p> <ul style="list-style-type: none"> • Annual inspection of key infrastructure (runways and taxiways) by internal engineering staff. • Routine monthly maintenance inspections of all facilities by Commercial Portfolio Manager; • Detailed inspections when reviewing capital, maintenance requirements and condition assessments where required; • Reactive inspections following extreme weather events. <p>Proposed:</p> <ul style="list-style-type: none"> • Continuation of structured maintenance and inspection programmes.
Health and Safety operations.	<p>Current:</p> <ul style="list-style-type: none"> • Observe CAA requirements for all aircraft operations; • Current best practice – Standard Operating Procedures (SOPs) when airside. Members of NZ Airports Association which provides best practice information; • Operations and safety committee meet quarterly to address; • Aerodrome emergency plan, tested 2 yearly; • Standard procedures in place for drag racing events and debrief by Council to users annually. • Ensure all contractors to aerodromes are approved, authorised and certified to meet appropriate standards. <p>Proposed:</p> <ul style="list-style-type: none"> • Continue to monitor and identify hazards (e.g. flight threshold separation distances).
Premature deterioration or obsolescence of facilities.	<p>Current:</p> <ul style="list-style-type: none"> • Maintenance performance measures included in the Nelmac maintenance contract; • Routine inspections; • Industry best practice adopted; • Inspection pre and post drag race events. <p>Proposed:</p> <ul style="list-style-type: none"> • Continuation of structured maintenance and inspection programmes.

Risk Event	Mitigation Measures
Combustible Materials.	<p>Current:</p> <ul style="list-style-type: none"> Fuel providers comply with necessary regulation, inspection and certification processes; Individual users can provide mini tanker materials from time to time. Responsibility sits within each operator and their provider. <p>Proposed:</p> <ul style="list-style-type: none"> Ongoing operator awareness; Standardisation of operating procedures across all Council sites; Health and safety obligations discharged and continued to be measured against legislative changes.

7.2 Assumptions and Uncertainties

This AMP and the financial forecasts within it have been developed from information that has varying degrees of completeness and accuracy. In order to make decisions in the face of these uncertainties, assumptions have to be made.

Table 1 - 14 documents the uncertainties and assumptions that the Council consider could have a significant effect on the financial forecasts and discusses the potential risks that this creates.

Table 1 - 14: Assumptions and Uncertainties

Type	Uncertainties	Assumption	Discussion
Financial	Unless stated it can be unclear whether financial figures include inflation or not, as well as whether GST has been included or not.	That all expenditure has been stated in 1 July 2017 dollar values and no allowance has been made for inflation and all financial projections exclude GST unless specifically stated.	The LTP will incorporate inflation factors. This could have a significant impact on the affordability of each activity if inflation is higher than allowed for. The Council is using the best information practically available from Business and Economic Research Limited (BERL) to reduce this risk.
Asset Data Knowledge	The Council has inspection and data collection regimes in place for assets. These regimes do not allow for entire network coverage at all times. The Council's aim is to strike the right balance between adequate knowledge and what is practical.	That the Council has adequate knowledge of the assets and their condition, so that planned renewal works will allow the Council to meet the proposed levels of service.	There are several areas where the Council needs to improve its knowledge and assessments, but there is a low risk that the improved knowledge will cause a significant change to the level of expenditure required.
Project Timing	Multiple factors affect the actual timing of projects e.g.: <ul style="list-style-type: none"> Consents Access to land Population growth Timing of private developments 	That projects will be undertaken when planned.	The risk of the timing of projects changing is high due to factors like resource consents, third party funding, and land acquisition and access. The Council tries to mitigate these issues by undertaking the investigation, consultation and design phases sufficiently in advance of when construction is planned. If delays occur, it could have an impact on the levels of service and the Council's financing arrangements.

Type	Uncertainties	Assumption	Discussion
Project Funding	The Council cannot be certain that it will receive the full amount of anticipated subsidy or contribution. It depends on the funder's decision making criteria and their own ability to raise funds.	That projects will receive subsidy or third party contributions at the anticipated levels.	The risk of not securing funding varies and depends on the third party involved. If the anticipated funding is not received it is likely that the project will be deferred which may impact levels of service.
Accuracy of Cost Estimates	Project scope is often uncertain until investigation and design work has been completed, even then the scope can change due to unforeseen circumstances. Even if the scope has certainty there can be changes in the actual cost of work due to market competition or resource availability.	That project cost estimates are sufficiently accurate enough to determine the required funding level.	The risk of large underestimation is low; however, the importance is moderate as the Council may not be able to afford the true cost of the project. The Council tries to reduce this risk by undertaking reviews of all estimates and including an allowance for scope risk based on the complexity of the project.
Legislation Changes	Often Central Government changes legislation in response to events where the need for change is identified. It is difficult to predict what events may occur and the associated response. Election of a new Government also introduces uncertainty as to what policies they will implement.	That there will be no major changes in legislation or policy.	The risk of major change is high due to the changing nature of the Government and its policies. If major changes occur, it is likely to have an impact on the required expenditure. The Council has not planned expenditure to specifically mitigate this risk.
Emergency Reserves	It is impossible to accurately predict when and where a natural hazard event will occur. Using historic trends to predict the future provides an indication but is not comprehensive.	That the level of funding reserves combined with insurance cover will be adequate to cover reinstatement following emergency events.	Funding levels are based on historic requirements. The risk of requiring additional funding is moderate and may have a moderate effect on planned works due to reprioritization of funds.

8 Asset Management Processes and Practices

This section outlines the appropriate level of activity management for the Aerodrome activity and summarises our asset management systems and data.

8.1 Appropriate Practice Levels

The Office of the Auditor General (OAG) has chosen to use the International Infrastructure Management Manual (IIMM) as the benchmark against which New Zealand councils measure their activity management practices. There are five maturity levels in the IIMM; Aware, Basic, Core, Intermediate and Advanced. The IIMM sets out what the requirements are for each level against each area of the activity management system.

In 2017, the Council reviewed its Activity Management Policy and adopted an updated version. The Policy sets out the Council’s activity management objectives and appropriate levels of practice. For the Aerodrome activity the Council has determined that the appropriate level of practice is “Core”.

8.2 Service Delivery Reviews

In 2014, Section 17A was inserted into the Local Government Act which requires the Council to review the cost effectiveness of its current arrangements for providing local infrastructure, services, and regulatory functions at regular intervals. Reviews must be undertaken when service levels are significantly changed, before current contracts expire, and in any case not more than six years after the last review. In addition to the regular reviews, the Act requires the Council to complete an initial review of all functions by August 2017.

Table 1 – 15 below summarises the reviews that have been completed to date and when the next review is required for this activity.

Table 1 - 15: Summary of Reviews

Scope of Review	Summary of Review	Review Date	Next Review
Motueka Aerodrome Health Check	Focus on agreed areas to be undertaken by external provider.	March 2018	3 yearly
Motueka Aerodrome	Scope opportunities for investment in service diversification including non-aviation opportunities.	March 2018	n/a

8.3 Asset Management Systems and Data

Table 1 – 16 summarises the various data types, data source and how they are managed within the Council. It also provides a grading on data accuracy and completeness where appropriate.

Table 1 -16: Data Types and Information Systems

Data Type	Information System	Management strategy	Data Accuracy	Data Completeness
Asset description	Activity Management Plan	Assets described in Section 1.4.	2	2
Asset location	Explore Tasman / GIS	GIS holds a layer depicting Council-owned properties.	2	2
Asset valuation	Finance Spreadsheet	Valuation of assets done regularly.	2	2
Contract payments	MagiQ	All maintenance and capital works contract payments are done through MagiQ.	N/A	N/A

Data Type	Information System	Management strategy	Data Accuracy	Data Completeness
Customer Service Requests	Customer Services Application	Customer calls relating to asset maintenance are captured in the custom-made Customer Services Application.	N/A	N/A
Financial Information	MagiQ	Council's corporate financial system is MagiQ, a specialist supplier of integrated financial, regulatory and administration systems for Local Government.	N/A	N/A
Capital planning	MagiQ	Programmes for Council's activities are compiled in MagiQ.	N/A	N/A
Maintenance history	MagiQ	Maintenance costs can be manually extracted from this system.	2	2
Photos	Network drives / Silent One	Electronic photos of assets are mainly stored on Council's network drives and Silent One	N/A	N/A
Processes and documentation	Promapp	Promapp is process management software that provides a central online repository where Council's process diagrams and documentation are stored.	2	5

Table 1 - 17: Data Accuracy and Completeness Grades

Grade	Description	% Accurate
1	Accurate	100
2	Minor Inaccuracies	+/- 5
3	50 % Estimated	+/- 20
4	Significant Data Estimated	+/- 30
5	All Data Estimated	+/- 40

Grade	Description	% Complete
1	Complete	100
2	Minor Gaps	90 – 99
3	Major Gaps	60 – 90
4	Significant Gaps	20 – 60
5	Limited Data Available	0 – 20

9 Aerodromes 10 Year Operating Budgets

ID	Name	Total Budget	Financial Year Budget (\$)									
		2018-28	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
11012202	Motueka Legal Fees	20,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
1101220301	Inspnts/NOTA M Mgmnt/Ctrct Mgmnt	7,000	700	700	700	700	700	700	700	700	700	700
11012401	Aerodrome Maintenance	270,000	27,000	27,000	27,000	27,000	27,000	27,000	27,000	27,000	27,000	27,000
1101240105	Grass Runway and Taxiway Maint	30,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
11012506	Motueka Insurance	43,760	4,376	4,376	4,376	4,376	4,376	4,376	4,376	4,376	4,376	4,376
1101250601	Insurance	20,200	2,020	2,020	2,020	2,020	2,020	2,020	2,020	2,020	2,020	2,020
11012508	Motueka Rates / Water	111,000	11,100	11,100	11,100	11,100	11,100	11,100	11,100	11,100	11,100	11,100
11012512	Motueka Advertising	11,000	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100
11032401	Takaka Aero Maintenance	45,500	4,550	4,550	4,550	4,550	4,550	4,550	4,550	4,550	4,550	4,550
1103240103	Runway and Taxiway Maintenance	29,580	2,958	2,958	2,958	2,958	2,958	2,958	2,958	2,958	2,958	2,958
1103240106	House Expenses	15,300	1,530	1,530	1,530	1,530	1,530	1,530	1,530	1,530	1,530	1,530
11032506	Takaka Insurance	75,170	7,517	7,517	7,517	7,517	7,517	7,517	7,517	7,517	7,517	7,517
11032508	Takaka Rates / Water	41,000	4,100	4,100	4,100	4,100	4,100	4,100	4,100	4,100	4,100	4,100

10 Aerodromes 10 Year Capital Budgets

ID	Name	Project Driver %			Total Budget	Financial Year Budget (\$)									
		Growth	IncLOS	Renewals	2018-28	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
11016209001	Sealed Runway Reseal	0	0	100	160,000	0	0	0	0	160,000	0	0	0	0	0
1101620912	Aerodrome Security	0	0	100	5,000	5,000	0	0	0	0	0	0	0	0	0
11036209003R	House Expenses	0	0	100	75,000	0	0	75,000	0	0	0	0	0	0	0

Holiday Park Activity Management Plan 2018



1 Introduction

The purpose of this activity management plan is to outline and to summarise in one place, the Council’s strategic management and long-term approach for the provision and maintenance of its Holiday Park activity.

1.1 What We Do

The Holiday Park activity encompasses the provision, commercial leasing, management and maintenance of the holiday parks. These are located at Collingwood, Motueka, Pohara and Riverside (Murchison).

1.2 Why We Do It

The Council’s investment in holiday parks is for a combination of commercial and recreational purposes. The Council’s ownership and management ensures the assets are retained for the community use and the returns are appropriately reinvested by the Council back into other Council activities.

1.3 Rationale for Council Involvement

- To provide revenue stream to supplement rates
- To attract and service the needs of tourists and communities whilst supporting local business with a variety of facilities to choose from at an affordable price level
- To encourage safe and appropriate vehicle parking, camping, waste and sewerage disposal

1.4 Description of Assets & Services

The holiday park activity comprises the provision, management and maintenance of four holiday parks at Collingwood, Motueka, Pohara and Murchison which are summarised in the following Table 2 - 1 below.

Table 2 - 1: Holiday Park Summary

Holiday Park	Area (ha)	Powered sites	Unpowered sites	Cabins	Motels	Kitchens	Laundry	Toilet/ Shower Blocks	Manager’s Accommodation	Other
Collingwood Holiday Park	1.29	41	17	13	Nil	2	1	2	3 bedroom house	Holiday homes: 2 bedroom house plus 3 bedroom house
Motueka Top 10 Holiday Park	3.03	154	31	21	14	4	3	5	3 bedroom house	Entertainment facilities and Conference Centre
Murchison Holiday Park	3.19	39	51	25	2	3	1	3	3 bedroom house	Recreation hall
Pohara Top 10 Holiday Park	5.2	175	75	22	5	2	2	3	3 bedroom house	Entertainment facilities

- Collingwood is a Council owned and managed site.
- Pohara, Motueka and Murchison are Council owned sites and leased to commercial operators.
- Ownership of the land in all cases is held Reserve status (except Collingwood which is more complex) and held by Council.
- Ownership of improvements has mixed models. The Pohara lessee owns some improvements and Council owns some. All improvements at Murchison and Collingwood are owned by Council.
- The Financial Strategy adopted by Council in 2014 provides for all improvements moving to full Council ownership subject to a full business case.

1.4.1 Motueka Top 10 Holiday Park – Fearons Bush, Motueka

The Motueka Holiday Park is vested in Tasman District Council and occupies 3.0351 hectares and was established in 1950s. It is situated at 10 Fearon Street, Motueka.

1.4.1.1 Land Tenure/Legal status

Part Section 156, Block IV, Motueka – 3.0351 Ha, Freehold Certificate of Title NL 38/277 and Leasehold Title 388487. The land is vested as Recreation Reserve under the Reserves Act 1977. The land is subject to a lease to SJE Holdings Limited commencing on 1st July 2015 for a 33 year term.

1.4.1.2 Structures and Layout

The site is a flat grassed area with a sealed ring road around the park. The site has a number of protected large trees. The site also houses engineering equipment for the Motueka water supply. There is an assortment of 25 buildings throughout the holiday park. All up these provide 21 Cabins, 14 Motels, 4 Kitchens, 3 Laundry and 5 shower blocks. There are a total of 155 camp sites. There also a 3 Bedroom manager's accommodation at the entrance to the holiday park.



Figure 2 - 1: Motueka Holiday Park Site Plan and Aerial Photo

1.4.2 Pohara Top 10 Holiday Park

The Pohara Holiday Park was originally established in the 1950s. The site is a thin slice of coastal flat land with excellent safe beach access. A total of 5.2 hectares, bounded by Golden Bay to the north and Abel Tasman Drive to the south.

1.4.2.1 Land Tenure/ Legal Status

There is no Freehold title for this site. The legal description is Lots 7 and 8 of DP 6385, Lots 16-19 of DP 5525, and Lots 1-14 DP 1703, Block VII Waitapu SD. The land is vested as Recreation Reserve under the Reserves Act 1977. The land is subject to a Lease is to BL & DM Clarke Limited commencing on 1 October 2008 for a 32 year term.

1.4.2.2 Structures and Layout

The site is flat grassed area with a sealed ring road around park. The site has a coastal rock wall protecting its north facing beach from erosion.

There is an assortment of 34 buildings mainly at the eastern end of the holiday park. The lessee owns 6 buildings and playground structure. Council own the remaining 28 buildings. All up these provide 22 Cabins, 5 Motels, 2 Kitchens, 2 Laundry and 3 shower blocks. There are a total of 231 camp sites.

There also a 3 Bedroom manager's accommodation at the entrance to the holiday park.

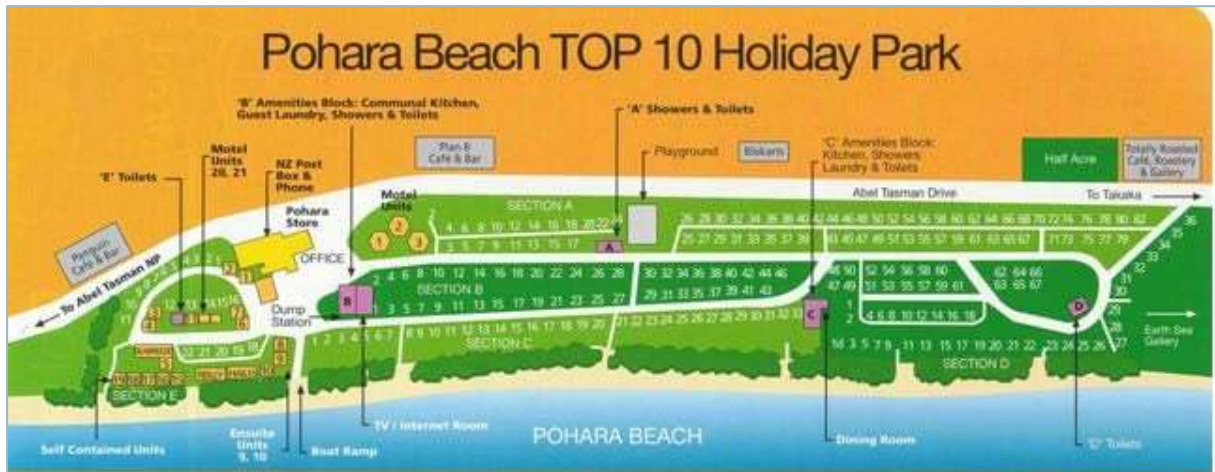


Figure 2 - 2: Pohara Top 10 Holiday Park

1.4.7 Riverside Holiday Park – Murchison

The Riverside Holiday Park, situated at 19 Riverview Road Murchison was established in the 1940's on land which is vested in Council as Recreation Reserve.

The holiday park is located on flat land bounded by the Buller River to the north (with access for swimming and boating) and private land to the south. Access to the camp from the Kawatiri-Murchison Highway (SH6) to the south is via Riverview Road.

The holiday park is situated on a total area of approximately 3.19 hectares of Council land plus a further approximately 0.79 hectares of legal road which is utilised for river access and turning. The image below shows the location of these areas.



Figure 2 - 3: Riverside Holiday Park

1.4.2.3 Land Tenure/Legal Status

The site is comprised of 3 main areas:

- To the west of Riverview Road is an area of 1.74 ha vested in Council as Recreation Reserve under the Reserves Act 1977. There is no title for this land, but the LINZ parcel ID is 3649282 and legal description is Lot 1 DP 10575.
- To the east of Riverview Road is an area of approximately 1.48 ha vested in Council as Recreation Reserve under the Reserves Act 1977. There is no title for this land, but the LINZ parcel ID is 3615836 and legal description is Part Section 94A Square 170 Block II Tutaki Survey District.

This land is subject to a lease to Ardennes Holdings Limited for a 10 year term commencing 1st April 2010 with one right of renewal for a further ten year term.

The remainder of the site is an area of approximately 1.66 ha of legal road at the end of the formed part of Riverview Road and alongside the Buller River to the north of the main site. This land is not subject to any formal agreement.

1.4.2.4 Structures and Layout

The majority of the site is a flat grassed area, with mature trees and shrubs providing good shade and shelter over much of the site. There is a driveway around the western portion of the site leading past the cabins to the manager's accommodation and office.

There is an assortment of 36 buildings, most of which lie to the west of Riverview Road and all of which are owned by Council. In total these provide 25 cabins, 2 motel units, 3 kitchens, 1 laundry, 3 shower/toilet blocks and 1 recreation hall. There also a 3 bedroom manager's accommodation (with office) at the south western corner of the site. In addition, there are 90 camp sites (39 powered and 51 unpowered), which lie on the area to the east of Riverview Road. The area of legal road is occupied by a small number of cabins and an old cafe building which is currently disused, as well as a sealed turnaround area. There is also riverside access from the legal road including a boat ramp currently in poor repair.

1.4.10 Collingwood Holiday Park

The Collingwood Holiday Park is part Recreation and Memorial Reserve which was vested in Council in 1990. The holiday park occupies the northern tip of the peninsula between William Street and the sea with excellent access to the Aorere Estuary on the north and west side for fishing and boating and on the east side for safe swimming. It occupies a total area of approximately 1.29 hectares including a small plot on the south side of William Street. The holiday park with marked sites is shown in Figure 2-4.



Figure 2 - 4: Collingwood Holiday Park

1.4.2.5 Land Tenure/Legal Status

The legal status of the land is complex.

- Part of the area is vested in Council as Recreation Reserve, comprising the following titles and legal descriptions: NL72/241 (Part Reserve A 15 Square); NL49/244 (Lot 3 DP 2011 and Lot 4-5 DP 1067); NL66/216 (Part Section 200 District of Takaka).
- Part of the area is vested in Council as Memorial Reserve, comprising title NL85/181 (Part Section 200 District of Takaka DP 2953).
- Part of the area is Council-owned but does not have reserve status. This includes the following titles: 545896 (Lot 2 DP 434854); 545897 (Lot 3 DP 434854); NL5B/443 (Lot 1 DP 9790); NL47/200 (Lot 1 and Lot 3 DP 1067).
- Part of the holiday park to the north and east occupies Maori land which is not listed in the Torrens Land Transfer System but has Land Information New Zealand (LINZ) identifier number 3611851.
- The final part of the holiday park lies to the extreme east of the site on land which is presumed accreted to Maori land.

An area of land within the boundaries of the holiday park is leased by Collingwood Tennis Club. There is a 20 year access agreement that commenced in 2014 which allows Council to use the northern and southernmost portions of the Club's leased land for holiday park access (the graveled holiday park access road crosses this land).

The holiday park is run under a Management Agreement.

1.4.2.6 Structures and Layout

The site is a flat grassed area immediately adjacent to the sea and the Aorere estuary, with good shade and shelter provided by mature trees and shrubs in many places. The camp has a coastal rock wall protecting its north and west facing sides from erosion. There is a graveled access road through the site with a turnaround at the eastern side.

There is an assortment of 21 buildings across the site and including one on the south side of William Street on a separate site. All of the buildings are owned by Council. In total these provide 13 cabins, 2 kitchens, 1 Laundry, 2 toilet/shower blocks, 1 two-bedroomed holiday house (south side of William Street) and 1 three bedroomed holiday house.

The cabins are all on temporary piles as they have never been permitted as permanent buildings. In addition, there are 58 camp sites (41 powered and 17 unpowered) across the site. There is also a 3 bedroom manager's accommodation (with office) close to the entrance to the holiday park.

1.4.12 Activities at all Holiday Parks

The following uses are considered appropriate possible activities at the Council holiday parks:

Ordinary Uses:

- Camping (non-powered sites, powered sites)
- Accommodation (cabins or motel units)
- Tents, motorhome and caravan use
- Conference use
- Tourism-related activity bookings for regional recreational activities for guests
- Swimming, Playground, Boat launching (where applicable) and other recreational activities

In determining any use, each application will be considered on its merits and appropriate conditions will apply including:

- health and other regulations of holiday parks
- hours/days of operation

- consideration of environmental concerns
- health and safety
- effect on existing holiday park operations

2 Strategic Direction

Council has a reinvestment strategy based on community use that proposes to both maintain facilities and gradually improve levels of service.

2.1 Our Goal

The Council aims to provide commercial activities that meet user needs, provide a safe and compliant working environment and that contribute to the financial sustainability of Council.

2.2 Contribution to Community Outcomes

Table 2-2 summarises how the Property activity contributes to the achievement of the Council's Community Outcomes.

Table 2 - 2: Community Outcomes

Community Outcomes	Does Our Activity Contribute to the Community Outcome	Discussion
Our unique natural environment is healthy, protected and sustainably managed.	Yes	All Property assets can be managed so that the impacts of any effects do not affect the health and cleanliness of the receiving environment.
Our urban and rural environments are people-friendly, well-planned, accessible and sustainably managed.	Yes	The Property activity can be managed so that the impact of any property development upon the environment is minimised and any future developments have environmental sustainability as an expectation.
Our infrastructure is efficient, cost effective and meets current and future needs.	Yes	Our offices and libraries will be accessible for persons with disabilities and will also provide a safe and welcoming environment.
Our communities are healthy, safe, inclusive and resilient.	Yes	Our buildings provide a healthy and safe environment for users.

2.3 Key Issues

Council is returning to a single ownership model for the holiday parks based on the best commercial return across its entire portfolio. This model provides for ownership of all land and improvements by Council. The model also looks to lease all the holiday parks within this activity. This move to eventual leasing, not management, is to ensure operators have the appropriate level of ownership/ commitment to the business. Council is to produce a business plan for each holiday park as part of its strategic review. These business plans will allow the consideration of repurchasing any lessee assets and identify the strategies and management approach necessary to improve financial returns.

2.3.1 Motueka Holiday Park Issues

The key issues for the Motueka Holiday Park are:

- Development and renewal of poor assets to retain/improve levels of service as part of buy-back programme.
- Provision of a service that is affordable to the users yet reflects latest industry trends to ensure ongoing demand for facilities.
- Improving asset knowledge.
- Continuation of the implementation of a plan to maintain facilities to a standard which maximises the life and returns of the assets.
- Moving to fully funding depreciation.

2.3.2 Motueka Holiday Park Strategic Approach

The strategic approach to Motueka Holiday Park is:

- Regular engagement with users through lessees.
- Consideration of additional development/investment where a business case can substantiate further activities in order to supplement the income.
- Condition assessments to be undertaken and reviewed at least every three years.
- Consideration of user requirements with any renovations, renewals or new works.
- Moving to planned versus reactive maintenance programmes.

2.3.3 Pohara Holiday Park Key Issues

The key issues for the Pohara Holiday Park are:

- Implement the Council Holiday Park Financial Strategy 2014.
- Programme to develop and renewal assets in fair condition to retain/improve levels of service.
- Provision of a service that is affordable to the users yet reflects latest industry trends to ensure ongoing demand for facilities.
- Improving asset knowledge.
- Moving to planned maintenance of facilities to maintain a standard which maximises the life and returns of the assets.
- Moving to fully funding depreciation.
- Renegotiation of leases with simplification of lease terms.
- Coastal erosion management.
- Asset buyback of improvements to support the single ownership model as per the Holiday Park Financial Strategy 2014.

2.3.4 Pohara Holiday Park Strategic Approach

The strategic approach for Pohara Holiday Park is:

- Regular engagement with users through lessees.
- Consideration of additional development/investment where a business case can substantiate further activities in order to supplement the income.
- Condition assessments to be undertaken and reviewed at least every three years.
- Consideration of user requirements with any renovations, renewals or new works.
- Moving to planned versus reactive maintenance programmes.

2.3.5 Riverside Holiday Park Key Issues

The key issues for the Riverside Holiday Park are:

- Implement the Council Holiday Park Financial Strategy 2014.
- Development and renewal of poor assets to retain/improve levels of service.
- Provision of a service that is affordable to the users yet reflects latest industry trends to ensure ongoing demand for facilities.
- Improving asset knowledge.
- Moving to planned maintenance of facilities to maintain a standard which maximises the life and returns of the assets.
- Moving to fully funding depreciation.

2.3.6 Riverside Holiday Park Strategic Approach

The strategic approach to Murchison Holiday Park is:

- Development of manager's accommodation and office facilities at the entrance to the holiday park.
- Regular engagement with users through lessees.
- Consideration of additional development/investment where a business case can substantiate further activities in order to supplement the income.

- Condition assessments to be undertaken and reviewed at least every three years.
- Consideration of user requirements with any renovations, renewals or new works.
- Moving to planned versus reactive maintenance programmes.

2.3.7 Collingwood Holiday Park Key Issues

The key issues for the Collingwood Holiday Park are:

- Implement the Council Holiday Park Financial Strategy 2014.
- Development and renewal of poor assets to retain and improve levels of service.
- Land agreements with iwi for accreted land clarification to define area of operation for the holiday park.
- Provision of a service that is affordable to the users yet reflects latest industry trends to ensure product remains sought after.
- Move from management contract to lease tenure.
- Asset knowledge, condition assessment and upgrade of key infrastructure require immediate investment.
- Maintenance of facilities to a standard which maximises the life of the assets.

2.3.8 Collingwood Strategic Approach

The strategic approach to Collingwood Holiday Park is:

- Regular engagement with users through the manager.
- Consideration of additional development/investment where a business case can substantiate further activities in order to supplement the income.
- Condition assessments to be undertaken and reviewed at least every three years.
- Consideration of user requirements with any renovations, renewals or new works.
- Review of long term financial viability of the holiday park as part of the financial sustainability review.
- Coastal erosion management.

2.4 Key Changes

There are no key changes since 2015.

2.5 Key Legislation

Table 2 - 3: Key Legislation

Legislation	How it Relates to ...
Camping-Grounds Regulations 1985	The Regulations prescribe minimum standards to be provided within camping grounds for a healthy and safe user experience.
Reserves Act 1977	The Reserves Act 1977 provides for the physical welfare and enjoyment of the public and for the protection of the natural environment and beauty of areas for recreational activities.
Health and Safety at Work Act 2015	Secure the holiday park and holiday park workplaces as free from hazards and risks as is reasonably practicable for workers and other persons.
Heritage New Zealand Pouhere Taonga Act 2014	Current sites have a number of cultural and protected aspects on the holiday parks. Council commercial requirements are managed in conjunction with iwi, Parks and Reserves and other stakeholders.
Health Amendment Act 1976	Section 120B prescribes minimum standards to be provided within camping grounds for a healthy and safe user experience.
The Local Government Act 1974 and 2002	Provides a framework and powers for local authorities to decide which activities they undertake and the manner in which they will undertake them.

Legislation	How it Relates to ...
Te Tiriti o Waitangi – Treaty of Waitangi	The Treaty of Waitangi is an agreement between Māori and the Crown. Under Section 4 of the Local Government Act 2002 local authorities are required to ‘recognise and respect the Crown’s responsibility to take appropriate account of the principles of the Treaty of Waitangi and to maintain and improve opportunities for Māori to contribute to local government decision-making processes’. Further sections of the Act, particularly 77 and 81, detail the scale of requirement for local authorities to seek contributions and involvement from Māori in consultation and decision-making processes.
Freedom Camping Act 2011	Regulates freedom camping on land controlled or managed by Council.

2.6 Key Planning, Policies and Strategies

Table 2 - 4: Key Planning, Policies and Strategies

Planning, Policies & Strategies	How it Relates to ...
Holiday Park Financial Strategy 2014	To achieve optimal returns from operation of holiday parks.

2.7 Tasman District Council Bylaws

Table 2 - 5: Bylaws

Bylaws	How it Relates to ...
Freedom Camping Bylaw 2017	Effective from 18th December 2017, the Bylaw is to encourage travellers and campers to use holiday parks and other accommodation facilities as much as possible.

3 Levels of Service

A key objective of this plan is to match the levels of service provided by the holiday park activity with the agreed expectations of our customers and their willingness to pay for that level of service. These levels of service provide the basis for the life cycle management strategies and works programmes identified in this plan.

Levels of service are attributes that Tasman District Council expects of its assets to deliver the required services to stakeholders.

A key objective of this plan is to clarify and define the levels of service for the holiday park assets and then identify and cost future operations, maintenance, renewal and development works required of these assets to deliver that service level. This requires converting user's needs, expectations and preferences into meaningful levels of service.

Levels of service can be strategic, tactical, operational or implementation and should reflect the current industry standards and be based on:

- Customer Research and Expectations: information gained from stakeholders on expected types and quality of service provided.
- Statutory Requirements: Legislation, regulations, environmental standards and Council bylaws that impact on the way assets are managed (e.g. resource consents, building regulations, health and safety legislation). These requirements set the minimum level of service to be provided.
- Strategic and Corporate Goals: Provide guidelines for the scope of current and future services offered and manner of service delivery, and define specific levels of service, which the organisation wishes to achieve.
- Best Practices and Standards: Specify the design and construction requirements to meet the levels of service and needs of stakeholders.

3.1 Our Levels of Service

The following table summarises the levels of service and performance measures for the holiday park activity.

Table 2 - 6: Levels of Service and Performance Measures

Levels of Service	Performance Measure	Current Performance	Future Performance Targets			
			Year 1	Year 2	Year 3	Year 10
			2018/19	2019/20	2020/21	2028/29
All Council-owned buildings are safe	All operational buildings comply with resource and building consents and any other legislative requirements.	All buildings have a current Warrant of Fitness.	100% compliance	100% compliance	100% compliance	100% compliance
All Council-owned buildings are fit-for-purpose	All operational buildings are adequate for the service provision needs of the occupiers.	Service managers generally confirm that buildings that they are responsible for meet their service needs.	100%	100%	100%	100%
Commercial assets are managed prudently to provide a financial return for the benefit of the districts ratepayers	Earnings Before Interest, Tax, Depreciation & Amortisation (EBITDA) for holiday parks will provide for increasing funding cover for debt servicing or depreciation, whichever is the larger.	Funding cover = 2.1	Funding cover = 1.2	Funding cover = 1.5	Funding cover = 1.5	Funding cover = 1.8
Leases and licenses for Council properties are current and reviewed on time.	Percentage of leases and licences for Council properties that are current (i.e. have not expired).	100% of leases and licences are current.	100% of leases and licences are current	100% of leases and licences are current	100% of leases and licences are current	100% of leases and licences are current
Management systems and strategic planning are up-to-date.	Activity Management Plan completed for Property and Council Enterprises.	100% compliance – all building facilities are encompassed in an AMP	100% compliance	100% compliance	100% compliance	100% compliance
Site health and safety is managed effectively.	100% of site safety issues responded to within required timeframes.	100% compliance	100% compliance	100% compliance	100% compliance	100% compliance
	No serious harm incidents are reported.	0 serious harm incidences	0 serious harm incidences	0 serious harm incidences	0 serious harm incidences	0 serious harm incidences
	All facilities that require them have a fire safety plan, including evacuation	100% compliance	100% compliance	100% compliance	100% compliance	100% compliance
	Trial evacuation for each facility with a fire plan held six monthly.	100% compliance	100% compliance	100% compliance	100% compliance	100% compliance

4 Activity Management

The activity management plans have been developed as a tool to help the Council manage their assets, deliver on the agreed levels of service and identify the expenditure and funding requirements of the activity. Continuous improvements are necessary to ensure the Council continues to achieve the appropriate level of activity management practice along with delivering services in the most sustainable way while meeting the community's needs.

4.1 Demand Drivers

4.1.1 Motueka Holiday Park

This asset is considered close to its 'maturity state in growth cycle' and substantial growth can only be achieved by widening its current shoulder season and it is close to being fully booked in key holiday periods. Growth in roofed accommodation and accommodation mix could change lengthen the demand and current lessees are focused around a wider seasonal appeal and marketing opportunities to attract clientele outside main seasons.

4.1.2 Pohara Holiday Park

This asset is considered close to its 'maturity state in growth cycle' and like Motueka, substantial growth can only be achieved by widening its current shoulder season and it is close to being fully booked in key holiday periods. With its seaside location, growth in roofed accommodation and accommodation mixes, it could change to lengthen the demand and current lessees are focused around a wider seasonal appeal.

4.1.3 Riverside (Murchison) Holiday Park

Murchison is popular during the summer months. This site has good development potential, but some work has to be done to ensure it has the critical mass to provide a suitable year-round return from any significant development.

4.1.4 Collingwood Holiday Park

The lack of investment has created a run-down facility which has suffered substantial failures of water and other services in recent months. As a result of the general condition, levels of service have dropped consistently. Future demand will be directly driven from levels of investment Council is willing to adopt and the long term financial sustainability of this holiday park.

4.2 Asset Condition and Performance

Quarterly inspections are undertaken by the Commercial Portfolio Manager on all leased sites (Motueka, Pohara and Murchison) and monthly inspection reporting is completed on the managed Collingwood Holiday Park site.

4.2.1 Motueka Holiday Park

In very good order, this park is proactively managed by the lessee. The asset condition is well understood and regularly promoted to Council.

4.2.2 Pohara Holiday Park

In very good order, this park is proactively managed by the lessee. The asset condition is also well understood and regularly promoted to Council.

Council has allowed current lessee to upgrade/complete a number of new infrastructure improvements since 2004. Council's current financial strategy document supports the buying back these assets in order for Council to own the complete infrastructure which gives Council better control and return.

4.2.3 Riverside (Murchison) Holiday Park

This asset is in fair condition and has not had any substantive investment for some time. Council will need to reinvest in this asset for the long term health and continuation of this facility.

4.2.4 Collingwood Holiday Park

This asset is in poor condition and has not had any substantive investment for some time and the majority of what has been completed is to a low standard.

4.3 Operations and Maintenance

4.3.1 Overview

The holiday parks are managed by Tasman District Council through Council staff and Council agents as required, (with input from user groups).

The reports and recommendations to Council are made through the Commercial Committee which reports to the Full Council. These include but are not restricted to:

- Individual features of each holiday park
- Operational mix
- Types of uses
- Occupancy rates/ use
- Revenue
- Management model adopted

The Commercial Portfolio Manager is responsible for the oversight and administration of the holiday parks.

4.3.2 Maintenance Strategy

Council's strategy is to maintain the holiday parks with associated infrastructure, as well as any Council owned buildings suitable for lease income; so that the holiday parks provide a facility suitable for recreational and commercial users at the least long term cost to Council.

4.3.3 Control and Management of Operations and Maintenance

Condition assessment inspections are managed through the Commercial Portfolio Manager for all sites.

4.3.4 Maintenance Standards

The minimum level of service requires a high standard of maintenance for all assets.

4.3.5 Deferred Maintenance

Deferred maintenance is:

- Shortfall in rehabilitation or refurbishment work required to maintain the service potential of the asset, or
- Maintenance and renewal work that was not performed when it should have been, or when it was scheduled to be, and which has therefore been put off or delayed for a future period.

Some maintenance of holiday park buildings has been deferred in recent years. This work has been deferred due to funding restrictions. The Council has decided to reduce all rate funding of the all commercial assets with a view to making these self-funding over time.

With exception of the above, the current budget levels are believed to be sufficient to provide the proposed levels of service and therefore no other maintenance work has been deferred. This however is subject to the changes in levels of service and expectations of customers.

4.3.6 Increase in Network Size through Development

Extension of the holiday park boundaries are unlikely at a wholesale level, however some development is likely to occur at Collingwood. Development within boundaries for changes in use is expected e.g. construction of more roofed accommodation. Additional maintenance and operation costs for these assets may need to be included in future budgets.

4.3.7 Projected Operations and Maintenance costs

Detail the projected operations and maintenance expenditure for the next 10 years are listed in the summarised financials within the summary front end of the AMP and Section 9.

4.4 Asset Renewal/Replacement

Renewal expenditure is major work that does not increase the asset's design capacity but restores, rehabilitates, replaces or renews an existing asset to its original capacity. Funding of work over and above restoring an asset to its original capacity is considered to be new capital works expenditure.

The Council proposes to increase the level of service on these assets, subject to individual business case preparation. Alignment to the Financial Strategy is generally likely to see profits from these assets retained to support the renewal programme.

4.5 Asset Development

4.5.1 Development of New Capital Requirement Forecasts

The forecast capital programme for holiday parks is summarised in the front end of this AMP and in Section 10.

An individual business case is required to establish the commercial viability of any proposal, or where this cannot be established because of legacy and social issues related to activities these are clearly set out. The financial strategy document which has been adopted by Council in 2014 has a direct impact on the capital spend in this area as the condition and ownership of these activities requires investment to return levels of service to appropriate levels.

4.6 Asset Disposal

There are no planned asset disposals.

5 Financials

Council has planned a prudent financial approach to managing its assets and services. This section provides a summary of the total value of the activity and the investment that Council has planned to make over the next 30 years.

5.1 Funding Policy, Fees and Charges

The Holiday Park activity is currently funded through a mixture of the following sources:

Table 2 - 7: Funding Sources

	General Rates	Uniform Annual General Charges	Targeted Rates	User Fees and Charges	Interest	Dividends from Investments	Financial Contributions	Grants and Subsidies	Leases and Other Sources
Holiday Parks				✓					✓

- lease income
- holiday park receipts from site, cabin and motel rentals
- sundry income
- fees and charges
- general rates, uniform annual general charges, rates penalties
- loans and borrowings
- development and financial contributions
- depreciation funds and other reserves
- subsidies and grants for operating purposes (if any)
- internal charges and overheads applied
- local authority fuel tax

The objective is for all commercial facilities to be operated without support from rates and provide a sustainable financial return for Council.

Major capital projects may be loan funded. When loans are made, the loan is taken for a fixed period, usually 20 years, with a fixed annual principal repayment as a capital expense on the account, and interest payments as an operating expense. For the purpose of the financial forecasts, all new works and renewal work has been assumed to be loan funded.

Commercial activities may dispose of low performing assets and purchase additional assets that produce a better return or improve consolidated financial performance to Council.

5.2 Asset Valuation and Depreciation

The Local Government Act 1974 and subsequent amendments contain a general requirement for local authorities to comply with Generally Accepted Accounting Principles (GAAP).

Council requires its infrastructure asset register and valuation to be updated in accordance with Financial Reporting Standards and the AMP improvement plan.

The valuations summarised below have been completed in accordance with the following standards and are suitable for inclusion in the financial statements for the year ending June 2012.

- NAMS Group Infrastructure Asset Valuation Guidelines – Edition 2.0.

- New Zealand International Public Sector Accounting Standard 17; Property, Plant and Equipment (PBE IPSAS 17) and PBE IPSAS 21 (Impairment of Non Cash Generating Assets)

Key assets were previously revalued every three years. Council continues to adopt a three year revaluation cycle. Historic asset valuations reports are held with Council and last valued their assets as at the end of June 2017 for key assets.

Some commercial assets have not been regularly valued and valuations are underway as at June 2017 and will be updated as per the improvement plan in Appendix V. As we move to a greater commercial focus, all commercial assets will be revalued on a minimum of a 3 yearly basis or as required based on specific project work.

It is noted that due to the origin of a number of these legacy assets, which were vested or transferred to Council, their valuations do not reflect an impairment as a result of restrictions and covenants affecting these assets and restrictions on any possible disposal. These assets are managed using commercial disciplines to maximise returns.

5.2.1 Asset Data

The information for valuing the assets was obtained from Council's commercial asset registers, based on MS Excel spreadsheet outlining the latest information held.

5.2.2 Asset Lives

Economic lives and residual lives have been defined for all properties. As structures near the end of their theoretical lives, minimum residual lives have been adopted to reflect the remaining base value still existing prior to any renovation or upgrading. Lives used in the valuation are presented in Table 2 – 8 below.

Table 2 - 8: Data Confidence

Asset Description	Confidence	Comments
Holiday Parks	B - Reliable	The asset registers provide all the physical assets that make up each site.

The Base Useful Lives for each asset type as published in the NZIAVDG Manual were used as a guideline for the lives of the assets in the valuation. Generally, lives are taken as from the mid-range of the typical lives indicated in the Valuation Manual where no better information is available. Lives used in the valuation are presented in Table 2 - 9 below.

Table 2 - 9: Asset Lives

Holiday Park Assets:	Life (years)	Minimum Remaining Life (years)
Land	-	Not depreciated
Buildings (including fit out)	10-100	Various
Roads	4-80	Various
Other Plant and Equipment	5-10	Various

5.2.3 Asset Valuation

The current valuation information is based on either individual property valuation, valuations on specific assets or a generic valuation undertaken during 2017. Asset value dates vary as do the types of valuation used based on the complexity of each asset.

The asset depreciated value (as at 30 June 2017) and annual depreciation applying to each group of building assets is summarised below.

Table 2 - 10: Asset Valuation

Asset type:	Current Valuation method	Current Value as at 30 June 2017
Holiday Parks	Rating Valuation	\$10,049,900

5.2.4 Depreciation

Depreciation of assets must be charged over their useful life.

Depreciation is provided on a straight line basis on some infrastructural assets at rates which will write off the cost (or valuation) of the assets to their estimated residual values, over their useful lives.

5.3 Financial Summary

Council has planned a prudent financial approach to managing its assets and services. This section provides a summary of the total value of the activity and the investment that Council has planned to make over the next 10 years.

5.3.1 Total Expenditure

- Expenditure increases are relative to changing model and debt servicing on respective asset buyback programmes.
- The majority of costs for three leased sites (Pohara, Motueka and Riverside) reflect in-house management costs and depreciation.
- A stable outlook forecast with the Council looking to move all toward a single leased model with full infrastructure ownership.

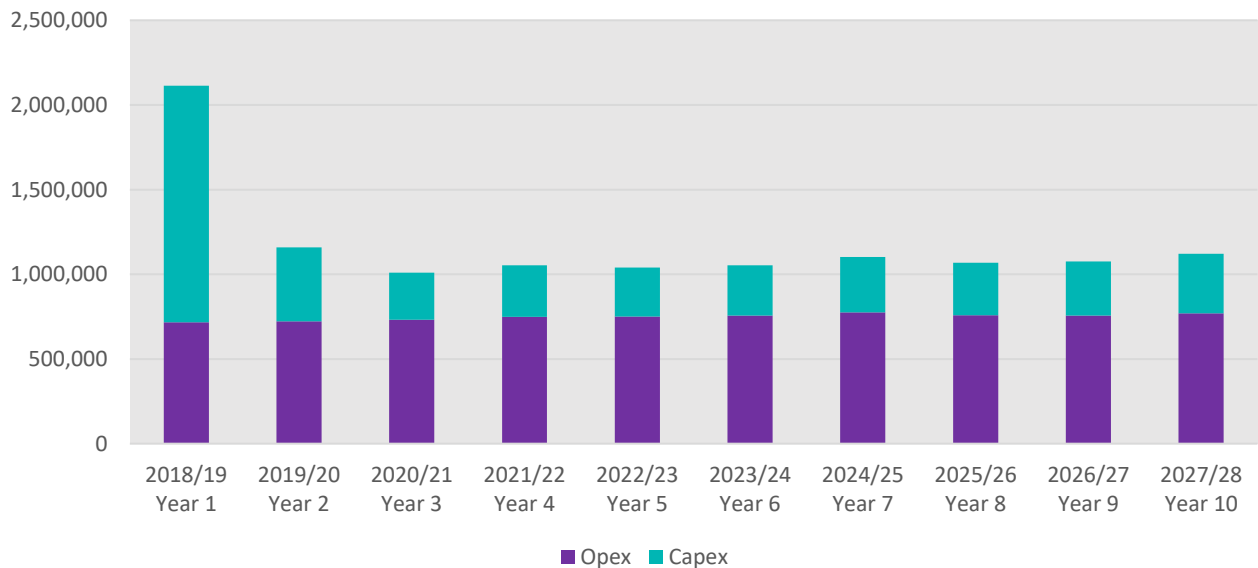


Figure 2 - 6: Total Annual Expenditure Years 1 to 10 Including Inflation

5.3.2 Total Income

- Holiday Park income is expected to increase modestly from 2019.
- The buyback of the Pohara Holiday Park assets is expected to be completed pursuant to the Financial Strategy.
- Reviews of Riverside and Collingwood Holiday Parks will look to make changes to improve returns but are somewhat hampered by the current condition of infrastructure.
- A stable outlook for occupancy and tariffs is forecast.

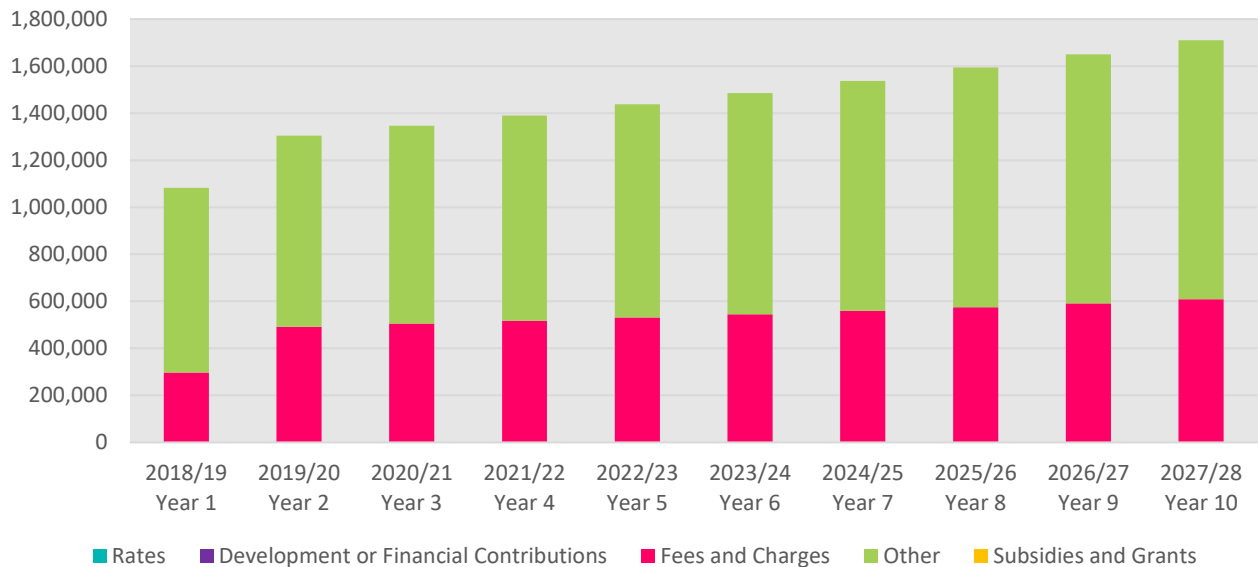


Figure 2 - 7: Total Annual Income Years 1 to 10 Including Inflation

Note: Total Income from Fees and Charges, Local Authorities Fuel Tax and Other Receipts

5.3.3 Total Operating



Figure 2 - 8: Total Operating Expenditure Years 1 to 10 Including Inflation

5.3.4 Total Capital

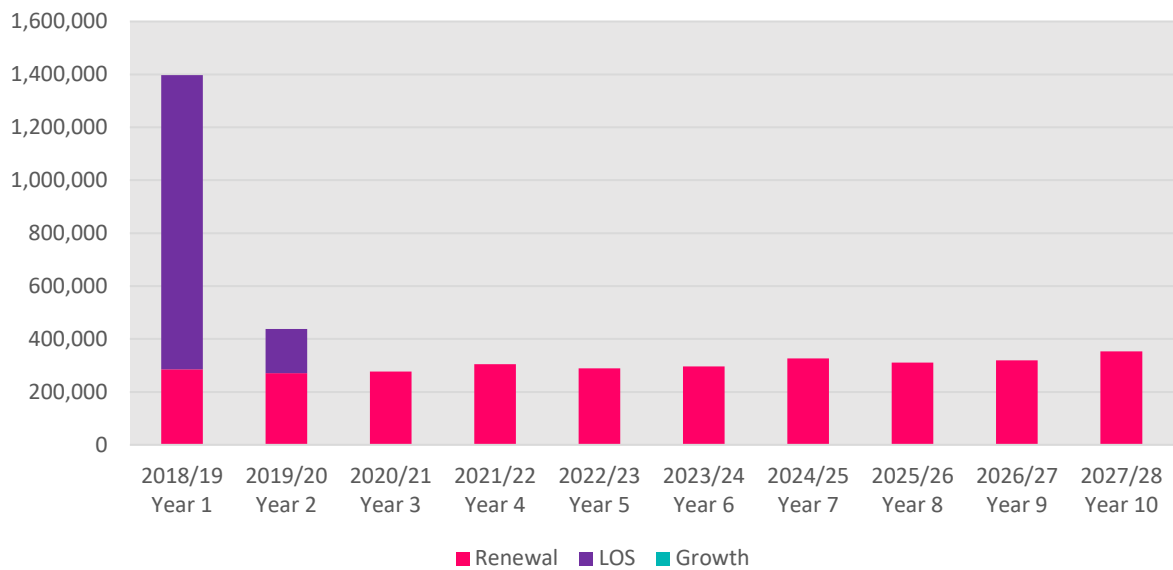


Figure 2 - 9: Total Capital Expenditure Years 1 to 10 Including Inflation

5.3.5 EBITDA Profitability

- EBITDA increases upon asset buyback as key assets of Pohara are repurchased.
- The step up reflects timing of Pohara asset buyback during 2018.

5.3.6 Net Profit

- Net profit takes an initial hit due to funding of asset buyback, depreciation funding over time and investment to improve levels of service.
- Major impact is borrowing costs from the additional capital programme. Each asset is subject to a full business case review before proceeding.

6 Sustainability

Sustainability means that we effectively balance the needs of present and future communities. From an asset management perspective, sustainability is critical, as many assets have a long lifespan and must be future-proofed. Council has a responsibility to manage this activity in way that supports the environmental, social, cultural and economic well-being of current and future generations. This section focuses on social, cultural and environmental sustainability.

6.1 Negative Effects

Schedule 10 of the Local Government Act (LGA) requires an outline of any significant negative effects that an activity may have on the local community. Potential negative effects associated with holiday park and holiday park activity are outlined in Table 2 - 11.

Table 2 - 11: Negative Effects

Effect	Council's Mitigation Measure
Damage to the Council's facilities caused by guests.	Quality facilities generally attract a higher quality guest. They also attract a greater respect and are less likely to have maintenance, damage or cleanliness issues. Costs are fully recovered from offenders, where possible.
Periodic sea wall damage at Collingwood and Pohara.	Adverse weather events are unpredictable and cannot be controlled. Rising sea level data suggests the Council may continue to experience more issues. Rock wall protection is currently the only option to protect the current coastal locations and most of the repairs involve small areas affected. Therefore, unless the repairs are undertaken the existing protection and land will be significantly undermined/eroded. Unless there is a significant massive sea wall damage event, the Council's protection policy is unlikely to change.
Significant value of improvements is owned by lessees therefore the Council is missing out on income.	The Holiday Park Financial Strategy 2014 provides for a single asset ownership model.
Some assets are rundown due to lack of reinvestment.	Improvement plans will identify and drive operational reviews. Significant improvements will require a separate business case. Roothing, infrastructure, buildings and other improvements are all affected at varying levels on most sites. The Council reinvestment will have an upfront cost as assets are returned to a normal condition. Ongoing maintenance programmes will ensure reinvestment at appropriate levels.

6.2 Positive Effects

Significant positive effects are described in terms of how this activity contributes to the Community Outcomes and are outlined in Table 2 – 12.

Table 2 - 12: Positive Effects

Effect	Description
Economic development.	Provision and maintenance of holiday parks allows for the development of commercial businesses, therefore contributing to economic growth and prosperity in regions. The Council's management of the holiday park activity using industry best practice, commercial imperatives and competitive tendering, which aims to provide the economic efficiency (i.e. best value for money) for the ratepayers.
Environmental sustainability.	The Council aims to achieve environmental sustainability whilst managing the holiday park activity.

Community value.	The provision and maintenance of the holiday parks is of value to the community as this contributes to tourism, recreation, and business within the communities.
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6.3 Environmental Management

6.3.1 Resource Consents

The statutory framework defining what activities require resource consent is the Resource Management Act (RMA) 1991. The RMA is administered locally by Tasman District Council, as a unitary authority, through the Tasman Resource Management Plan (TRMP). The following section discusses key consents that Council holds in order to undertake this activity. The following resource consents have been issued against holiday park activities in Table 2 – 13 below.

Table 2 -13: Property Consents Holiday Parks

Consent No	Applicant	Location	Type	Use	Effective Date	Expiry Date
COLLINGWOOD						
071089	Tasman District Council	Collingwood Holiday Park, 6 William Street, Collingwood	Land use	To extend the Office area in the Manager's dwelling.	25/01/2008	N/A
070761	Tasman District Council	Collingwood Holiday Park, 6 William Street, Collingwood	Land use	To remove makeshift buildings and replace with new storage shed.	12/10/2007	N/A
950363	Tasman District Council	Collingwood Holiday Park, 6 William Street, Collingwood	Land use	Construct new ablution block in camping ground	17/11/1995	N/A
POHARA						
120466	Pohara Top 10 Holiday Park	Pohara Holiday Park, 809 Able Tasman Drive, Pohara	Land use	To establish 5 accommodation units in the Coastal Environment Area and Cultural Heritage Precinct on land zoned Recreation	19/07/2012	N/A
110339	Pohara Top 10 Holiday Park	Pohara Holiday Park, 809 Able Tasman Drive, Pohara	Land use	To construct an accommodation unit in the Pohara Top 10 Holiday Park on land zoned Recreation in the Coastal Environment Area.	24/05/2011	N/A
040698	Pohara Top 10 Holiday Park	Pohara Holiday Park, 809 Able Tasman Drive, Pohara	Land use	To erect six new accommodation units as part of the holiday park complex and to add a television room to the existing kitchen/ablution block.	1/10/2004	N/A
950392	Tasman District Council	Pohara Holiday Park, 809 Able Tasman Drive, Pohara	Land use	Construct 6 new motel units	13/11/1995	N/A

Consent No	Applicant	Location	Type	Use	Effective Date	Expiry Date
NN950188	Pohara Top 10 Holiday Park	Pohara Holiday Park, 809 Able Tasman Drive, Pohara	Coastal Discharge	Discharge stormwater to coastal area.	16/09/1998	N/A
MOTUEKA						
120647	Motueka Top 10 Holiday Park	Motueka Holiday Park, 10 Fearon Street, Motueka	Land use	To construct a three-bedroom accommodation unit within the internal building setback, and to use the unit for visitor accommodation as part of the existing camping ground.	20/09/2012	N/A
030781	Motueka Top 10 Holiday Park	Motueka Holiday Park, 10 Fearon Street, Motueka	Land use	To erect four self-contained holiday units within the permitted 3 metre setback.	18/08/2003	N/A
950254	Tasman District Council (Motueka Top 10 Holiday Park)	Motueka Holiday Park, 10 Fearon Street, Motueka	Land use	To erect 3 self-contained type motel units	7/07/1995	N/A
MURCHISON						
960530	Tasman District Council	Riverside Holiday Park, Riverview Road, Murchison	Land use	To erect new ablution block and convert existing ablution block into sleeping accommodation.	9/11/1999	N/A

7 Risk Management and Assumptions

There are factors outside of Council’s control that can change having an impact on Council’s ability to do what it planned. Sometimes the impact can be significant. There is always uncertainty in any planning process but the key to good quality planning is to make clear assumptions to help address this uncertainty. This section sets out the key risks and assumptions that relate to this activity.

7.1 Activity Risks and Mitigation

7.1.1 Holiday Park Risks

An individual asset risk management strategy for each site will be developed within each business case review completed and will contain all risk aspects associated with that activity. The table below lists key risks and the mitigation measures for such events.

Table 2 -14: Key Holiday Park Risks

Risk Event	Mitigation Measures
Infrastructure failure.	<p>Current:</p> <ul style="list-style-type: none"> • Routine maintenance and inspections are included in lease and management contracts; • Cleaning inspections post usage and between parties provides early identification of infrastructure issues/failure; • Detailed inspections are completed six monthly for the entire asset schedule; • Reactive inspection following extreme weather events. <p>Proposed:</p> <ul style="list-style-type: none"> • Detailed condition assessments of all assets planned over next 12 months. • Programme development for key risk failures e.g. building, electrical, plumbing and gas issues.
Health and Safety operations.	<p>Current:</p> <ul style="list-style-type: none"> • External audits completed with annual monitoring; • Annual inspection for Health standards completed by Council’s environmental compliance division. • Disease management to follow health guidelines to minimise water borne disease issues; • Services – ensure that gas, power, water and any other facilities are maintained to a high standard; • Hazardous chemicals – required for pools, cleaning etc. Ensure they are kept in locked areas separated from holiday park and holiday park user access; • Ensure all contractors are approved, authorised and certified to meet appropriate standards. <p>Proposed:</p> <ul style="list-style-type: none"> • Emergency procedures – develop procedures for all sites. • Develop standard operating procedures for all holiday park operations. • Continue to monitor and identify hazards • Improve assurance measurements.
Safe access, environment and separation of activities.	<p>Current:</p> <ul style="list-style-type: none"> • High visibility and low speed zones for vehicle traffic; • Appropriate barriers between traffic, pools, playgrounds to separate activities; • Pedestrians, vehicles and other activities are kept clear of holiday park activity. <p>Proposed:</p> <ul style="list-style-type: none"> • Ongoing staff and lessee training.

Risk Event	Mitigation Measures
Environmental impacts.	<p>Current:</p> <ul style="list-style-type: none"> • Current sites have a number of cultural and protected aspects on the holiday parks. Council commercial requirements are being managed in conjunction with iwi, Parks and Reserves and other stakeholders; • The Council's GIS software includes layers identifying cultural heritage sites and precincts and protected trees. Council staff apply for Historic Places Trust authorities and resource consents when these known sites are at risk of potential damage or destruction; • Project management processes for all development work and Council's consultation guidelines are followed; • Ensure any discharge from activities is in line with health standards; • Consider the coastal environment, erosion and other impacts. • Ensure trees are well maintained to limit potential for harm to users. Visits conducted six monthly. <p>Future:</p> <ul style="list-style-type: none"> • Consider climate change impacts, sea level rises etc. into long term planning. • Continue to protect coastal sites where impacted by adverse weather conditions that affect core operations.

7.2 Assumptions and Uncertainties

This AMP and the financial forecasts within it have been developed from information that has varying degrees of completeness and accuracy. In order to make decisions in the face of these uncertainties, assumptions have to be made. Table 2 – 15 documents the uncertainties and assumptions that the Council consider could have a significant effect on the financial forecasts and discusses the potential risks that this creates.

Table 2 - 15: Generic Assumptions and Uncertainties

Type	Uncertainties	Assumption	Discussion
Financial	Unless stated it can be unclear whether financial figures include inflation or not, as well as whether GST has been included or not.	That all expenditure has been stated in 1 July 2017 dollar values and no allowance has been made for inflation and all financial projections exclude GST unless specifically stated.	The LTP will incorporate inflation factors. This could have a significant impact on the affordability of each activity if inflation is higher than allowed for. The Council is using the best information practically available from Business and Economic Research Limited (BERL) to reduce this risk.
Asset Data Knowledge	The Council has inspection and data collection regimes in place for assets. These regimes do not allow for entire network coverage at all times. The Council's aim is to strike the right balance between adequate knowledge and what is practical.	That the Council has adequate knowledge of the assets and their condition, so that planned renewal works will allow the Council to meet the proposed levels of service.	There are several areas where the Council needs to improve its knowledge and assessments, but there is a low risk that the improved knowledge will cause a significant change to the level of expenditure required.

Type	Uncertainties	Assumption	Discussion
Growth Forecasts	Growth forecasts are inherently uncertain and involve many assumptions. The Council uses Statistics NZ projections as the basis for its growth planning, but these will vary depending on actual birth and death rates as well as net migration.	That the district will grow or decline as forecast in its Growth Model.	Growth forecasts are used to determine infrastructure capacity and when that capacity will be required. If actual growth varies significantly from what was projected, it could have a moderate impact on the Council's plans. If higher, new or additional infrastructure may be required quicker than anticipated. If lower, Council may be able to defer the delivery of new or additional infrastructure.
Project Timing	Multiple factors affect the actual timing of projects e.g.: <ul style="list-style-type: none"> • Consents • Access to land • Population growth • Timing of private developments 	That projects will be undertaken when planned.	The risk of the timing of projects changing is high due to factors like resource consents, third party funding, and land acquisition and access. The Council tries to mitigate these issues by undertaking the investigation, consultation and design phases sufficiently in advance of when construction is planned. If delays occur, it could have an impact on the levels of service and the Council's financing arrangements.
Project Funding	The Council cannot be certain that it will receive the full amount of anticipated subsidy or contribution. It depends on the funder's decision making criteria and their own ability to raise funds.	That projects will receive subsidy or third party contributions at the anticipated levels.	The risk of not securing funding varies and depends on the third party involved. If the anticipated funding is not received it is likely that the project will be deferred which may impact levels of service.
Accuracy of Cost Estimates	Project scope is often uncertain until investigation and design work has been completed, even then the scope can change due to unforeseen circumstances. Even if the scope has certainty there can be changes in the actual cost of work due to market competition or resource availability.	That project cost estimates are sufficiently accurate enough to determine the required funding level.	The risk of large underestimation is low; however, the importance is moderate as the Council may not be able to afford the true cost of the project. The Council tries to reduce this risk by undertaking reviews of all estimates and including an allowance for scope risk based on the complexity of the project.
Legislation Changes	Often Central Government changes legislation in response to events where the need for change is identified. It is difficult to predict what events may occur and the associated response. Election of a new Government also introduces uncertainty as to what policies they will implement.	That there will be no major changes in legislation or policy.	The risk of major change is high due to the changing nature of the Government and its policies. If major changes occur, it is likely to have an impact on the required expenditure. The Council has not planned expenditure to specifically mitigate this risk.

Assumptions specific to this activity are listed below:

Table 2 -16: Significant Assumptions for Holiday Park Activity

Assumption Type	Assumption	Discussion
Asset Management	That the Council will continue to manage its holiday parks on the current basis.	

8 Asset Management Processes and Practices

Good quality data and asset management processes are the heart of effective planning. This section outlines our approach to asset management, our processes, and provides an overview of our data management systems and strategies that underpins this activity.

8.1 Appropriate Practice Levels

The Office of the Auditor General (OAG) has chosen to use the International Infrastructure Management Manual (IIMM) as the benchmark against which New Zealand councils measure their activity management practices. There are five maturity levels in the IIMM; Aware, Basic, Core, Intermediate and Advanced. The IIMM sets out what the requirements are for each level against each area of the activity management system.

In 2017, the Council reviewed its Activity Management Policy and adopted an updated version. The Policy sets out the Council’s activity management objectives and appropriate levels of practice. For the Holiday Park activity, the Council has determined that the appropriate level of practice is “Core”.

8.2 Service Delivery Reviews

In 2014, Section 17A was inserted into the Local Government Act which requires the Council to review the cost effectiveness of its current arrangements for providing local infrastructure, services, and regulatory functions at regular intervals. Reviews must be undertaken when service levels are significantly changed, before current contracts expire, and in any case not more than six years after the last review. In addition to the regular reviews, the Act requires the Council to complete an initial review of all functions by August 2017. No review has been completed to date, but it is intended to complete this in early 2018.

8.3 Asset Management Systems and Data

Table 2 – 17 summarises the various data types, data source and how they are managed within the Council. It also provides a grading on data accuracy and completeness where appropriate.

Table 2 - 17: Data Types and Information Systems

Data Type	Information System	Management strategy	Data Accuracy	Data Completeness
Asset description	Activity Management Plan	Described in Section 1.4.	2	2
Asset location	Explore Tasman / GIS	GIS holds a layer depicting Council-owned properties.	2	2
Asset valuation	Finance Spreadsheet	Valuation of assets done regularly. .	2	2
Contract payments	MagiQ	All maintenance and capital works contract payments are done through MagiQ.	N/A	N/A
Customer Service Requests	Customer Services Application	Customer calls relating to asset maintenance are captured in the custom-made Customer Services Application.	N/A	N/A
Financial Information	MagiQ	Council’s corporate financial system is MagiQ, a specialist supplier of integrated financial, regulatory and administration systems for Local Government.	N/A	N/A
Capital planning	MagiQ	Programmes for Council’s activities are compiled in MagiQ.	N/A	N/A

Data Type	Information System	Management strategy	Data Accuracy	Data Completeness
Maintenance history	MagiQ	Maintenance costs can be manually extracted from this system.	2	2
Photos	Network drives / Silent One	Electronic photos of assets are mainly stored on Council's network drives and Silent One	N/A	N/A
Processes and documentation	Promapp	Promapp is process management software that provides a central online repository where Council's process diagrams and documentation are stored.	2	5

Table 2 - 18: Data Accuracy and Completeness Grades

Grade	Description	% Accurate
1	Accurate	100
2	Minor Inaccuracies	+/- 5
3	50 % Estimated	+/- 20
4	Significant Data Estimated	+/- 30
5	All Data Estimated	+/- 40

Grade	Description	% Complete
1	Complete	100
2	Minor Gaps	90 – 99
3	Major Gaps	60 – 90
4	Significant Gaps	20 – 60
5	Limited Data Available	0 – 20

9 Holiday Parks 10 Year Operating Budgets

ID	Name	Total Budget	Financial Year Budget (\$)									
			2018-28	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
16012202	CampGrounds Legal Fees	45,000	15,000	10,000	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500
16012517	Camp-Grounds Sundry Exps	25,000	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500
16022205	Riverview Camp Valuation / Other	9,000	0	3,000	0	0	3,000	0	0	3,000	0	0
16022401	Riverview Camp Maintenance Grounds	50,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
16022405	Riverview Camp Maintenance Equipment	10,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
16022407	Riverview Camp Maintenance Buildings	75,000	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500
16022506	Riverview Camp Insurance	153,710	15,371	15,371	15,371	15,371	15,371	15,371	15,371	15,371	15,371	15,371
16022508	Riverview Camp Rates / Water	145,000	14,500	14,500	14,500	14,500	14,500	14,500	14,500	14,500	14,500	14,500
1602251701	General Administration	15,000	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500
16042202	Fearons Bush Camp Legal Fees	15,000	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500
16042205	Fearons Bush Camp Valuation / Other	20,000	5,000	0	0	5,000	0	0	5,000	0	0	5,000
16042401	Fearons Bush Camp Maintenance Grounds	75,000	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500
16042506	Fearons Bush Camp Insurance	175,030	17,503	17,503	17,503	17,503	17,503	17,503	17,503	17,503	17,503	17,503
16042508	Fearons Bush Camp Rates / Water	260,000	26,000	26,000	26,000	26,000	26,000	26,000	26,000	26,000	26,000	26,000
16042517	Fearons Bush Camp Gen Expenses	25,000	11,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500
1604251701	GENERAL ADMINISTRATION	15,000	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500

ID	Name	Total Budget	Financial Year Budget (\$)									
		2018-28	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
16052202	Pohara Camp Legal Fees	7,500	7,500	0	0	0	0	0	0	0	0	0
16052205	Pohara Camp Valuation / Other	25,540	5,524	0	0	6,037	0	0	6,680	0	0	7,299
16052401	Pohara Camp Maintenance Grounds	75,000	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500
16052405	Pohara Camp Maintenance Equipment	25,000	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500
16052407	Pohara Camp Maintenance Buildings	50,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
16052508	Pohara Camp Rates / Water	271,000	27,100	27,100	27,100	27,100	27,100	27,100	27,100	27,100	27,100	27,100
1605251701	Pohara Camp Gen Expenses	15,000	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500
16062106	Collingwood Camp Health & Safety	25,000	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500
16062202	Collingwood Camp Legal Fees	7,500	7,500	0	0	0	0	0	0	0	0	0
16062205	Collingwood Camp Valuation / Other	20,000	5,000	0	0	5,000	0	0	5,000	0	0	5,000
16062401	Collingwood Camp Maintenance Grounds	50,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
16062405	Collingwood Camp Maintenance Equipment	150,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
16062407	Collingwood Camp Maintenance Buildings	100,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
16062501	Collingwood Camp Office Costs	25,000	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500
16062504	Collingwood Camp Telecommunications	20,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
16062505	Collingwood Camp Electricity	158,675	12,782	13,332	13,931	14,586	15,301	16,081	16,934	17,730	18,563	19,435

ID	Name	Total Budget	Financial Year Budget (\$)									
		2018-28	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
16062506	Collingwood Camp Insurance	49,370	4,937	4,937	4,937	4,937	4,937	4,937	4,937	4,937	4,937	4,937
16062508	Collingwood Camp Rates / Water	301,000	30,100	30,100	30,100	30,100	30,100	30,100	30,100	30,100	30,100	30,100
16062513	Collingwood Camp Advertising	75,000	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500
16062517	Collingwood Camp Gen Expenses	120,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000
1606251701	Collingwood Camp - Gas	147,000	12,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
16062529	Collingwood Camp Computer	60,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000
16062609	Collingwood Camp Ground Manager	935,000	80,000	95,000	95,000	95,000	95,000	95,000	95,000	95,000	95,000	95,000

10 Holiday Parks 10 Year Capital Budgets

ID	Name	Project Driver %		Total Budget	Financial Year Budget (\$)									
		InclOS	Renewals		2018-28	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
1602610601	Campgrnds - Riverview - Upgrade	100	0	160,000	0	160,000	0	0	0	0	0	0	0	0
1602610601R	Campgrnds - Riverview - Upgrad	0	100	500,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
16046103R	Fearons Bush Camp - Cap - Plant	0	100	1,000,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
1605610601	Pohara Improvement buyback	100	0	530,000	530,000	0	0	0	0	0	0	0	0	0
1605610601R	Campgrnds - Pohara - Upgrade	0	100	600,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000
1606610501	Collingwood Coastal Erosion repairs	0	100	80,000	20,000	0	0	20,000	0	0	20,000	0	0	20,000
16066106	Collingwood Camp - Cap-Bldgs	100	0	560,000	560,000	0	0	0	0	0	0	0	0	0
16066106R	Collingwood Camp - Cap-Bldgs	0	100	500,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000

Commercial Property Activity Management Plan 2018



1 Introduction

The purpose of this activity management plan is to outline and to summarise in one place, the Council’s strategic management and long-term approach for the provision and maintenance of its Commercial Property activity.

1.1 What We Do

As part of the commercial property activity the Council owns commercial land and property at the various locations.

1.2 Why We Do It

The Council's ownership and management must ensure that there is a positive economic return on investment on all its commercial property assets and that they are financially sustainable.

1.3 Rationale for Council Involvement

Council holds commercial property primarily as a result of historical ownership. Applying commercial disciplines, income is able to be generated to reduce the requirement for rate funding. Retention of Council ownership of commercial assets, in particular at the Mapua Wharf Precinct will preserve the vibrancy of the location as a both a visitor destination and deliver sustainable economic growth.

1.4 Description of Assets & Services

The commercial property activity comprises the provision and maintenance of leased commercial land and buildings and investment land for the purposes of strategic investment or reinvestment pending planned future developments.

1.4.1 Commercial Property Assets

1.4.1.1 Land Tenure/Legal status

Various assets spread throughout the district. They are listed in the table below.

Table 3 - 1: Commercial Property Assets

Commercial Property Assets
Mapua Wharf Precinct
Mapua Wharf
Mapua Land ex Fruitgrowers
Armadillos Restaurant Richmond 183 Queen Street
Port Motueka – marina area toilet & carpark
Fittal Street, Richmond

1.4.2 Activities at all Commercial Property

These vary but are generally retail, wholesale, commercial, storage or lease activities. They are listed in Table 3 - 1 above.

2 Strategic Direction

Council hold its commercial properties for long term revenue generation but may consider divestment of low performing assets based on individual business cases.

2.1 Our Goal

<p>To provide management of commercial assets that contribute toward the enhancement of our District at the level of service that the customer wants and is prepared to pay for and in a manner that minimises conflict with the community.</p> <p>To undertake commercial and semi-commercial activities that meet user needs, provide a safe and compliant working environment, and that are financial sustainable.</p>

2.2 Contribution to Community Outcomes

Table 3 - 2: Community Outcomes

Community Outcomes	How Our Activity Contributes to the Community Outcomes
Our infrastructure is efficient, cost effective and meets current and future needs.	Commercial properties shall be reviewed to ensure that they meet the strategic needs of the Council.
Our communities have opportunities to celebrate and explore their heritage, identity and creativity.	A number of the property asset sites have historical significance and are available for historical reference and exploration. Historic places and iwi interests are respected and protected through planned Council development.
Our communities have access to a range of social, cultural, educational and recreational facilities and activities.	Commercial activities shall provide spaces for social and community interaction.
Our Council provides leadership and fosters partnerships, a regional perspective, and community engagement	Open dialogue with operators of the Council’s facilities fosters strong relationships. The Council receives constant feedback and recommendations from our community and users. The Council has established various advisory/interest groups such as the Mapua Advisory Group as a means of engaging with the community on Council commercial activities.
Our region is supported by an innovative and sustainable economy.	Our commercial property holdings provide an income stream to the Council to reduce its reliance on rates.

2.3 Key Issues

A number of the assets within the commercial portfolio are legacy assets. Council will be applying commercial disciplines to improve the management of these assets and their financial returns. This will not in all cases result in full commercial returns being achieved. It will however reduce the current level of cross- subsidy from rates.

Council seeks to maintain an occupancy level within the range of 85% - 90% across all commercial sites to ensure appropriate financial returns are achieved and is looking to ensure we have a tenancy lease maturity profile that is spread evenly to manage tenancy risk.

2.4 Strategic Approach

The strategic approach to all commercial property enterprises to increase revenue stream using commercial principles.

2.5 Key Changes

Table 3 - 3 summarises the key changes for the management of the commercial property activity since the 2015

AMP.

Table 3 -3: Key Changes

Key Change	Reason for Change
Mapua rebuild	Building of Shed 4 at Mapua Wharf Precinct in 2016. Fully tenanted.
Fittal Street land	Transferred to the Commercial Property portfolio. Disposal of some property substantially completed.

2.6 Key Legislation

Table 3 - 4: Key Legislation

Legislation	How it Relates to ...
The Local Government Act 1974 and 2002	Provides a framework and powers for local authorities to decide which activities they undertake and the manner in which they will undertake them.
Health and Safety at Work Act 2015	Secure the workplaces as free from hazards and risks as is reasonably practicable for workers and other persons.
Te Tiriti o Waitangi – Treaty of Waitangi	The Treaty of Waitangi is an agreement between Māori and the Crown. Under Section 4 of the Local Government Act 2002 local authorities are required to 'recognise and respect the Crown's responsibility to take appropriate account of the principles of the Treaty of Waitangi and to maintain and improve opportunities for Māori to contribute to local government decision-making processes'. Further sections of the Act, particularly 77 and 81, detail the scale of requirement for local authorities to seek contributions and involvement from Māori in consultation and decision-making processes.
Building Act 2014	Provides timelines and responsibilities for assessing and remediating earthquake-prone buildings.

2.7 Key Planning, Policies and Strategies

Table 3 - 5: Key Planning, Policies and Strategies

Planning, Policies & Strategies	How it Relates to ...
Mapua Waterfront Area Masterplan 2018 - 2028	Sets out a strategic direction for the Mapua waterfront and adjacent areas recognising the interconnectivity of the waterfront area.
Earthquake Prone, Dangerous and Insanitary Buildings Policy	Sets out Councils policy in regards to Dangerous, Earthquake prone and Insanitary Buildings.

2.8 Tasman District Council Bylaws

There are no relevant bylaws.

3 Levels of Service

A key objective of this plan is to match the levels of service provided by the Commercial Property activity with the agreed expectations of our customers and their willingness to pay for that level of service. These levels of service provide the basis for the life cycle management strategies and works programmes identified in this plan.

Levels of service are attributes that Tasman District Council expects of its assets to deliver the required services to stakeholders.

A key objective of this plan is to clarify and define the levels of service for the commercial assets and then identify and cost future operations, maintenance, renewal and development works required of these assets to deliver that service level. This requires converting user's needs, expectations and preferences into meaningful levels of service.

Levels of service can be strategic, tactical, operational or implementation and should reflect the current industry standards and be based on:

- Customer Research and Expectations: Information gained from stakeholders on expected types and quality of service provided.
- Statutory Requirements: Legislation, regulations, environmental standards and Council bylaws that impact on the way assets are managed (e.g. resource consents, building regulations, health and safety legislation). These requirements set the minimum level of service to be provided.
- Strategic and Corporate Goals: Provide guidelines for the scope of current and future services offered and manner of service delivery, and define specific levels of service, which the organisation wishes to achieve.
- Best Practices and Standards: Specify the design and construction requirements to meet the levels of service and needs of stakeholders.

3.1 Our Levels of Service

The following table summarises the levels of service and performance measures for the commercial property activity. Shaded rows are the levels of service and performance measures to be included in the Long Term Plan.

Table 3 - 6: Levels of Service and Performance Measures

Levels of Service (we provide)	Performance Measure (We will know we are meeting the level of service if...)	Current Performance (as at 2016/17)	Forecast Performance (Target)			
			Year 1	Year 2	Year 3	Year 10
			2018/19	2019/20	2020/21	2028/29
Property and building assets that are functionality appropriate and meet the needs of users and customers.	EBITDA for Commercial properties will provide adequate funding cover for debt servicing or depreciation, whichever is the larger.	Funding cover = 0.8	Funding cover = 0.8	Funding cover = 0.9	Funding cover = 1.0	Funding cover 1.2

4 Activity Management

There are multiple factors that influence how Council manages this activity. They can be internal or external and include legislation, policies, regulations, strategies and standards. This section summarises these key linkages.

4.1 Demand Drivers

This will be considered on a case by case basis for each property. The proceeds from the sale of low performing investments may be reinvested to achieve a higher return.

4.2 Asset Condition and Performance

These have generally been kept under regular surveillance and maintenance programmes have been actioned. Whilst some assets are aged, they have generally been well maintained and are in good condition.

Seismic assessment of key properties was made during 2012 all of which were above minimum requirements. Condition assessments are scheduled regularly for these assets when valuations are completed and where key issues are found, structural assessments are arranged. This section remains a work in progress for completion over the next two years.

4.3 Operations and Maintenance

4.3.1 Overview

All commercial property is managed by Tasman District Council through Council staff and Council agents as required (with input from user groups).

The reports and recommendations to Council are made through the Commercial Committee which reports to the Full Council. These include but are not restricted to:

- Individual features of each site
- Operational and tenancy mix
- Types of uses
- Occupancy rates

The Commercial Portfolio Manager, is the manager for all commercial property and has the delegated responsibility for its administration.

4.3.2 Maintenance Strategy

Council's strategy is to maintain commercial property to a sound standard suitable for market lease income rates; so that these provide a facility suitable for the commercial users at the least long term cost to Council.

4.3.3 Control and Management of Operations and Maintenance

Condition assessment inspections are managed through the Commercial Portfolio Manager for all sites.

4.3.4 Maintenance Standards

The minimum level of service requires a high standard of maintenance for all assets.

4.3.5 Deferred Maintenance

Deferred maintenance is:

- the shortfall in rehabilitation or refurbishment work required to maintain the service potential of the asset, or
- maintenance and renewal work that was not performed when it should have been, or when it was scheduled to be, and which has therefore been put off or delayed for a future period.

Maintenance of commercial property has been mainly completed in recent years. Some work has been deferred due to funding restrictions. The Council has reduced any rate funding of the legacy commercial assets with a view to making these self-funding.

With the exception of the above, the current budget levels are believed to be sufficient to provide the proposed levels of service and therefore no other maintenance work has been deferred. This however is subject to the changes in levels of service and expectations of customers.

4.3.6 Increase in Network Size through Development

Extension of the commercial property boundary is unlikely at a wholesale level.

4.3.7 Projected Operations and Maintenance costs

Detail the projected operations and maintenance expenditure for the next 10 years are listed in the summarised financials within the summary front end of the AMP and Section 9.

4.4 Asset Renewal/Replacement

Renewal expenditure is major work that does not increase the asset’s design capacity but restores, rehabilitates, replaces or renews an existing asset to its original capacity. Work over and above restoring an asset to original capacity is new works expenditure.

Assets are considered for renewal as they near the end of their effective working life, or where the cost of maintenance becomes uneconomical and when the risk of failure of critical assets is sufficiently high.

The renewal programme has been developed by the following.

- Taking the asset’s age and remaining life predictions from the valuation database, calculating when the remaining life expires, field validation of the current condition, and converting that into a programme of replacements based on current unit rates.
- Reviewing and justifying the renewals forecasts using the accumulated knowledge and experience of asset operations and asset management staff.

The renewal programme is reviewed in detail during each Activity Management Plan update (i.e. three yearly) and every year the annual renewal programme is reviewed and planned with the input of lessees and Council management.

The Council proposes to maintain the existing level of service provided to all commercial property users including the lessees to meet at least the existing needs. Table 3-7 details the key renewal work programmed for years 2018 to 2028.

Table 3 - 7: Significant Projects

Project Name	Description	Year 1 (\$)	Year 2 (\$)	Year 3 (\$)	Year 4 to 10 (\$)	Project Driver
Armadillos Restaurant Richmond, 183 Queen Street	Remedial Works				\$900,000	
Golden Bear Mapua Shed 5	Toilet Block	\$250,000				

4.5 Asset Development

The capital programme that has been forecast for this activity is summarised in the front end of this AMP and in Section 10. An individual business case is required to establish the commercial viability of any proposal, or where this cannot be established because of legacy and social issues related to activities these are clearly set out.

4.6 Asset Disposal

There are no planned asset disposals.

5 Financials

This AMP and the financial forecasts within it have been developed from information that has varying degrees of completeness and accuracy. In order to make decisions in the face of these uncertainties, assumptions have to be made. This section documents the uncertainties and assumptions that the Council considers could have a significant effect on the financial forecasts and discusses the potential risks that this creates.

5.1 Funding Policy, Fees and Charges

The Commercial Property activity is currently funded through a mixture of the following sources:

Table 3 – 8: Funding Sources

	General Rates	Uniform Annual General Charges	Targeted Rates	User Fees and Charges	Interest	Dividends from Investments	Financial Contributions	Grants and Subsidies	Leases and Other Sources
Commercial Property									✓

- lease income
- licence income
- asset sales
- sundry income
- fees and charges
- general rates, uniform annual general charges, rates penalties
- loans and borrowings
- development and financial contributions
- depreciation funds and other reserves
- subsidies and grants for operating purposes (if any)
- internal charges and overheads applied
- local authority fuel tax.

The objective is for all commercial facilities to be operated without support from rates and provide a sustainable financial return for Council. Major capital projects may be loan funded. When loans are made, the loan is taken for a fixed period, usually 20 years, with a fixed annual principal repayment as a capital expense on the account, and interest payments as an operating expense. For the purpose of the financial forecasts, all new works and renewal work has been assumed to be loan funded. Commercial activities may dispose of low performing assets and purchase additional assets that produce a better return or improve consolidated financial performance to Council.

5.2 Asset Valuation and Depreciation

The Local Government Act 1974 and subsequent amendments contain a general requirement for local authorities to comply with Generally Accepted Accounting Principles (GAAP).

Council requires its infrastructure asset register and valuation to be updated in accordance with Financial Reporting Standards and the AMP improvement plan.

The valuations summarised below have been completed in accordance with the following standards and are suitable for inclusion in the financial statements for the year ending June 2016.

- NAMS Group Infrastructure Asset Valuation Guidelines – Edition 2.0.
- New Zealand International Public Sector Accounting Standard 17; Property, Plant and Equipment (PBE IPSAS 17) and PBE IPSAS 21 (Impairment of Non Cash Generating Assets)

Key assets were previously revalued every three years. Council continues to adopt a three year revaluation cycle. Historic asset valuations reports are held with Council and last valued their assets as at the end of June 2017 for key assets.

Some commercial assets have not been regularly valued and valuations are underway as at June 2017 and will be updated. As we move to a greater commercial focus, all commercial assets will be revalued on a minimum of a 3 yearly basis or as required based on specific project work.

It is noted that due to the origin of a number of these legacy assets, which were vested or transferred to Council, their valuations do not reflect an impairment as a result of restrictions and covenants affecting these assets and restrictions on any possible disposal. These assets are managed using commercial disciplines to maximise returns.

5.2.1 Asset Data

The information for valuing the assets was obtained from Council’s commercial asset registers, based on excel spreadsheet outlining the latest information held.

5.2.2 Asset Lives

Economic lives and residual lives have been defined for all properties. As structures near the end of their theoretical lives, minimum residual lives have been adopted to reflect the remaining base value still existing prior to any renovation or upgrading. Lives used in the valuation are presented in Table 3-9 below.

Table 3 - 9: Data Confidence

Asset Description	Confidence	Comments
Commercial	B - Reliable	The asset registers provide all the physical assets.

*Based on NZ Infrastructure Asset Valuation and Depreciation Guidelines – Edition 2, Table 4.3.1: Data confidence grading system.

The Base Useful Lives for each asset type as published in the NZIAVDG Manual were used as a guideline for the lives of the assets in the valuation. Generally, lives are taken as from the mid-range of the typical lives indicated in the Valuation Manual where no better information is available. Lives used in the valuation are presented in Table 3 - 10 below.

Table 3 - 10: Asset Lives

Commercial Property Assets:	Life (years)	Minimum Remaining Life (years)
Buildings	50	Various

5.2.3 Asset Valuation

The current valuation information is based on either individual property valuation, valuations on specific assets or a generic valuation undertaken during 2017. Asset value dates vary as do the types of valuation used based on the complexity of each asset. The asset depreciated value (as at 30 June 2017) and annual depreciation applying to each group of building assets is summarised below.

Table 3 - 11: Asset Valuation

Asset type:	Current Valuation method	Current Value as at 30 June 2017
Total Commercial Asset Valuation	Rating Valuation & Market Valuation	\$7,070,950

The values above are from a combination of rating and market valuations. All commercial assets will have a higher degree of review and valuation updating during the next 3 years, where individual assets will be valued.

5.2.4 Depreciation

Depreciation of assets must be charged over their useful life. Depreciation is provided on a straight line basis on some infrastructural assets at rates which will write off the cost (or valuation) of the assets to their estimated residual values, over their useful live

5.3 Financial Summary

Council has planned a prudent financial approach to managing its assets and services. This section provides a summary of the total value of the activity and the investment that Council has planned to make over the next 10 years.

5.3.1 Total Expenditure

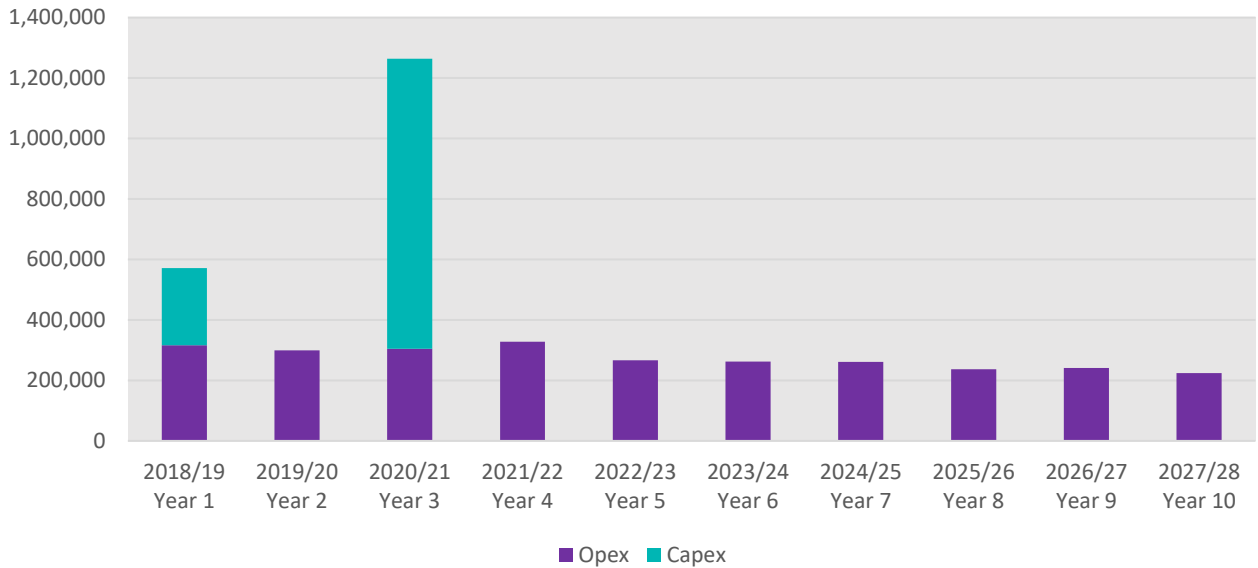


Figure 3 - 2: Total Annual Expenditure Years 1 to 10 Including Inflation

5.3.2 Total Income

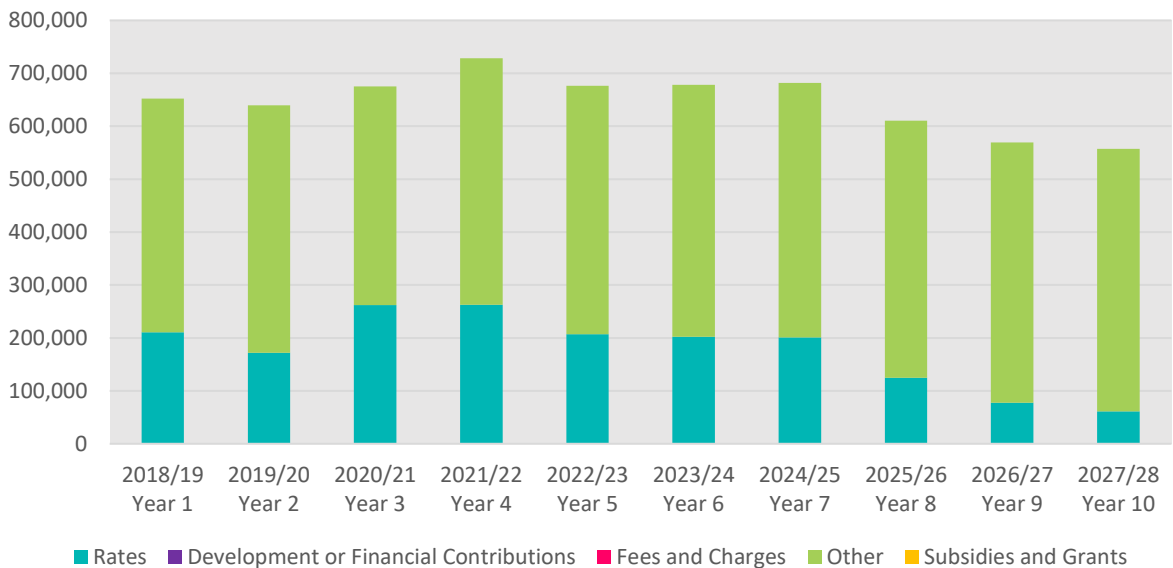


Figure 3 - 3: Total Annual Income Years 1 to 10 Including Inflation

Note: Total Income from Fees and Charges, Local Authorities Fuel Tax and Other Receipts

5.3.3 Total Operating

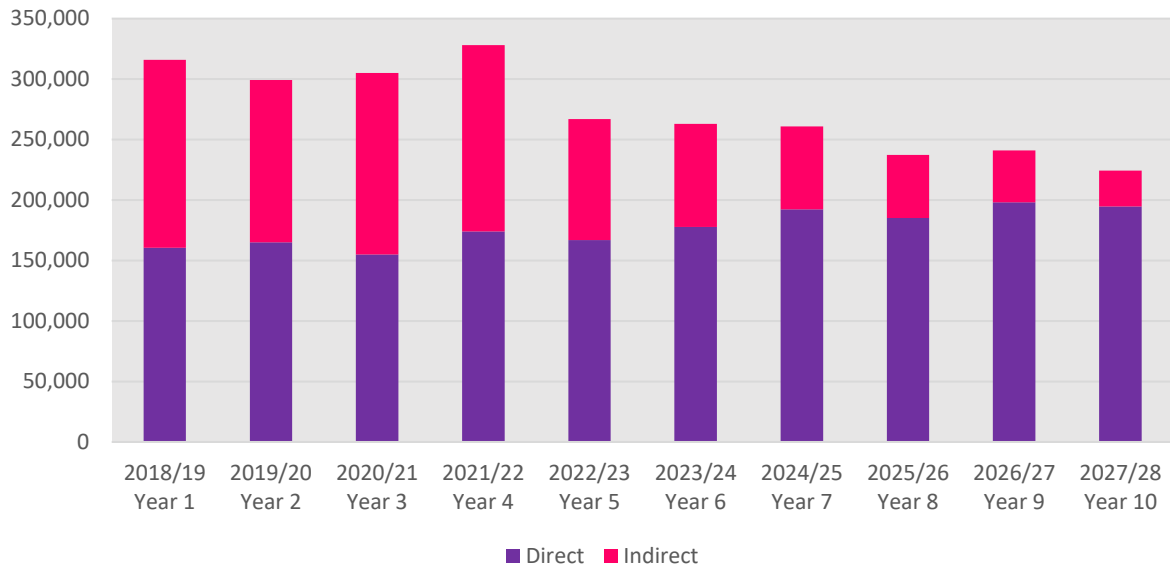


Figure 3 - 4: Total Operating Expenditure Years 1 to 10 Including Inflation

5.3.4 Total Capital

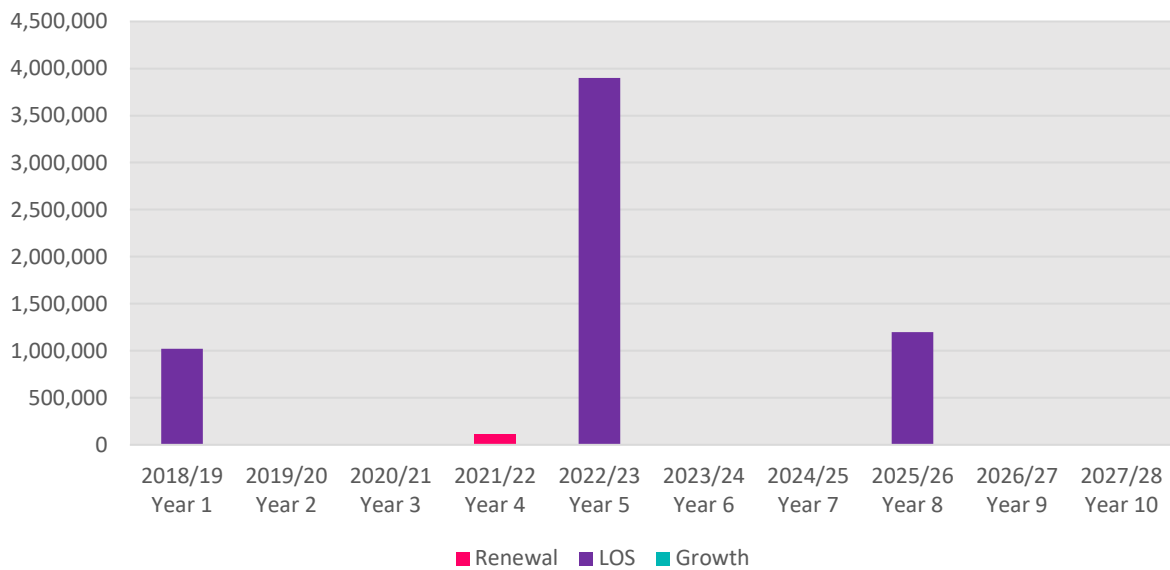


Figure 3 - 5: Total Capital Expenditure Years 1 to 10 Including Inflation

6 Sustainability

Sustainability means that we effectively balance the needs of present and future communities. From an asset management perspective, sustainability is critical, as many assets have a long lifespan and must be ‘future-proofed’. Council has a responsibility to manage this activity in way that supports the environmental, social, cultural and economic well-being of current and future generations. This section focuses on social, cultural and environmental sustainability.

6.1 Negative Effects

Schedule 10 of the Local Government Act (LGA) requires an outline of any significant negative effects that an activity may have on the local community. Potential negative effects associated with commercial activity are outlined in Table 3 - 12. **Error! Reference source not found..**

Table 3 - 12: Negative Effects

Effect	Council's Mitigation Measure
Increased numbers of visitors to wharf precinct increases the risk of clashes with modes of transport e.g. pedestrian, vehicular traffic.	Monitor feedback through quarterly user group, tenant meetings and quarterly Council inspections.
Structural assessment requirements under the building code regarding earthquake risk and age and condition of buildings require regular assessment.	Older buildings would require more attention and early correction as part of a proactive/programmed maintenance approach. Council is managing earthquake prone buildings pursuant to the Building Act 2004 and the Building Amendment Act 2016.

6.2 Positive Effects

The significant positive effects are listed below in Table 3 - 13.

Table 3 - 13: Positive Effects

Effect	Description
Economic development.	Provision and maintenance of commercial property allows for the development of commercial businesses, therefore contributing to economic growth and prosperity. The Council's management of commercial property uses best practice and competitive tendering to provide value for money for ratepayers, thereby increasing non-rating income streams to the Council.
Environmental sustainability.	Commercial property assets, especially the Mapua Wharf and the Precinct area, contribute to community wellbeing by providing assets for economic prosperity and recreational and social use by local, national and international visitors to the area.
Community value.	The Council aims to achieve environmental sustainability whilst managing commercial property assets. Provision of timely maintenance assists in the protection of the assets and the built environment surrounds.

6.3 Environmental Management

6.3.1 Resource Consents

The statutory framework defining what activities require resource consent is the Resource Management Act (RMA) 1991. The RMA is administered locally by Tasman District Council, as a unitary authority, through the Tasman Resource Management Plan (TRMP). The following section discusses key consents that Council holds in order to undertake this activity. The following resource consents have been issued against all commercial property activities in Table 3 - 14 below.

Table 3 - 14: Property Consents Commercial Property

Consent No	Applicant	Location	Type	Use	Effective Date	Expiry Date
MAPUA WHARF PRECINCT						
130710	N McBride (Wheelie Fantastic)	8 Aranui Road Mapua	Land use	Construct a building within the Coastal Environmental Area in the Commercial Zone at Mapua Wharf	11/10/13	N/A
110062	Tasman District Council	Floating pontoon at Mapua Wharf	Coastal disturbance	Installation, operation and maintenance of wharf pontoon structures over waterway within Coastal Marine Area.	06/12/11	14/11/46
11063	Tasman District Council	Floating pontoon at Mapua wharf	Coastal disturbance	Disturbance for structures and pile in the Coastal Marine Area	06/12/11	14/11/46
060576	Department of Conservation	6 Aranui Road Mapua	Land use	Erect a sign at Mapua boat ramp	17/10/06	N/A
980262	TM & VM Fox (Smokehouse Cafe)	6 Aranui Road Mapua	Land use	Establish a fish retail business and licensed cafe	02/11/98	N/A
NN980317	TM & VM Fox (Smokehouse Cafe)	6 Aranui Road Mapua	Coastal occupation/ structure	Occupy seabed by placement of 10 marine treated piles for extension of cafe	30/04/99	31/12/30
000738	TM & VM Fox (Smokehouse Cafe)	6 Aranui Road Mapua	Land use	Erect a sign on a category 2 historic building	12/02/01	N/A
100703	TM & VM Fox (Smokehouse Cafe)	6 Aranui Road Mapua	Land use	Construct 14m ² extension to The Apple Shed (category 2 historic building) on public reserve and build on road reserve	20/10/10	N/A
071195	D & C Yelverton Mapua Holdings Ltd	8 Aranui Road Mapua	Land use	Parking backing out onto a road	07/02/08	N/A
020762	CJ & VF Truman	8 Aranui Road Mapua	Land use	Provide car parking and walkway	23/01/03	N/A
020444	Bentwood Barn Ltd	8 Aranui Road Mapua	Land use	Use part of existing building for jam production and use road reserve for 6 parking places	03/02/05	N/A
060110	James Matranga	8 Aranui Road Mapua	Land use	Establish and operate a brewery and associated cafe/bar	16/06/06	N/A
060110	Tourism Promotions Ltd & Mapua Jet	8 Aranui Road Mapua	Land use	Construct decking that will extend a maximum of 1.5m across the existing boundary of the leased site	12/12/01	N/A

Consent No	Applicant	Location	Type	Use	Effective Date	Expiry Date
MAPUA LAND (EX FRUITGROWERS)						
030421	Theiss Services Pty Ltd	19 Aranui Road Mapua	Land use	Prepare site to enable delivery and commissioning of treatment plant	11/06/03	N/A
090503	Tasman District Council	16 Tahī Street Mapua	Land use - bore	Construct monitoring bores at former Mapua FCC site	17/09/09	N/A
000217	Environmental Remediation Ltd	16 Tahī Street Mapua	Land use	Undertake field trial of a bioremediation (biopile) process	29/05/00	N/A

7 Risk Management and Assumptions

There are factors outside of Council’s control that can change having an impact on Council’s ability to do what it planned. Sometimes the impact can be significant. There is always uncertainty in any planning process but the key to good quality planning is to make clear assumptions to help address this uncertainty. This section sets out the key risks and assumptions that relate to this activity.

The ability to predict future demand for services enables Council to plan ahead and identify the best way of meeting that demand. That may be through a combination of demand management and investing in improvements. This section provides an overview of key drivers of demand and what demand management measures Council has planned to implement.

7.1 Activity Risks and Mitigation

7.1.1 Commercial Property’s Risks

An individual asset risk management strategy for each site will be developed within each business case review and will contain all risk aspects associated with that activity. Major risk events and mitigation measures have been identified below.

Table 3 -15: Key Commercial Property Risks

Risk Event	Mitigation Measures
Condition assessment/maintenance.	<p>Current:</p> <ul style="list-style-type: none"> • Condition assessment and regular reviews of commercial property on an annual basis. Maintenance programme implemented. <p>Proposed:</p> <ul style="list-style-type: none"> • Redevelopment and regularisation of structured maintenance and inspection programmes.
Consents to conduct activities at each site.	<p>Current:</p> <ul style="list-style-type: none"> • Comply with necessary legislation, regulation, inspection and certification processes through both Resource and Building consent requirements for activities at each site; • Engage with appropriate parts of Council to ensure compliance processes; • Assurance certification required to be held by Commercial Portfolio Manager and verified at each upgrade opportunity. <p>Proposed:</p> <ul style="list-style-type: none"> • Standardisation of site operating procedures across all Council sites; • Ensuring users comply with operational needs and general health and safety requirements.
Occupancy.	<p>Current:</p> <ul style="list-style-type: none"> • Income streams are based on activity usage; attraction of clientele based on condition assessment, reputation of lessee’s and presentation. • Levels of service proposed at 90% occupancy. <p>Proposed:</p> <ul style="list-style-type: none"> • Continue to measure levels of service capability and measurement of reinvestment/management.

Risk Event	Mitigation Measures
Health and Safety operational needs.	<p>Current:</p> <ul style="list-style-type: none"> • Separate activities at various commercial sites to mitigate operational risks of competing activities; • Standard incident reporting procedures through “Vault” database. • Health requirements and building WOFs for tenancies required. • Ensure all contractors are approved, authorised and certified to meet appropriate standards. <p>Proposed:</p> <ul style="list-style-type: none"> • • Review annually; • Develop emergency plan, test annually; • Comply with Health and Safety at Work Act 2015 and WorkSafe New Zealand’s focus.

7.2 Assumptions and Uncertainties

This AMP and the financial forecasts within it have been developed from information that has varying degrees of completeness and accuracy. In order to make decisions in the face of these uncertainties, assumptions have to be made. Table 3 - 16 documents the uncertainties and assumptions that the Council consider could have a significant effect on the financial forecasts and discusses the potential risks that this creates.

Table 3 - 16: Generic Assumptions and Uncertainties

Type	Uncertainties	Assumption	Discussion
Financial	Unless stated it can be unclear whether financial figures include inflation or not, as well as whether GST has been included or not.	That all expenditure has been stated in 1 July 2017 dollar values and no allowance has been made for inflation and all financial projections exclude GST unless specifically stated.	The LTP will incorporate inflation factors. This could have a significant impact on the affordability of each activity if inflation is higher than allowed for. The Council is using the best information practically available from Business and Economic Research Limited (BERL) to reduce this risk.
Asset Data Knowledge	The Council has inspection and data collection regimes in place for assets.	That the Council has adequate knowledge of the assets and their condition, so that planned renewal works will allow the Council to meet the proposed levels of service.	There are several areas where the Council needs to improve its knowledge and assessments, but there is a low risk that the improved knowledge will cause a significant change to the level of expenditure required.
Growth Forecasts	Growth forecasts are inherently uncertain and involve many assumptions. The Council uses Statistics NZ projections as the basis for its growth planning, but these will vary depending on actual birth and death rates as well as net migration.	That the district will grow or decline as forecast in its Growth Model.	Growth forecasts are used to determine infrastructure capacity and when that capacity will be required. If actual growth varies significantly from what was projected, it could have a moderate impact on the Council’s plans. If higher, new or additional infrastructure may be required quicker than anticipated. If lower, Council may be able to defer the delivery of new or additional infrastructure.

Type	Uncertainties	Assumption	Discussion
Project Timing	<p>Multiple factors affect the actual timing of projects e.g.:</p> <ul style="list-style-type: none"> • Consents • Access to land • Population growth • Timing of private developments 	That projects will be undertaken when planned.	The risk of the timing of projects changing is high due to factors like resource consents, third party funding, and land acquisition and access. The Council tries to mitigate these issues by undertaking the investigation, consultation and design phases sufficiently in advance of when construction is planned. If delays occur, it could have an impact on the levels of service and the Council's financing arrangements.
Project Funding	The Council cannot be certain that it will receive the full amount of anticipated subsidy or contribution. It depends on the funder's decision making criteria and their own ability to raise funds.	That projects will receive subsidy or third party contributions at the anticipated levels.	The risk of not securing funding varies and depends on the third party involved. If the anticipated funding is not received it is likely that the project will be deferred which may impact levels of service.
Accuracy of Cost Estimates	Project scope is often uncertain until investigation and design work has been completed, even then the scope can change due to unforeseen circumstances. Even if the scope has certainty there can be changes in the actual cost of work due to market competition or resource availability.	That project cost estimates are sufficiently accurate enough to determine the required funding level.	The risk of large underestimation is low; however, the importance is moderate as the Council may not be able to afford the true cost of the project. The Council tries to reduce this risk by undertaking reviews of all estimates and including an allowance for scope risk based on the complexity of the project.
Legislation Changes	Often Central Government changes legislation in response to events where the need for change is identified. It is difficult to predict what events may occur and the associated response. Election of a new Government also introduces uncertainty as to what policies they will implement.	That there will be no major changes in legislation or policy.	The risk of major change is high due to the changing nature of the Government and its policies. If major changes occur, it is likely to have an impact on the required expenditure. The Council has not planned expenditure to specifically mitigate this risk.

8 Asset Management Processes and Practices

Lifecycle cost is the total cost to Council of an asset throughout its life including, creation, operations and maintenance, renewal, and disposal. Council aims to manage its assets in a way that optimises the balance of these costs. This section summarises how Council plans to manage each part of the lifecycle for Commercial Property.

8.1 Appropriate Practice Levels

The Office of the Auditor General (OAG) has chosen to use the International Infrastructure Management Manual (IIMM) as the benchmark against which New Zealand councils measure their activity management practices. There are five maturity levels in the IIMM; Aware, Basic, Core, Intermediate and Advanced. The IIMM sets out what the requirements are for each level against each area of the activity management system.

In 2017, the Council reviewed its Activity Management Policy and adopted an updated version. The Policy sets out the Council’s activity management objectives and appropriate levels of practice. For this activity the Council has determined that the appropriate level of practice is “Core”.

8.1.1 Activity and Asset Management Teams

The Council has an organisational structure and capability that supports effective asset management planning. Multiple teams across Council are responsible for the different aspects of activity and asset management. The focus of the teams ranges from a strategic focus at the Long Term Plan/Infrastructure Strategy level which involves a cross-Council team, through to detail/operational focus at the Operational team level.

Within the Property Services Department, the commercial asset management planning function is managed by the Commercial Portfolio Manager in conjunction with the Property Services Team.

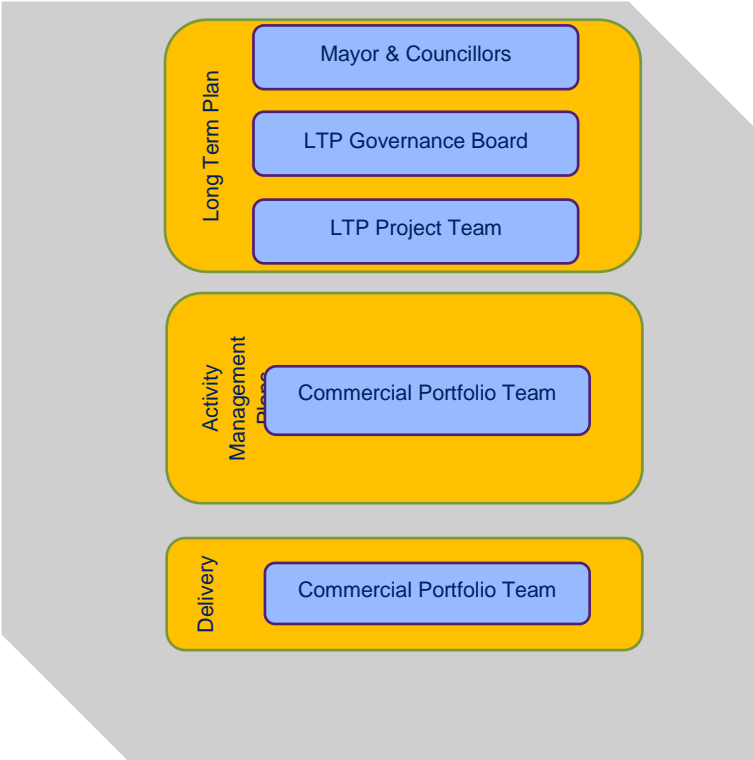


Figure 3 - 6: Teams Involved in Activity and Asset Management

8.1.2 Professional Support

The Property Services Department has a need to access a broad range of professional service capabilities to undertake investigation, design and procurement management in support of its capital works programme, as well as support with activity management practice. There is also a need to access specialist skills for design, planning and policy to support the in-house management of the Council's operations and maintenance.

To achieve this the Council has a panel of contractors in place. This will be reviewed over the term of this AMP.

The Commercial Committee meets quarterly and comprises Councillor membership plus three independent external appointees. This provides investment recommendations, advises on opportunities, risk management advice and strategic input in relation to Council's commercial activities.

8.1.3 Procurement Strategy

The Council has a formal Procurement Strategy that it follows in order to engage contractors and consultants to assist the Property Services Department. This is consistent with whole-of-government procurement initiatives. A review of the strategy was commenced in 2017/18.

8.2 Service Delivery Reviews

In 2014, Section 17A was inserted into the Local Government Act which requires the Council to review the cost effectiveness of its current arrangements for providing local infrastructure, services, and regulatory functions at regular intervals. Reviews must be undertaken when service levels are significantly changed, before current contracts expire, and in any case not more than six years after the last review. In addition to the regular reviews, the Act requires the Council to complete an initial review of all functions by August 2017. No review has been completed to date but it is intended to complete this in early 2018.

8.3 Asset Management Systems and Data

8.3.1 Information Systems and Tools

Table 3-17 summarises the various data types, data source and how they are managed within the Council. It also provides a grading on data accuracy and completeness where appropriate.

Table 3 - 17: Data Types and Information Systems

Data Type	Information System	Management strategy	Data Accuracy	Data Completeness
Asset description	Property File	Updated as required. Property files saved on the network drives	2	2
Asset location	Explore Tasman / GIS	GIS holds a layer depicting Council-owned properties.	2	2
Asset valuation	Finance Spreadsheet	Valuation of assets generally done every year.	2	2
Contract payments	MagiQ	All maintenance and capital works contract payments are done through MagiQ.	N/A	N/A
Customer Service Requests	Customer Services Application	Customer calls relating to asset maintenance are captured in the custom-made Customer Services Application.	N/A	N/A
Financial Information	MagiQ	Council's corporate financial system is MagiQ, a specialist supplier of integrated financial, regulatory and administration systems for Local Government.	N/A	N/A
Capital planning	MagiQ	Programmes for Council's activities are compiled in MagiQ.	N/A	N/A
Maintenance history	MagiQ	Maintenance costs can be manually extracted from this system.	2	2

Data Type	Information System	Management strategy	Data Accuracy	Data Completeness
Photos	Network drives / Silent One	Electronic photos of assets are mainly stored on Council's network drives and Silent One	N/A	N/A
Processes and documentation	Promapp	Promapp is process management software that provides a central online repository where Council's process diagrams and documentation are stored.	2	5

Table 3 - 18: Data Accuracy and Completeness Grades

Grade	Description	% Accurate
1	Accurate	100
2	Minor Inaccuracies	+/- 5
3	50 % Estimated	+/- 20
4	Significant Data Estimated	+/- 30
5	All Data Estimated	+/- 40

Grade	Description	% Complete
1	Complete	100
2	Minor Gaps	90 – 99
3	Major Gaps	60 – 90
4	Significant Gaps	20 – 60
5	Limited Data Available	0 – 20

9 Commercial Property 10 Year Operating Budgets

ID	Name	Total Budget	Financial Year Budget (\$)									
		2018-28	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
10032106	Mapua Health & Safety	15,000	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500
10032202	Mapua Legal Fees	75,000	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500
10032203	Mapua Consultants	30,000	10,000	0	0	10,000	0	0	10,000	0	0	0
10032205	Mapua Valuation / Other	13,500	0	0	4,000	0	0	4,500	0	0	5,000	0
10032407	Mapua Maintenance Buildings	255,000	20,000	20,000	20,000	25,000	25,000	25,000	30,000	30,000	30,000	30,000
10032408	Mapua Maintenance Grounds	105,000	10,500	10,500	10,500	10,500	10,500	10,500	10,500	10,500	10,500	10,500
10032505	Mapua Electricity	15,000	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500
10032506	Mapua Insurance	159,320	15,932	15,932	15,932	15,932	15,932	15,932	15,932	15,932	15,932	15,932
10032508	Mapua Rates / Water	280,000	28,000	28,000	28,000	28,000	28,000	28,000	28,000	28,000	28,000	28,000
10032517	Mapua Sundry Expenses	100,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
10142202	Port Motueka Legal Fees	20,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
10142203	Port Motueka A/M Consultants	15,000	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500
10142401	Port Motueka Endowment Maintenance	50,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
1014240106	Toilet Maintenance	25,000	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500
10142505	Electricity	2,500	250	250	250	250	250	250	250	250	250	250
10142506	MH & CWA Insurance	8,980	898	898	898	898	898	898	898	898	898	898

ID	Name	Total Budget	Financial Year Budget (\$)									
		2018-28	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
10142508	Port Motueka Rates	127,500	12,750	12,750	12,750	12,750	12,750	12,750	12,750	12,750	12,750	12,750
25052202	Legal charges	37,500	2,500	15,000	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500
25052205	Valuation Fees - 183 Queen St	6,750	0	1,500	1,750	0	0	1,750	0	0	1,750	0
25052401	183 Queen St - General Maintenance	47,000	7,500	4,500	0	5,000	5,000	5,000	5,000	5,000	5,000	5,000
25052506	183 Queen St Insurance	77,420	7,742	7,742	7,742	7,742	7,742	7,742	7,742	7,742	7,742	7,742
25052508	Rates	97,500	9,750	9,750	9,750	9,750	9,750	9,750	9,750	9,750	9,750	9,750

10 Commercial Property 10 Year Capital Budgets

ID	Name	Project Driver %		Total Budget	Financial Year Budget (\$)									
		IncLOS	Renewals	2018-28	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
1003610602	Mapua Shed 5 - Gldn Bear/Toilet Block	100	0	250,000	250,000	0	0	0	0	0	0	0	0	0
2505610601	183 Queen Street Remedial Works	0	100	900,000	0	0	900,000	0	0	0	0	0	0	0

Forestry Activity Management Plan 2018



1 Introduction

The purpose of this activity management plan is to outline and to summarise in one place, the Council's strategic management and long-term approach for the provision and maintenance of its Forestry activity.

1.1 What We Do

The Council has forests at seven different locations in the Tasman District totaling 2,817 planted hectares.

1.2 Why We Do It

The Council's objectives are to:

- Obtain a positive economic return on a long term investment
- Offset rate funding
- Provide environmental and recreational benefits for our community
- Maintain the land upon which the Council's forestry investment is held.

1.3 Rationale for Council Involvement

- To provide an ongoing revenue stream from forestry operations to offset general rates requirements.
- To provide outdoor recreational facilities.
- To be an exemplar for green land use.
- Efficient land management option, especially of pieces of land that Council has historically acquired but currently has no other use for and reserve land unsuitable for other uses.

1.4 Description of Assets & Services

The Forestry activity is externally managed by contractors on Council's behalf who have developed a Forestry Management Plan (FMP) covering in detail the activities of Forestry. It is intended that this description is a high level summary only.

Table 4 - 1: Summary of Forestry Areas

Forest Name	Total Area (hectares) Ha	Plantation Area	% Planted
Borlase	838	714.7	85
Eves Valley	28.7	28.7	100
Howard Valley	576.5	454.8	79
Kingsland	145.1	100.2	69
Moturoa / Rabbit Island	1159.1	1034.8	89
Sherry River	489.4	392.1	80
Tunnycliff	112.4	92.1	82
Total	3349.2	2817.4	84

Source: Report by PF Olsen Limited as at 05th April 2018

1.4.1 Moturoa / Rabbit Island

Moturoa / Rabbit Island is located approximately 11km by road west of Richmond off State Highway 60. It occupies a gross area of 1,159 Ha and has a plantable area of 1035 Ha. All plantings are Radiata Pine. It was first planted in 1921.

1.4.1.1 Land Tenure

Legal tenure is all in freehold ownership. The land has a Reserve Management Plan (adopted 22 September

2016) and is primarily classified as Local Purpose (Plantation) Reserve with the balance classified Recreation Reserve.

The Motorua / Rabbit and Rough Island forests are subject to The Waimea County Council Empowering Act 1979 that directs Council to apply 10% of the net profit from the sales of forest products and associated activities in each financial year, or such greater proportion of it as it considers necessary, for the purposes of the adequate maintenance and improvement of the reserves on that land for recreational purposes, or for the purposes set out in section 80 of the Reserves Act 1977.

1.4.1.2 Structures and Layout

Moturoa Rabbit Island is shared with Parks and Reserves and incorporates a number of recreational activities including a cycle and walkway through the plantation area. Part of Nga Haerenga - The New Zealand Cycle Trail, Tasman's Great Taste Trail is a cycle and walkway located within and around the perimeter of the plantation.

The Island also houses Council's bio-solid disposal services from the Nelson Regional Sewerage Business Unit (NRSBU) (a Joint Venture (JV) between Tasman District Council and Nelson City Council).

The land is flat and well suited to mechanical harvesting. Roads are well established but some gravelling and skid site upgrades may be required at the time of harvest.

1.4.2 Borlase

Borlase is located approximately 45km south-west of Richmond. The main access is located off SH6. It occupies a gross area of 838 Ha and has a planted area of 715 Ha. The tree crops are principally Radiata Pine but also include Douglas Fir and Cypress. It was first planted in 1972 and two further blocks added in 1992.

1.4.2.1 Land Tenure

Legal tenure is all in freehold ownership.

1.4.2.2 Structures and Layout

There are no structures on the site. The topography of the forest land ranges from flat to strongly rolling with some steep slopes. Well roaded with existing skid sites.

1.4.3 Eves Valley

Eve's Valley is located approximately 45km south-west of Richmond. The main access is located off SH6. All tree crops are Radiata Pine. It has a total area of 28.7 Ha, of which 11 Ha is planted.

1.4.3.1 Land Tenure

Legal tenure is all in freehold ownership.

1.4.3.2 Structures and Layout

There are no structures on the site and this site was secured as a buffer zone for the neighbouring landfill purposes. It is managed within these assets but is principally for support of refuse/ landfill operations. The topography of the forest land ranges from flat to strongly rolling with some steep slopes.

There is a basic network of four wheel drive (4WD) tracks and upgrading of these tracks and some new roading will be required at the time of harvest.

1.4.4 Howard Valley

The Howard forest is located approximately 110km south-west of Richmond off SH63. It occupies a gross area of 577 Ha of which 455Ha is planted. Tree crops are principally Radiata Pine but also include Douglas Fir and Cypress. It was first planted in 1992.

1.4.4.1 Land Tenure

Legal tenure is all in freehold ownership. The property is subject to Joint Venture agreements which eventually

revert to Council.

1.4.4.2 Structures and Layout

There are no structures on the site. The topography of the forest land ranges from flat to strongly rolling with some steep slopes. There is a basic network of four wheel drive (4WD) tracks and upgrading of these tracks and some new roading will be required at the time of harvest.

1.4.5 Kingsland

The Kingsland forest is located off Queen Street, Richmond, approximately 4kms from Richmond. It consists of four blocks purchased as follows;

- Waterworks block purchased in 1923 – 72 Ha
- Heslop block purchased in 1988 – 54 Ha
- Brown block purchased in 1994– 19 ha

Kingsland has a gross area of 145 Ha and a planted area of 100 Ha. Tree crops are Radiata Pine, Cypress and Macrocarpa. It was first planted in 1978. The close proximity to Richmond makes it a popular walking and cycling location.

1.4.5.1 Land Tenure

The legal tenure is all in freehold ownership.

1.4.5.2 Structures and Layout

The topography of the forest land ranges from flat to strongly rolling with some steep slopes. There are no structures on the site. There is a basic network of four wheel drive (4WD) tracks and upgrading of these tracks and some new roading will be required at the time of harvest.

1.4.6 Sherry River

The Sherry River forest is located approximately 15km south-west of Tapawera and 60km south of Richmond. It occupies a gross area of 489 Ha and a planted area of 392 Ha. Tree crops are principally Radiata Pine but also include Macrocarpa. It was first planted in 1982.

1.4.6.1 Land Tenure

The legal tenure is all in freehold ownership. There are two joint venture forestry rights in favour of other parties in this forest.

1.4.6.2 Structures and Layout

The topography of the forest land ranges from flat, terraced to strongly rolling with some steep slopes. There are no structures on site. There is a basic network of four wheel drive (4WD) tracks and upgrading of these tracks and some new roading will be required at the time of harvest.

1.4.7 Tunnickliff

The Tunnickliff forest is located approximately 21km south of Richmond. It occupies a gross area of 112 Ha and a planted area of 92 Ha. Tree crops now are principally Radiata Pine but also include some Douglas Fir. It was first planted in 1996 by Council.

1.4.7.1 Land Tenure

The legal tenure is all in freehold ownership.

1.4.7.2 Structures and Layout

The topography of the forest land ranges from flat to strongly rolling with some steep slopes. There are no structures on the site. The land has an established roading networks and existing skid sites.

1.4.8 Activities at Forests

Council forests are held for environmental regeneration of trees on a commercially sustainable basis. Varieties are principally Radiata Pine with Douglas Fir and Cypress used in higher altitude forests.

Activities are designed to replenish forest area upon harvest on an average 28 to 30 year cycle (dependent on site and variety)

2 Strategic Direction

Council holds its forestry for long term revenue generation. The ultimate objective is achieving an even flow of timber and thus a more consistent annual income to both support Council business and community recreational activities.

2.1 Our Goal

Harvest the trees as close as possible to their economic optimum age, then replant while ensuring that environmental values are identified and maintained.

2.2 Contribution to Community Outcomes

The community outcomes that the forestry activity contributes to most are shown in Table 4 - 2.

Table 4 - 2: Community Outcomes

Community Outcomes	How Our Activity Contributes to the Community Outcomes
Our unique natural environment is healthy and protected.	All forests are managed according to the various policies and plans so the impact of any effects do not affect the health and cleanliness of the receiving environment. Storage of carbon to reduce the impact of climate change and meet obligations under change agreements.
Our urban and rural environments are people-friendly, well-planned and sustainably managed.	Where practical and safe, public access and use of forests for recreation e.g. biking and walking will be actively encouraged. To maintain control over usage, permits may be required for public entry into the forest areas.
Our infrastructure is efficient, cost effective and meets current and future needs.	Council forests have gained Forestry Stewardship Council (FSC) certification ensuring they are sustainably managed within internationally recognised guidelines.
Our communities are healthy, safe, inclusive and resilient.	Procedure are in place to protect the safety of forest contractors and recreational users.
Our communities have opportunities to celebrate and explore their heritage, identity and creativity.	n/a
Our communities have access to a range of social, cultural, educational and recreational facilities and activities.	Public access to our forests is supported to allow educational and recreational activities.
Our Council provides leadership and fosters partnerships, a regional perspective, and community engagement	Neighbours of the forest estate boundaries and community action groups get involved in boundary issues such as weed and pest control, access and boundary alignment issues. These groups act independently but are coordinated at an overview level by the Council Reserves staff.
Our region is supported by an innovative and sustainable economy.	The long term plan has been developed to produce an even flow of timber from the Council's forestry estate with the ultimate objective of achieving a non-declining annual volume cut from the forests with an average stand rotation length of approximately 28 years.

2.3 Key Issues

Council will continue to mitigate the health and safety concerns arising from increased recreational use of plantation forestry and commercial areas by the public. This will require greater security, signage and management deterrents with regular liaison between Council and contractors.

Council will contribute to the improvement of Health and Safety within high risk industry sites (forestry and port) to reduce the potential for serious injuries and fatalities. External auditors will be used to assess risks associated with external and internal influences. There is a need to better manage public access/conflict with production activity and fire risks.

The key issues for all forestry are:

- Waimea County Council Empowering Act 1979 – directs Council to apply 10% of the net profit from the sales of Motorua / Rabbit and Rough Island forests forest products and associated activities in each financial year, or such greater proportion of it as it considers necessary, for the purposes of the adequate maintenance and improvement of the reserves on that land for recreational purposes, or for the purposes set out in section 80 of the Reserves Act 1977.
- Maintaining Forestry Stewardship Council (FSC) certification.
- Retention of the New Zealand Emissions Trading Scheme (NZ ETS) in its current form.
- Maintaining critical mass for sustained and regular harvesting programme.
- Appropriate external management by industry specialist.
- Underlying land ownership covenants.
- Supplementary leases.
- Asset knowledge, condition assessment and upgrade of key infrastructure requires immediate investment.
- Conflict between commercial production forestry use and recreational use.

2.3.1 Strategic Approach

The strategic approach to all commercial property assets is:

- Regular engagement with users through contractors, lessee's and the community.
- Encouragement of additional development/investment where a business case can substantiate further activities in order to supplement the income
- Regular condition assessments to be undertaken and reviewed at least every three years

2.4 Key Changes

There are no changes since the 2015 AMP.

2.5 Key Legislation

Table 4 - 3: Key Legislation

Legislation	How it Relates to ...
Waimea County Council Empowering Act 1979	Directs Council to apply 10% of the net profit from the sales of Motorua / Rabbit and Rough Island forests forest products and associated activities in each financial year, or such greater proportion of it as it considers necessary, for the purposes of the adequate maintenance and improvement of the reserves on that land for recreational purposes, or for the purposes set out in section 80 of the Reserves Act 1977.
Reserves Act 1977	The Act provides for the physical welfare and enjoyment of the public and for the protection of the natural environment and beauty of areas for recreational activities.
Forests Act 1949	Regulates forestry and promotes and protects sustainable forestry in New Zealand.
Health & Safety at Work Act 2015	Secure the forest workplace as free from hazards and risks as is reasonably practicable for workers and other persons.
Resource Management Act 1991	In some instances where forestry and associated land disturbance activities are specified as controlled or discretionary activities, resource consent must be obtained prior to starting the activities.
Heritage New Zealand Pouhere Taonga Act 2014	Current sites have a number of cultural and protected aspects on the holiday parks and holiday parks. Council commercial requirements are managed in conjunction with iwi, Parks and Reserves and other stakeholders.
Pesticides Act 1979	The Act regulates and controls the use of pesticides which may be part of the Forestry Management Plan.

Legislation	How it Relates to ...
Fire and Emergency New Zealand Act 2017	The role of the fire service and volunteers in relation to fire safety in the forest plantations.
Te Tiriti o Waitangi – Treaty of Waitangi	The Treaty of Waitangi (Treaty) is an agreement between Māori and the Crown. Section 4 requires Council to recognise and respect the Crown's responsibility to take appropriate account of the Treaty's principles and to maintain and improve opportunities for Māori to contribute to local government decision-making processes. Further sections of the Act, particularly 77 and 81, detail the scale of requirement for local authorities to seek contributions and involvement from Māori in consultation and decision-making processes.
Biosecurity Act 1993	To enable the exclusion, eradication and effective management of pests and unwanted organisms in our forests.
Climate Change Response Act 2002	Puts in place a legal framework to enable New Zealand to meet its international obligations under the United Nations Framework Convention on Climate Change and the Kyoto Protocol.
Climate Change (Forestry Sector) Regulations 2008	Management of New Zealand Emissions Trading Scheme.
The Local Government Act 1974 and 2002	Provides a framework and powers for local authorities to decide which activities they undertake and the manner in which they will undertake them.

2.6 Key Planning, Policies and Strategies

Table 4 - 4: Key Planning, Policies and Strategies

Planning, Policies & Strategies	How it Relates to ...
Pakohe Management Plan	Ensure compliance with the Iwi Environmental Management Plan (IEMP) which includes agreed protocols for the management of argillite quarrying activities.
Forestry Management Plan	External professional management of Council forestry operations.
New Zealand Forest Code of Practice	Sets out guidelines, which ensure safe and efficient forest operations that meet the requirements of sound and practical environmental management.
Forest Recreational Access Policy 2018	To provide managed access to Council forests for recreation.

2.7 Tasman District Council Bylaws

Table 4 - 5: Bylaws

Bylaws	How it Relates to ...
Tasman's Great Taste Trail Bylaw 2012	The trail both crosses and circuits Moturoa / Rabbit Island. Promote, protect, and maintain the safety of people using, or working, and living in proximity to the trail; and Protect from nuisance those using or working and living in proximity to the trail; and Protect and maintain the natural and wildlife values and habitats in the vicinity of the trail.

3 Levels of Service

A key objective of this plan is to match the levels of service provided by the Forestry activity with the agreed expectations of our customers and their willingness to pay for that level of service. These levels of service provide the basis for the life cycle management strategies and works programmes identified in this plan.

Levels of service are attributes that Tasman District Council expects of its assets to deliver the required services to stakeholders.

A key objective of this plan is to clarify and define the levels of service for the commercial property assets and then identify and cost future operations, maintenance, renewal and development works required of these assets to deliver that service level. This requires converting user's needs, expectations and preferences into meaningful levels of service.

Levels of service can be strategic, tactical, operational or implementation and should reflect the current industry standards and be based on:

- Customer Research and Expectations: information gained from stakeholders on expected types and quality of service provided.
- Statutory Requirements: Legislation, regulations, environmental standards and Council bylaws that impact on the way assets are managed (e.g. resource consents, building regulations, health and safety legislation). These requirements set the minimum level of service to be provided.
- Strategic and Corporate Goals: Provide guidelines for the scope of current and future services offered and manner of service delivery, and define specific levels of service, which the organisation wishes to achieve.
- Best Practices and Standards: Specify the design and construction requirements to meet the levels of service and needs of stakeholders.

3.1 Our Levels of Service

The following table summarises the levels of service and performance measures for the forestry activity. Shaded rows are the levels of service and performance measures to be included in the Long Term Plan.

Table 4 - 6: Levels of Service and Performance Measures

Levels of Service	Performance Measure	Current Performance	Future Performance Targets			
			Year 1	Year 2	Year 3	Year 10
			2018/19	2019/20	2020/21	2028/29
Commercial assets are managed prudently to provide a financial return for the benefit of the districts ratepayers	Net return on Forestry assets will provide a commercial outcome.	8% over the last two financial years (2015-2017)	9%	9%	9%	9%
Management systems and strategic planning are up-to-date.	Activity Management Plan completed for Property and Council Enterprises.	100% compliance – all building facilities are encompassed in an AMP	100% compliance	100% compliance	100% compliance	100% compliance
Site health and safety is managed effectively.	100% of site safety issues responded to within required timeframes.	100% compliance	100% compliance	100% compliance	100% compliance	100% compliance
	No serious harm incidents are reported.	0 serious harm incidences	0 serious harm incidences	0 serious harm incidences	0 serious harm incidences	0 serious harm incidences
	All facilities that require them have a fire safety plan, including evacuation	100% compliance	100% compliance	100% compliance	100% compliance	100% compliance

4 Activity Management

There are multiple factors that influence how Council manages this activity. They can be internal or external and include legislation, policies, regulations, strategies and standards. This section summarises these key linkages.

4.1 Demand Drivers

Considered on a case-by-case scenario based on commercial outcomes. There are no planned expansions but should efficiency or continuity gains be evident and a suitable business case can be developed, then it is likely Council would look to develop a business case for Council consideration of further investment in forestry that provides long term relatively stable returns for Council.

4.2 Asset Condition and Performance

Council receives quarterly reports from PF Olsen updating the key issues and market trends allowing Council insights into market conditions and industry best practice/direction. Site visits to every forest occurs at least annually by Commercial Portfolio Manager.

4.3 Operations and Maintenance

4.3.1 Overview

All operation and maintenance of the forestry is currently under contract to PF Olsen who arrange for all planting, silver culture and harvesting. This includes land management and weed control work as required.

The reports and recommendations to Council are made through the Commercial Portfolio Manager to the Commercial Committee which reports to the Full Council.

The Commercial Portfolio Manager, is the manager for all Forestry assets and has delegated the responsibility for its administration

4.3.2 Maintenance Strategy

Council's strategy is to maintain its Forestry assets as a renewable/sustainable resource; so that these provide a sustainable income stream to Council.

4.3.3 Control and Management of Operations and Maintenance

Condition assessment inspections are managed through the Commercial Portfolio Manager for all sites.

4.3.4 Maintenance Standards

The minimum level of service requires a high standard of maintenance for all assets.

4.3.5 Deferred Maintenance

Deferred maintenance is not applicable to this asset as all areas are replanted following harvest and covered from gross operating costs before Council's returns.

The current budget levels are believed to be sufficient to provide the proposed levels of service and therefore no maintenance work has been deferred.

4.3.6 Increase in Network Size through Development

Extensions of the Forestry activity are not specifically a focus but could become an option should it locate a site and scale that fits its current operation for commercial gain and to support a consistent harvesting plan.

4.3.7 Projected Operations and Maintenance Costs

Direct and indirect costs plus overheads make up the cost structure associated with forestry operations. Over the 10 years from 2018-2028 costs are forecasted to be \$42.2M. These cost types are described in Table 4 - 7.

Table 4 - 7: Forestry Costs

• Logging	• Land Preparation	• Insurance
• Cartage	• Road Maintenance	• Legal
• Harvest Management	• Forest Management	• Rates
• Roads & Skid Sites	• Tending	• Valuation
• Forestry Stewardship Council certification	• Protection	• Biosolids Management

4.4 Asset Renewal/Replacement

Renewal of the existing asset is ongoing replanting of forest areas following harvesting, which remains current policy.

The replanting programme has been developed by the following:

- Using age class distribution data, the long term cutting plan is to produce an even flow of timber with rotation ages no less than 25 years for unpruned stands and 27 years (preferably 30 years) for pruned stands.
- The ultimate objective is to achieve a non-declining annual volume cut from the forests with an average stand rotation length of 30 years.
- Reviewing and justifying the renewals programme using the accumulated knowledge and experience of the forest managers and Council staff.

The renewal programme is reviewed in detail during each Activity Management Plan (AMP) update (i.e. three yearly), and every year the annual renewal programme is reviewed and planned with the input of the maintenance contractor and consultant, with the view of maximising financial returns.

The Council proposes to maintain the existing level of service. All harvest, management, maintenance and replanting will typically be undertaken by the Council's contractor who is engaged to undertake all activities throughout the district. Packaging the work in this way is an efficient way of engaging experienced contractors at competitive rates.

The forestry contractors are required to comply with the various operating and legislative standards for all activities.

4.5 Asset Development

4.5.1 Development of New Capital Requirement Forecasts

An individual business case is required to establish the commercial viability of any proposal to add or subtract from the current forestry holding. There are no projects planned but should economic benefits or smoothing income streams or adding to its portfolio be identified by Council for this activity, these may be subsequently added.

4.6 Asset Disposal

There are no planned asset disposals.

5 Financials

Forestry is a self-funding activity via the sale of timber, both export and the local market, which provides an immediate and ongoing generation of income.

5.1 Funding Policy, Fees and Charges

The Forestry activity is currently funded through a mixture of the following sources:

Table 4 - 8: Funding Sources

	General Rates	Uniform Annual General Charges	Targeted Rates	User Fees and Charges	Tree Crop Harvest	Dividends from Investments	Financial Contributions	Grants and Subsidies	Other Sources
Forestry					✓				✓

- lease income
- licence income
- crop sales – export and local market
- grazing income
- sundry income

The objective is for all commercial land to be operated without support from rates and provide a sustainable financial return for Council.

Major capital projects may be loan funded. When loans are made, the loan is taken for a fixed period, usually 20 years, with a fixed annual principal repayment as a capital expense on the account, and interest payments as an operating expense. For the purpose of the financial forecasts, all new works and renewal work has been assumed to be loan funded.

Commercial activities may dispose of low performing assets and purchase additional assets that produce a better return or improve consolidated financial performance to Council.

5.2 Asset Valuation and Depreciation

The Local Government Act 1974 and subsequent amendments contain a general requirement for local authorities to comply with Generally Accepted Accounting Principles (GAAP).

Council requires its infrastructure asset register and valuation to be updated in accordance with Financial Reporting Standards and the AMP improvement plan.

The valuations summarised below have been completed in accordance with the following standards and are suitable for inclusion in the financial statements for the year ending June 2017.

- NAMS Group Infrastructure Asset Valuation Guidelines – Edition 2.0.
- New Zealand International Public Sector Accounting Standard 17; Property, Plant and Equipment (PBE IPSAS 17) and PBE IPSAS 21 (Impairment of Non Cash Generating Assets)

Key assets were previously revalued every three years. Council continues to adopt a three year revaluation cycle. Historic asset valuations reports are held with Council and last valued their assets as at the end of June 2017 for key assets.

Some commercial assets have not been regularly valued and valuations are underway as at June 2017 and will be updated as per the improvement plan. As we move to a greater commercial focus, all commercial assets will be revalued on a minimum of a 3 yearly basis or as required based on specific project work.

We stress that due to the origin of a number of these legacy assets, which were vested or transferred to Council,

their valuations do not reflect an impairment as a result of restrictions and covenants affecting these assets and restrictions on any possible disposal. These assets are managed using commercial disciplines to maximise returns.

5.2.1 Asset Data

The information for valuing the assets was obtained from Council's commercial asset registers, based on spreadsheet outlining the latest information held.

5.2.2 Asset Lives

Economic lives and residual lives have been defined for all properties.

Table 4 - 9: Data Confidence

Asset Description	Confidence	Comments
Tree Stock	B - Reliable	Inventory records and site plans are maintained for all forestry.

Based on New Zealand Institute of Forestry (NZIF) Forest Valuation Standards and NZ IAS 41 and Public Benefit Entity (PBE) International Public Sector Accounting Standards (IPSAS) 27, the New Zealand equivalent to International Accounting Standard 41 Agriculture, which applies to the valuation of tree crops.

Table 4 - 10: Asset Lives

Forestry:	Life (years)	Minimum Remaining Life (years)
Trees	Ongoing	Harvested areas are replanted to provide a perpetual resource

5.2.3 Asset Valuation

The current valuation information is based on either individual property valuation, valuations on specific assets or a generic valuation undertaken during 2017. Asset value dates vary as do the types of valuation used based on the complexity of each asset.

The asset depreciated value (as at 30 June 2017) and annual depreciation applying to each group of building assets is summarised below.

Table 4 - 11: Asset Valuation

Asset type:	Current Valuation method	Value as at 30 June 2017 plus, GST (if any)
Tree Stock	Tree Crop Market Value	\$35,450,000 (a)
Land	Rating Valuation (land)	\$11,110,250 (b)
TOTAL	Various	\$46,560,250

(a) Tree Crop Valuation Report by PF Olsen Limited as at 30th June 2017

(b) Council Asset Register as at 30th June 2017

All commercial assets will have a higher degree of review and valuation updating during the next 3 years, where individual assets will be valued, which has not always historically been the case. This is a reflection on the changing approach of how the commercial assets are to be managed.

5.2.4 Depreciation

Depreciation of assets must be charged over their useful life. Depreciation is provided on a straight line basis on some infrastructural assets at rates which will write-off the cost (or valuation) of the assets to their estimated residual values, over their useful lives. No depreciation is applied to land.

5.3 Financial Summary

Council has planned a prudent financial approach to managing its assets and services. This section provides a summary of the total value of the activity and the investment that Council has planned to make over the next 10 years.

The activity summary covers the consolidated activities of the forestry holdings.

5.3.1 Total Expenditure

- Costs are expected to follow increased harvest trends and remain consistent against income trends.

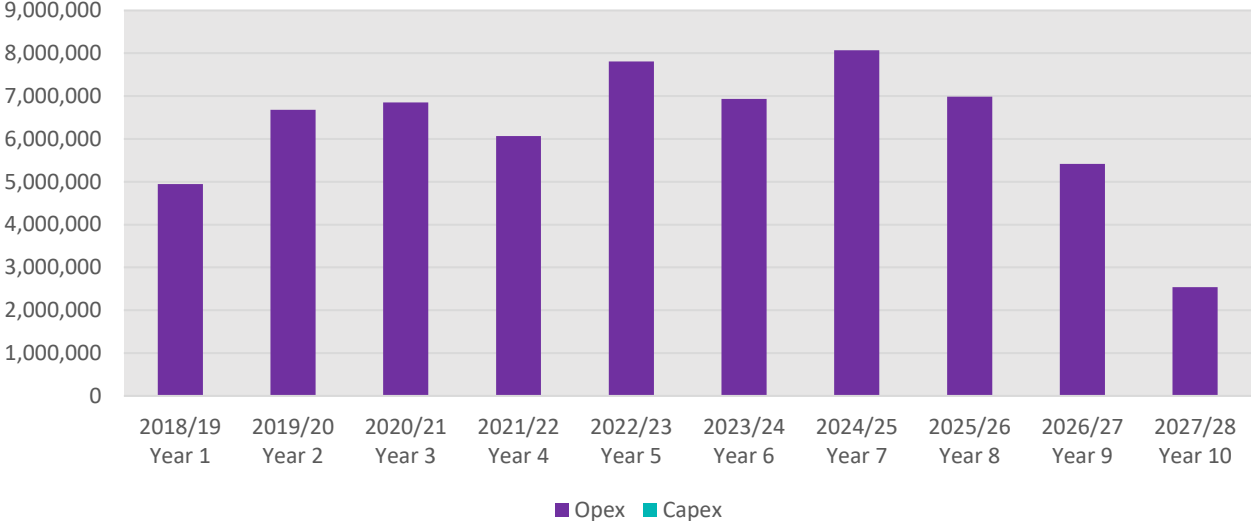


Figure 4 - 1: Total Annual Expenditure Years 1 to 10 Including Inflation

5.3.2 Total Income

- The Council has invested many years in acquisition and is now stabilising its forestry portfolio which provides a long term stable income stream.
- Cyclical commodity price issues with export prices have been mitigated through local market supply and the FSC certification programme. Continuation of this is expected.

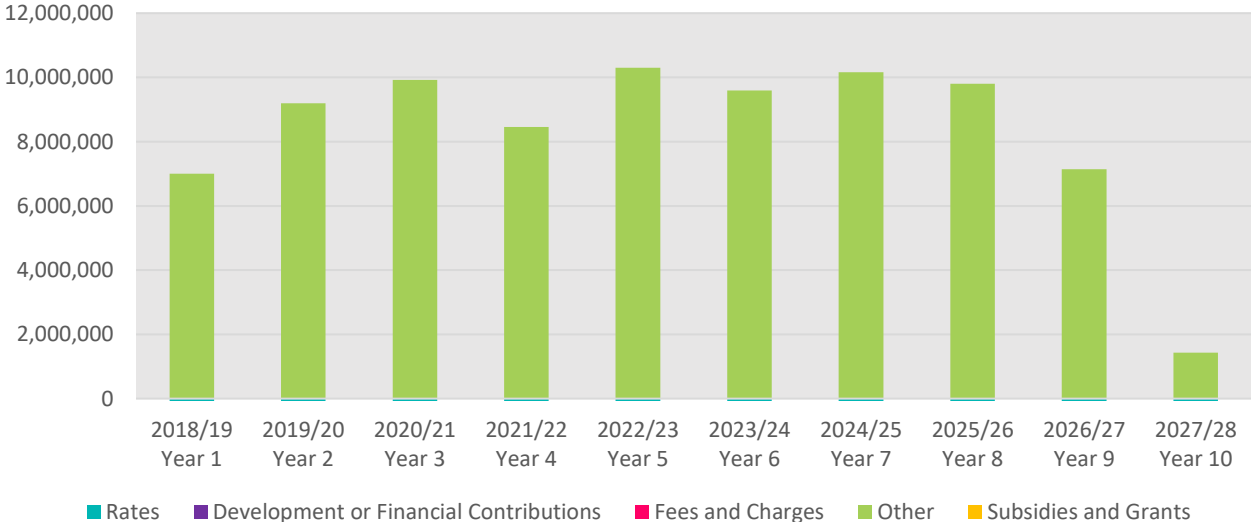


Figure 4 - 2: Total Annual Income Years 1 to 10 Including Inflation

5.3.3 Total Operating

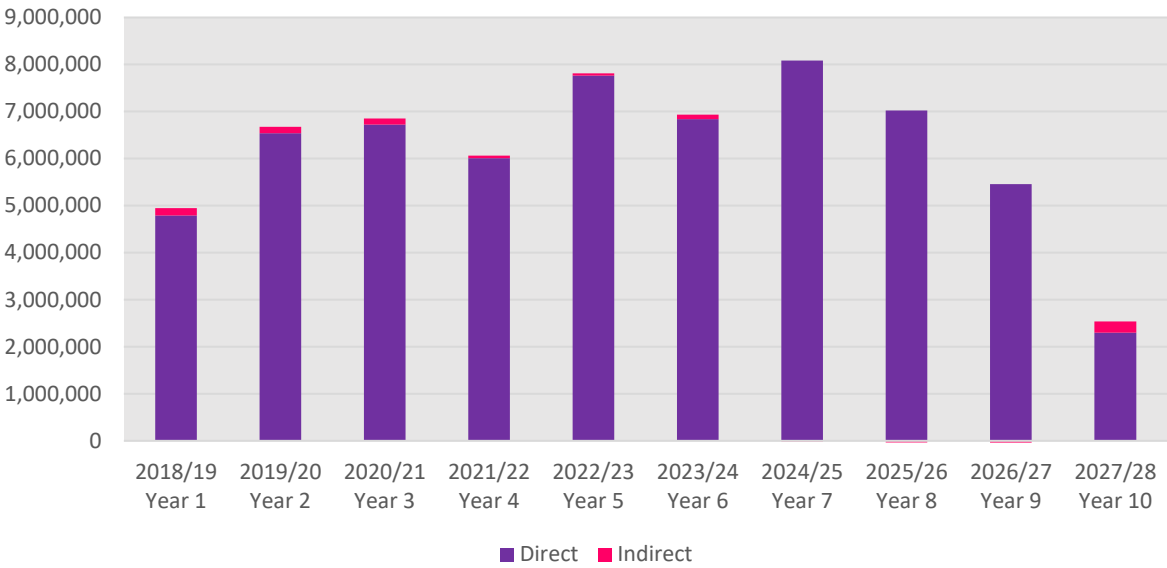


Figure 4 - 3: Total Operating Expenditure Years 1 to 10 Including Inflation

5.3.4 Total Capital

There is no planned capital expenditure for this activity.

6 Sustainability

Sustainability means that we effectively balance the needs of present and future communities. From an asset management perspective, sustainability is critical, as many assets have a long lifespan and must be ‘future-proofed’. Council has a responsibility to manage this activity in way that supports the environmental, social, cultural and economic well-being of current and future generations. This section focuses on social, cultural and environmental sustainability.

6.1 Negative Effects

Schedule 10 of the Local Government Act (LGA) requires an outline of any significant negative effects that an activity may have on the local community. Potential negative effects associated with the commercial property activity are outlined in Table 4 - 12.

Table 4 - 12: Negative Effects

Effect	Council’s Mitigation Measure
Significant increase in the number of serious injuries and fatalities over last five years nationally.	Identification and adoption of industry best practice. Monitoring through monthly meetings and quarterly reports.
Restricted recreational use in forest estates during times of harvesting.	Where practical and safe, public access and use of forests will be encouraged. To maintain control over usage, public entry into the forest areas is by permit and with appropriate insurance if deemed by the forest manager to be necessary.
Public criticism of slash and offcuts blocking drainage channels, structures and roadway during times of storm event.	Proactive management of this is sought through inspection and management. The harvest in difficult areas has been minimal in recent years and will become more of a focus based on the risk within each forest.

6.2 Positive Effects

The significant positive effects are listed below in Table 4 - 13.

Table 4 – 13: Positive Effects

Effect	Description
Economic development.	Harvest at the optimum time for stand condition and export market value thereby contributing to economic growth and prosperity.
Community value.	The provision of the forestry activity is of community value as it takes into consideration neighbouring property interests and needs, the use by recreational users of the estate and also active community groups who are also supported by the Council.
Environmental sustainability.	The Council aims to achieve environmental sustainability within the forestry activity.
Economic efficiency.	Management of the forestry activity by forest managers enables the use of industry best practice and also competitive tendering processes to provide the best value for money for the ratepayers.

6.3 Environmental Management

6.3.1 Resource Consents

The statutory framework defining what activities require resource consent is the Resource Management Act (RMA) 1991. The RMA is administered locally by Tasman District Council, as a unitary authority, through the Tasman Resource Management Plan (TRMP). The following section discusses key consents that Council holds in order to undertake this activity. The following resource consents have been issued against all forestry holdings activities in Table 4 - 14 below.

Table 4 - 14: Property Consents Forestry Activities

Consent No	Applicant	Location	Type	Use	Effective Date	Expiry Date
BORLASE						
120789	Telecom Mobile Ltd	Borlase Forest, Old School Road, Kohatu	Certificate of compliance	Establish a new mobile phone site in the Rural 2 Zone (25m high tubular steel mast)	06/11/12	N/A
EVES VALLEY						
NN970123	Tasman District Council	214 Eve's Valley Road	Discharge – air Discharge – water Discharge - land	Discharge landfill gases, odours and flare landfill gases if required	24/02/98	01/10/15
970214	Tasman District Council	214 Eve's Valley Road	Land use	Alteration to existing Eve's Valley landfill designation	24/02/98	N/A
100413 (plus V1)	Tasman District Council	214 Eve's Valley Road	Land use – bore	Construct up to seven bores for geotechnical investigations and monitoring	17/08/10	01/10/15
NN970272 (plus V1)	Tasman District Council	214 Eve's Valley Road	Discharge – air	Discharge contaminants to air including dust, odour, landfill and if required flared landfill gas (variation replaces original consent issued 1998)	25/02/98 (varied 22/08/14)	01/10/15
NN970271 (plus V2)	Tasman District Council	214 Eve's Valley Road	Discharge – water	Discharge treated stormwater from stages 1 & 2 of landfill via setline ponds to watercourse (variation replaces original consent issued 2006)	20/06/06 (varied 22/08/14)	01/10/15
NN970122 (plus V2)	Tasman District Council	214 Eve's Valley Road	Discharge – water	Discharge contaminants from refuse onto and into land (variation replaces original consent issued 2006)	20/06/06 (varied 22/08/14)	01/10/15
930370	Tasman District Council	683 Howard Valley Road	Subdivision - controlled	Subdivision to create a 43ha farm lot and a 99ha forestry block	15/12/93	N/A
130822	Tasman District Council	683 Howard Valley Road	Land use – disturbance	To upgrade the approach and exits of two fords on the Howard River during the nesting season of black fronted terns	13/12/13	13/12/15
980340	Telecom NZ Ltd	Queen Street, Richmond	Land use	Construct, operate and maintain a mobile phone site	07/06/99	N/A
070849	Tasman District Council	Queen Street, Richmond	Land use	Construction of new forest roads and landings in forestry blocks	08/11/07	N/A
060693 (plus V1)	Telecom Mobile Ltd	Queen Street, Richmond	Land use	Addition of antennae to existing Telecom mobile phone site	30/10/06 (varied 16/05/08)	N/A
120157	Two Degrees Mobile Ltd	Queen Street, Richmond	Certificate of Compliance	Establish, maintain and operate a telecommunications facility at Gum Creek Road, Richmond Hills	05/03/12	N/A

Consent No	Applicant	Location	Type	Use	Effective Date	Expiry Date
100466 (plus V1)	Tasman District Council	Queen Street, Richmond	Land use – disturbance	Alter and maintain a dam in an earthquake zone and land disturbance and slope instability risk area	17/03/11 (varied 22/07/13)	01/09/45
100465 (plus V1)	Tasman District Council	Queen Street, Richmond	Bed – dam & weir structures	Alter a dam and use of a river bed	17/03/11 (varied 22/07/13)	01/09/45
100464 (plus V1)	Tasman District Council	Queen Street, Richmond	Water – dam	Dam and detain floodwater at Reservoir Creek	17/03/11 (varied 22/07/13)	31/05/30
010096	Vodafone NZ Ltd	Hart Road, Richmond	Land use	Establish a telecommunications facility	17/04/01	N/A
080575 (plus V1 & 2)	Vodafone NZ Ltd	Hart Road, Richmond	Land use	Upgrade an existing telecommunications site, plus two variations	21/08/08 (varied 06/03/09, 27/01/11)	N/A
MOTUROA / RABBIT ISLAND						
950036	Bell South New Zealand Ltd	6 Ken Beck Drive Appleby	Land use	Establish a cellular telephone site	28/03/95	N/A
940534	Tasman District Council	6 Ken Beck Drive Appleby	Land use – noncomplying	Use Rabbit island for biosolids disposal	23/08/96	N/A
NN970265	Tasman District Council	6 Ken Beck Drive Appleby	Land use – disturbance	Install two fibreglass long drops and the equestrian centre	17/11/97	18/11/33
010297	Vodafone New Zealand Ltd	6 Ken Beck Drive Appleby	Land use	Erect and operate one additional antenna on an existing telecommunications facility	10/07/01	N/A
010503	Tasman & Districts Equestrian Trust	6 Ken Beck Drive Appleby	Land use	Erect a clubroom and storage facility at Rough Island	12/09/01	N/A
NN940379 (plus V3)	Tasman District Council	6 Ken Beck Drive Appleby	Discharge - land	Discharge biosolids to forestry after treatment and pumping from Bells Island sewerage ponds	05/05/03 (varied 03/09/07)	08/11/20
090013	Vodafone New Zealand Ltd	6 Ken Beck Drive Appleby	Land use	Upgrade and existing telecommunications facility	16/02/09	N/A
110346	Two Degrees Mobile Ltd	6 Ken Beck Drive Appleby	Land use	Establish, maintain and operate two panel antennae and two microwave dishes on existing Vodafone mast	26/05/11	N/A
120543	Tasman District Council	6 Ken Beck Drive Appleby	Coastal disturbance	Removal of 400m ³ sand from forestry block to facilitate shoreline remediation works	19/07/12	19/07/17

Consent No	Applicant	Location	Type	Use	Effective Date	Expiry Date
SHERRY RIVER						
080877	Tasman District Council	Slippery Road, Tadmor	Subdivision - controlled	Subdivide three existing titles into two new allotments	31/05/95	N/A
950054	Tasman District Council	Slippery Road, Tadmor	Land use – disturbance	Create roads and tracks for forestry harvesting	13/02/09	20/01/32

7 Risk Management and Assumptions

The purpose of risk management is to identify the risks associated with forestry activity and assets. This requires considering potential risks from many perspectives, which may include financial, operational, organisational and public health and safety considerations to name a few.

7.1 Activity Risks and Mitigation

7.1.1 Forestry Risks

The Council's Risk Management Strategy in relation to the forestry activity is:

- To maintain and ensure compliance with up-to-date Health and Safety Plans for all contractors and manage through the forestry manager the contractors response to new health and safety issues;
- Utilise the developed Environmental Assessment Matrix in the assessment of environmental risks within the Council forests;
- To manage animal pests, weeds and disease control through the Environmental Management System and Regional Pest Management Strategy where appropriate;
- To provide fire prevention and control through the Council's insurance agents and Fire Emergency New Zealand (FENZ). Fire cover is updated annually for year ending 30th June.

Table 4 - 15: Key Commercial Property Risks

Risk Event	Mitigation Measures
Crop Risk	<p>Current:</p> <ul style="list-style-type: none"> • Annual valuations are completed to understand increasing value based on current condition and volume of crop; • Insurance cover aligned to Council crop value. This is updated annually; • Extreme weather events - reactive inspections following extreme weather by the Forestry Manager; • Annual replanting of crop on rotation basis that follows harvesting plan. <p>Proposed:</p> <ul style="list-style-type: none"> • Continuation of structured measurement and inspection programmes.
Political Risk – Change to Emissions Trading Scheme	<p>Current:</p> <ul style="list-style-type: none"> • Forestry assets are maintained with a long term view, but programmes are reviewed annually; • Any sale of forestry land will compensate for the loss of New Zealand Units (NZU's) and associated benefits; • Landfill cost and waste volumes are monitored continuously – carbon credits can be utilised in satisfying carbon obligations from Council's landfill operations; • Carbon credits (NZU's) are held for a portion of future obligations to mitigate NZU price changes. <p>Proposed:</p> <p>Continuation of New Zealand Emissions Trading Scheme in its present form.</p>

Risk Event	Mitigation Measures
Operational Risk	<p>Current:</p> <ul style="list-style-type: none"> • Forestry Manager's (currently PF Olsen) are responsible for all operational risk on all 7 Council forestry sites; • All contractors fall under the instruction and deployment the Forest Manager and they are responsible for ensuring the appropriate approvals, authorisations and certifications are held by each contractor to meet industry standards; • All harvesting plans widely consulted on inside Council and include hazard management, road traffic plans and risk mitigation; • The Forest Manager visits harvesting sites at least weekly and conduct assurance and compliance checks on harvesting contractors employed by them; • Mitigate harvesting risk by providing security of contract tenure to allow investment in mechanical harvesting, thus minimising high risk activities; • Site visits conducted by Council three monthly with the Forest Manager. <p>Proposed:</p> <ul style="list-style-type: none"> • Continuation of structured relationship management and inspection programmes; • Level of assurance to be increased through both reactive and proactive measurement.
Environmental Risk	<p>Current:</p> <ul style="list-style-type: none"> • Forest Manager produces a risk matrix table for environmental risks and attached high/medium/low ratings across activities from harvesting, residual slash, disposal, fertiliser, hazardous chemicals, fuel management and forest protection. All are measured in day to day activities and reported on quarterly. • Council contracts document require performance around ecological and environment values and Forest Manager's report quarterly. • Overall environmental performance is managed via Forest Stewardship Council certification, with an annual audit by external parties. • Individual users can provide mini tanker supplies from time to time. Responsibility sits within each operator and their provider; • Assurance quarterly certification required by Commercial Portfolio Manager. • Many sites have neighbouring reserves or high ecological interest within the forests. These areas are protected and managed on a different basis to plantation forest areas. <p>Proposed:</p> <ul style="list-style-type: none"> • Introduce portable toilet facilities for staff operating within the forests; • Standardisation of operating procedures across all Council forestry sites; • Ensuring users comply with operational best practice and industry health and safety requirements.
Recreational and Commercial Interaction	<p>Current:</p> <ul style="list-style-type: none"> • Policy currently exists, but is under review; • Many sites are dual use and demands of public are encroaching on commercial forestry operations; • The growing conflict between users is creating health and safety risks for harvesting operations. <p>Proposed:</p> <ul style="list-style-type: none"> • Update the Council policy to clearly highlight what each forestry site will permit for both commercial and recreational activities; • Separate activities where possible to mitigate risk; • Continue to measure and identify actual risks via best practice.

Risk Event	Mitigation Measures
Health and Safety Operational Needs	<p>Current:</p> <ul style="list-style-type: none"> • Observe Industry operational best practice and review annually; • Entry to all forests activities to be well signposted and secure and restricted to appropriate users (e.g. permit system, fencing etc.); • Standard incident reporting procedures through the Council's "Vault" database. • Ensure all contractors are approved, authorised and certified to meet appropriate standards. <p>Proposed:</p> <ul style="list-style-type: none"> • Ensure the Forest Manager continues to develop standard operation procedures that lead the industry. Review annually; • Review the Forest Manager's emergency plan, test annually; • Comply with Health and Safety at Work Act and WorkSafe NZ's focus/ implementation.

7.2 Assumptions and Uncertainties

This AMP and the financial forecasts within it have been developed from information that has varying degrees of completeness and accuracy. In order to make decisions in the face of these uncertainties, assumptions have to be made. Table 4 - 16 documents the uncertainties and assumptions that the Council consider could have a significant effect on the financial forecasts and discusses the potential risks that this creates.

Table 4 - 16: Generic Assumptions and Uncertainties

Type	Uncertainties	Assumption	Discussion
Financial	Unless stated it can be unclear whether financial figures include inflation or not, as well as whether GST has been included or not.	That all expenditure has been stated in 1 July 2017 dollar values and no allowance has been made for inflation and all financial projections exclude GST unless specifically stated.	The LTP will incorporate inflation factors. This could have a significant impact on the affordability of each activity if inflation is higher than allowed for. The Council is using the best information practically available from Business and Economic Research Limited (BERL) to reduce this risk.
Asset Data Knowledge	The Council has inspection and data collection regimes in place for assets. These regimes do not allow for entire network coverage at all times. The Council's aim is to strike the right balance between adequate knowledge and what is practical.	That the Council has adequate knowledge of the assets and their condition, so that planned renewal works will allow the Council to meet the proposed levels of service.	There are several areas where the Council needs to improve its knowledge and assessments, but there is a low risk that the improved knowledge will cause a significant change to the level of expenditure required.
Growth Forecasts	Growth forecasts are inherently uncertain and involve many assumptions. The Council uses Statistics NZ projections as the basis for its growth planning, but these will vary depending on actual birth and death rates as well as net migration.	That the district will grow or decline as forecast in its Growth Model.	Growth forecasts are used to determine infrastructure capacity and when that capacity will be required. If actual growth varies significantly from what was projected, it could have a moderate impact on the Council's plans. If higher, new or additional infrastructure may be required quicker than anticipated. If lower, Council may be able to defer the delivery of new or additional infrastructure.

Type	Uncertainties	Assumption	Discussion
Project Timing	<p>Multiple factors affect the actual timing of projects e.g.:</p> <ul style="list-style-type: none"> • Consents • Access to land • Population growth • Timing of private developments 	That projects will be undertaken when planned.	The risk of the timing of projects changing is high due to factors like resource consents, third party funding, and land acquisition and access. The Council tries to mitigate these issues by undertaking the investigation, consultation and design phases sufficiently in advance of when construction is planned. If delays occur, it could have an impact on the levels of service and the Council's financing arrangements.
Project Funding	The Council cannot be certain that it will receive the full amount of anticipated subsidy or contribution. It depends on the funder's decision making criteria and their own ability to raise funds.	That projects will receive subsidy or third party contributions at the anticipated levels.	The risk of not securing funding varies and depends on the third party involved. If the anticipated funding is not received it is likely that the project will be deferred which may impact levels of service.
Accuracy of Cost Estimates	Project scope is often uncertain until investigation and design work has been completed, even then the scope can change due to unforeseen circumstances. Even if the scope has certainty there can be changes in the actual cost of work due to market competition or resource availability.	That project cost estimates are sufficiently accurate enough to determine the required funding level.	The risk of large underestimation is low; however, the importance is moderate as the Council may not be able to afford the true cost of the project. The Council tries to reduce this risk by undertaking reviews of all estimates and including an allowance for scope risk based on the complexity of the project.
Land Access and Acquisition	Land access and acquisition is inherently uncertain. Until negotiations commence, it is difficult to predict how an owner will respond to the request for access or transfer.	That the Council will be able to secure land and/or access to enable completion of projects.	The risk of delays to projects or changes in scope is high due to the possibility of delays in obtaining access. Where possible, the Council undertakes land negotiations well in advance of construction to minimise delays and scope change. If delays do occur, they may affect the level of service that the Council provides.
Legislation Changes	Often Central Government changes legislation in response to events where the need for change is identified. It is difficult to predict what events may occur and the associated response. Election of a new Government also introduces uncertainty as to what policies they will implement.	That there will be no major changes in legislation or policy.	The risk of major change is high due to the changing nature of the Government and its policies. If major changes occur, it is likely to have an impact on the required expenditure. The Council has not planned expenditure to specifically mitigate this risk.

Type	Uncertainties	Assumption	Discussion
Emergency Reserves	It is impossible to accurately predict when and where a natural hazard event will occur. Using historic trends to predict the future provides an indication but is not comprehensive.	That the level of funding reserves combined with insurance cover will be adequate to cover reinstatement following emergency events.	Funding levels are based on historic requirements. The risk of requiring additional funding is moderate and may have a moderate effect on planned works due to reprioritization of funds.
Network Capacity	The Council uses a combination of as built data, network modelling and performance information to assess network capacity. The accuracy of the capacity assessment is based on the accuracy of asset and performance data.	That the Council's knowledge of network capacity is sufficient enough to accurately programme works.	If the network capacity is higher than assumed, the Council may be able to defer works. The risk of this occurring is low; however, it should have a positive impact on the community because the level of service can be provided for longer before requiring additional capital expenditure. If the network capacity is lower than assumed, the Council may be required to advance capital works projects to provide the additional capacity sooner than anticipated. The risk of this occurring is low; however, it could have a significant impact on expenditure.

Assumptions specific to this activity are listed below;

Table 4 - 17: Significant Assumptions for Forestry Activity

Assumption Type	Assumption	Discussion
Asset Management	That the Council will continue to contract out the management of its forest estate to an appropriate forest management company.	The Council has indicated it will review most commercial assets and decide whether to continue to hold these. Discussion on whether forestry will be sold or retained has yet to be had. Continuance of existing management and operations and its contractors is assumed.
Environmental Policies and Management	All activities within the Council forests are subject to management within a framework set by forest managers, environmental policies and Environmental Management System (EMS).	No changes are anticipated.
Harvesting Strategy	The ultimate objective is to achieve a sustainable annual volume cut from the forests with an average stand rotation length of 28 years.	This is being actively managed to attempt to even out harvest and income levels.

8 Asset Management Processes and Practices

This section outlines the appropriate level of activity management for the forestry activity and summarises our asset management systems and data.

8.1 Appropriate Practice Levels

The Office of the Auditor General (OAG) has chosen to use the International Infrastructure Management Manual (IIMM) as the benchmark against which New Zealand councils measure their activity management practices. There are five maturity levels in the IIMM; Aware, Basic, Core, Intermediate and Advanced. The IIMM sets out what the requirements are for each level against each area of the activity management system.

In 2017, the Council reviewed its Activity Management Policy and adopted an updated version. The Policy sets out the Council's activity management objectives and appropriate levels of practice. For the Forestry activity the Council has determined that the appropriate level of practice is "Core".

8.2 Service Delivery Reviews

In 2014, Section 17A was inserted into the Local Government Act which requires the Council to review the cost effectiveness of its current arrangements for providing local infrastructure, services, and regulatory functions at regular intervals. Reviews must be undertaken when service levels are significantly changed, before current contracts expire, and in any case not more than six years after the last review. In addition to the regular reviews, the Act requires the Council to complete an initial review of all functions by August 2017. No review has been completed to date but it is intended to complete this in early 2018.

8.3 Asset Management Systems and Data

Table 4 - 18 summarises the various data types, data source and how they are managed within the Council. It also provides a grading on data accuracy and completeness where appropriate.

Table 4 - 18: Data Types and Information Systems

Data Type	Information System	Management strategy	Data Accuracy	Data Completeness
Asset location	Explore Tasman / GIS	GIS holds a layer depicting Council-owned properties.	2	2
Tree Stock / Valuation	Reports	Managed by PF Olsen.	2	2
Contract payments	MagiQ	All maintenance and capital works contract payments are done through MagiQ.	N/A	N/A
Customer Service Requests	Customer Services Application	Customer calls relating to asset maintenance are captured in the custom-made Customer Services Application.	N/A	N/A
Financial Information	MagiQ	Council's corporate financial system is MagiQ, a specialist supplier of integrated financial, regulatory and administration systems for Local Government.	N/A	N/A
Capital planning	MagiQ	Programmes for Council's activities are compiled in MagiQ.	N/A	N/A
Maintenance history	MagiQ	Maintenance costs can be manually extracted from this system.	2	2
Photos	Network drives / Silent One	Electronic photos of assets are mainly stored on Council's network drives and Silent One	N/A	N/A

Data Type	Information System	Management strategy	Data Accuracy	Data Completeness
Processes and documentation	Promapp	Promapp is process management software that provides a central online repository where Council's process diagrams and documentation are stored.	2	5

Table 4 - 19: Data Accuracy and Completeness Grades

Grade	Description	% Accurate
1	Accurate	100
2	Minor Inaccuracies	+/- 5
3	50 % Estimated	+/- 20
4	Significant Data Estimated	+/- 30
5	All Data Estimated	+/- 40

Grade	Description	% Complete
1	Complete	100
2	Minor Gaps	90 – 99
3	Major Gaps	60 – 90
4	Significant Gaps	20 – 60
5	Limited Data Available	0 – 20

9 Forestry 10 Year Operating Budgets

ID	Name	Total Budget	Financial Year Budget (\$)										
			2018-28	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
20002202	Legal/Consult	200,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
20002203	Forest Management/Consult	540,000	54,000	54,000	54,000	54,000	54,000	54,000	54,000	54,000	54,000	54,000	54,000
2000220301	Misc Consulting	60,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000
2000220302	Consultancy ets	25,000	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500
2000220303	TDC Forestry Review	20,000	0	0	0	0	0	20,000	0	0	0	0	0
20002205	Forestry Valuation Fees	65,000	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500
20002506	Insurance	802,230	80,223	80,223	80,223	80,223	80,223	80,223	80,223	80,223	80,223	80,223	80,223
20002511	FOA Subs	10,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
20002516	Sundry	25,000	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500
20002527	Forest Certification (FSC)	100,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
20002610	Biosolids Management	280,000	28,000	28,000	28,000	28,000	28,000	28,000	28,000	28,000	28,000	28,000	28,000
2011220317	Rabbit Is - Forest Management	362,760	35,500	36,880	35,500	35,500	36,880	36,500	36,500	36,500	36,500	36,500	36,500
2011240111	Rabbit Is - Road Maintenance	368,000	36,800	36,800	36,800	36,800	36,800	36,800	36,800	36,800	36,800	36,800	36,800
2011240112	Rabbit Is - Land Preparation	640,012	73,849	67,122	79,854	45,785	40,902	66,500	66,500	66,500	66,500	66,500	66,500
2011240113	Rabbit Is - Establishment	1,002,395	99,763	107,247	97,062	111,707	66,891	103,945	103,945	103,945	103,945	103,945	103,945
2011240114	Rabbit Is - Tending	1,642,364	100,550	169,009	163,295	211,040	198,470	160,000	160,000	160,000	160,000	160,000	160,000
2011240115	Rabbit Is - Protection	244,880	24,488	24,488	24,488	24,488	24,488	24,488	24,488	24,488	24,488	24,488	24,488
2011240116	Rabbit Is - Property	345,000	34,500	34,500	34,500	34,500	34,500	34,500	34,500	34,500	34,500	34,500	34,500
2011240119	Rabbit Is - Inventory	26,219	4,696	2,118	6,323	2,806	1,526	1,750	1,750	1,750	1,750	1,750	1,750
20112403	Rabbit Is - Logging	4,668,483	767,329	793,730	808,379	756,702	459,597	527,600	0	496,100	0	59,046	
2011240302	Rabbit Is - Cartage	2,228,139	366,225	378,826	385,817	361,153	219,353	251,809	0	236,775	0	28,181	
2011240304	Rabbit Is - Harvest Management	742,713	122,075	126,275	128,606	120,384	73,118	83,936	0	78,925	0	9,394	
2011240305	Rabbit Is - Roads/Skids Misc	424,408	69,757	72,157	73,489	68,791	41,782	47,964	0	45,100	0	5,368	

ID	Name	Total Budget	Financial Year Budget (\$)									
			2018-28	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
20112508	Rabbit is - Rates	225,000	22,500	22,500	22,500	22,500	22,500	22,500	22,500	22,500	22,500	22,500
20112521	Rabbit Is - Inspection Costs	15,000	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500
20112526	Rabbit Is RMP H&S - Add Mgmt	1,040,000	100,000	140,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
2011252601	Rabbit Is RMP H&S - Security	1,000,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
20112527	Rabbit Is - Forestry Stewardship Council	212,206	34,879	36,079	36,745	34,396	20,891	23,982	0	22,550	0	2,684
2012220317	Kingsland - Forest Management	49,000	4,800	4,800	4,800	4,800	4,800	5,000	5,000	5,000	5,000	5,000
2012240111	Kingsland - Road Maintenance	312,750	125,350	21,850	21,850	21,850	21,850	20,000	20,000	20,000	20,000	20,000
2012240112	Kingsland - Land Preparation	33,575	0	33,575	0	0	0	0	0	0	0	0
2012240113	Kingsland - Establishment	94,923	0	0	64,048	1,800	16,575	2,500	2,500	2,500	2,500	2,500
2012240114	Kingsland - Tending	4,000	800	800	800	800	800	0	0	0	0	0
2012240115	Kingsland - Protection	223,950	22,395	22,395	22,395	22,395	22,395	22,395	22,395	22,395	22,395	22,395
2012240116	Kingsland - Property	11,500	1,150	1,150	1,150	1,150	1,150	1,150	1,150	1,150	1,150	1,150
2012240118	Kingsland - Weed & Pest Control	207,150	79,020	65,850	62,280	0	0	0	0	0	0	0
2012240119	Kingsland - Inventory	3,959	1,459	0	0	0	0	500	500	500	500	500
20122403	Kingsland - Logging	1,620,450	0	1,119,780	0	0	302,670	0	0	198,000	0	0
2012240301	Kingsland - Cartage	504,140	0	348,376	0	0	94,164	0	0	61,600	0	0
2012240302	Kingsland - Harvest Management	108,030	0	74,652	0	0	20,178	0	0	13,200	0	0
2012240305	Kingsland - Roads/Skids Misc	360,100	0	248,840	0	0	67,260	0	0	44,000	0	0
20122508	Kingsland - Rates	32,000	3,200	3,200	3,200	3,200	3,200	3,200	3,200	3,200	3,200	3,200
20122521	Kingsland - Inspection Costs	10,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
20122527	Kingsland - Forestry Stewardship Council	36,010	0	24,884	0	0	6,726	0	0	4,400	0	0
2013220317	Borlase - Forest Management	58,018	5,000	5,518	5,000	5,000	5,000	6,500	6,500	6,500	6,500	6,500
2013240111	Borlase - Road Maintenance	437,750	42,550	42,550	42,550	42,550	42,550	45,000	45,000	45,000	45,000	45,000

ID	Name	Total Budget	Financial Year Budget (\$)									
			2018-28	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
2013240112	Borlase - Land Preparation	124,561	42,080	36,463	46,018	0	0	0	0	0	0	0
2013240113	Borlase - Establishment	844,440	11,800	120,252	81,880	130,795	24,713	95,000	95,000	95,000	95,000	95,000
2013240114	Borlase - Tending	39,913	7,113	17,300	1,000	1,000	1,000	2,500	2,500	2,500	2,500	2,500
2013240115	Borlase - Protection	280,225	26,045	26,045	26,045	26,045	26,045	30,000	30,000	30,000	30,000	30,000
2013240116	Borlase - Property	18,625	1,725	1,725	1,725	1,725	1,725	2,000	2,000	2,000	2,000	2,000
2013240119	Borlase - Inventory	40,565	1,744	4,370	4,109	6,531	6,311	3,500	3,500	3,500	3,500	3,500
20132403	Borlase - Logging	3,442,600	1,114,440	901,240	1,316,840	0	40,080	0	0	40,000	0	30,000
2013240302	Borlase - Cartage	1,377,040	445,776	360,496	526,736	0	16,032	0	0	16,000	0	12,000
2013240303	Borlase - Harvest Management	258,195	83,583	67,593	98,763	0	3,006	0	0	3,000	0	2,250
2013240305	Borlase - Roads/Skids Misc	602,455	195,027	157,717	230,447	0	7,014	0	0	7,000	0	5,250
20132508	Borlase - Rates	56,500	5,650	5,650	5,650	5,650	5,650	5,650	5,650	5,650	5,650	5,650
20132521	Borlase - Inspection Costs	10,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
20132527	Borlase -Forestry Stewardship Council	86,065	27,861	22,531	32,921	0	1,002	0	0	1,000	0	750
2014220317	Tunnickliff - Forest Management	57,500	5,500	5,500	5,500	5,500	5,500	6,000	6,000	6,000	6,000	6,000
2014240111	Tunnickliff - Road Maintenance	96,000	9,200	9,200	9,200	9,200	9,200	10,000	10,000	10,000	10,000	10,000
2014240115	Tunnickliff - Forest Protection	100,875	10,175	10,175	10,175	10,175	10,175	10,000	10,000	10,000	10,000	10,000
2014240116	Tunnickliff - Property	18,625	1,725	1,725	1,725	1,725	1,725	2,000	2,000	2,000	2,000	2,000
2014240119	Tunnickliff - Inventory	8,512	3,115	0	1,205	846	846	500	500	500	500	500
20142403	Tunnickliff - Logging	1,390,200	0	0	0	0	0	0	220,200	0	1,170,000	0
2014240302	Tunnickliff - Cartage	556,080	0	0	0	0	0	0	88,080	0	468,000	0
2014240304	Tunnickliff - Harvest Management	162,190	0	0	0	0	0	0	25,690	0	136,500	0
2014240305	Tunnickliff - Roads/Skids Misc	92,680	0	0	0	0	0	0	14,680	0	78,000	0
20142508	Tunnickliff - Rates	16,500	1,650	1,650	1,650	1,650	1,650	1,650	1,650	1,650	1,650	1,650
20142527	Tunnickliff - Forestry Stewardship Council	46,340	0	0	0	0	0	0	7,340	0	39,000	0

ID	Name	Total Budget	Financial Year Budget (\$)									
		2018-28	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
2015220317	Eves Villy - Forest Management	18,000	1,600	1,600	1,600	1,600	1,600	2,000	2,000	2,000	2,000	2,000
2015240111	Eves Villy - Road Maintenance	85,250	8,050	8,050	8,050	8,050	8,050	9,000	9,000	9,000	9,000	9,000
2015240112	Eves Villy - Land Preparation	15,315	15,315	0	0	0	0	0	0	0	0	0
2015240113	Eves Villy - Establishment	39,011	0	29,561	1,800	7,650	0	0	0	0	0	0
2015240114	Eves Villy - Tending	4,564	4,564	0	0	0	0	0	0	0	0	0
2015240115	Eves Villy - Protection	24,950	2,495	2,495	2,495	2,495	2,495	2,495	2,495	2,495	2,495	2,495
2015240116	Eves Villy - Property	11,500	1,150	1,150	1,150	1,150	1,150	1,150	1,150	1,150	1,150	1,150
20152521	Eves Valley - Inspection Costs	10,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
2016220317	Howard - Forest Management	90,089	5,363	4,500	5,363	4,500	5,363	13,000	13,000	13,000	13,000	13,000
2016240111	Howard - Road Maintenance	206,000	59,800	25,300	25,300	25,300	25,300	9,000	9,000	9,000	9,000	9,000
2016240112	Howard - Land Preparation	295,727	0	0	44,976	89,864	95,887	13,000	13,000	13,000	13,000	13,000
2016240113	Howard - Establishment	282,594	0	0	0	55,180	117,414	22,000	22,000	22,000	22,000	22,000
2016240114	Howard - Tending	75,000	0	0	0	0	0	15,000	15,000	15,000	15,000	15,000
2016240115	Howard - Forest Protection	184,630	18,463	18,463	18,463	18,463	18,463	18,463	18,463	18,463	18,463	18,463
2016240116	Howard - Property	11,500	1,150	1,150	1,150	1,150	1,150	1,150	1,150	1,150	1,150	1,150
2016240119	Howard - Inventory	24,198	19,406	1,198	1,198	1,198	1,198	0	0	0	0	0
20162403	Howard - Logging	5,194,320	0	0	558,090	1,270,200	1,988,550	411,060	966,420	0	0	0
2016240302	Howard - Cartage	4,155,456	0	0	446,472	1,016,160	1,590,840	328,848	773,136	0	0	0
2016240304	Howard - Harvest Management	519,432	0	0	55,809	127,020	198,855	41,106	96,642	0	0	0
2016240305	Howard - Roads/Skids Misc	865,720	0	0	93,015	211,700	331,425	68,510	161,070	0	0	0
20162508	Howard - Rates	34,000	3,400	3,400	3,400	3,400	3,400	3,400	3,400	3,400	3,400	3,400
20162521	Howard Valley - Inspection Costs	10,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
20162527	Howard Valley - Forestry Stewardship Council	173,144	0	0	18,603	42,340	66,285	13,702	32,214	0	0	0

ID	Name	Total Budget	Financial Year Budget (\$)									
		2018-28	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
2017220317	Sherry - Forest Management	75,950	4,500	5,650	5,650	4,500	5,650	10,000	10,000	10,000	10,000	10,000
2017240111	Sherry - Road Maintenance	146,875	14,375	14,375	14,375	14,375	14,375	15,000	15,000	15,000	15,000	15,000
2017240114	Sherry - Tending	8,260	4,260	1,000	1,000	1,000	1,000	0	0	0	0	0
2017240115	Sherry - Forest Protection	166,690	18,338	18,338	18,338	18,338	18,338	15,000	15,000	15,000	15,000	15,000
2017240116	Sherry - Property	15,750	1,150	1,150	1,150	1,150	1,150	2,000	2,000	2,000	2,000	2,000
2017240119	Sherry River - Inventory	33,240	18,448	1,198	1,198	1,198	1,198	2,000	2,000	2,000	2,000	2,000
20172403	Sherry - Logging	5,805,166	0	0	0	0	0	1,519,296	1,709,120	1,743,150	652,800	180,800
2017240302	Sherry - Cartage	3,446,817	0	0	0	0	0	902,082	1,014,790	1,034,995	387,600	107,350
2017240304	Sherry - Harvest Management	544,234	0	0	0	0	0	142,434	160,230	163,420	61,200	16,950
2017240305	Sherry - Roads/Skids Misc	907,057	0	0	0	0	0	237,390	267,050	272,367	102,000	28,250
20172508	Sherry - Rates	32,000	3,200	3,200	3,200	3,200	3,200	3,200	3,200	3,200	3,200	3,200
20172521	Sherry River - Inspection Costs	10,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
20172527	Sherry River - Forestry Stewardship Council	181,411	0	0	0	0	0	47,478	53,410	54,473	20,400	5,650

Ports Activity Management Plan 2018



1 Introduction

The purpose of this activity management plan is to outline and to summarise in one place, the Council's strategic management and long-term approach for the provision and maintenance of its Ports' activity.

1.1 What We Do

The Council owns and operates Port Tarakohe in Golden Bay, which is a small deep water port in the district. The port is primarily used for landing shellfish, wet fish, rock, dolomite and comprises a wharf, a marina, a boat compound, a boat ramp and a weighbridge.

1.2 Why We Do It

The Council's ownership and management ensures the asset is retained for the commercial and recreational community. The Port's economic development and strategic importance is important to all ratepayers and users in both Golden Bay and the wider Tasman region. This asset provides benefits to all users with employment, commercial development and recreation for the wider community.

1.3 Rationale for Council Involvement

The Port comprises a strategic asset and acts as an enabler for marine industries and provides economic development opportunities. In addition, it is a local recreational boating facility.

1.4 Description of Assets & Services

1.4.1 Overview

The Port is the only deep sea port in Tasman District that can accept vessels of a reasonable size. It lies approximately 10km from Takaka along Abel Tasman Drive.

The Port was constructed by the Golden Bay Cement Company. The company ceased operating in the area in 1989 and Tasman District Council became involved when the Golden Bay community requested assistance to develop and maintain this asset. Council purchased the rights to operate the port in June 1994 and now owns the port.

1.4.2 Land Tenure

The land is held as a Local Purpose Reserve (harbour works) in certificate of title NL11C/1211. The Tasman District Council (Tarakohe Harbour Reclamation Validation and Vesting) Act 1995 vested the reclaimed land in the Council as a local purpose reserve.

1.4.3 Structures and Layout

Substantial development works including rock arms (outer moles), dredging and the 61 berth marina have been constructed in the period 2002/04 with an additional rock finger (inner mole) added to the western rock arm in 2007/08. The marina consists of two floating (one commercial, one recreational) and one piled walk on wooden marina.

A structural condition assessment of the key assets at Port Tarakohe was undertaken in August 2009 by Councils professional services consultant, MWH.

The following Port Key Assets are detailed below:

1.4.4 Concrete Wharf

The concrete wharf was constructed in 1977 as part of the Golden Bay Cement Works infrastructure. It is 120m long and 25m wide and is made up of concrete piles, concrete beams, concrete deck, timber kerbs and timber fenders. It has a 250 tonne per square metre rating.

1.4.5 Timber Wharf

The timber wharf was constructed approximately 80 years ago. All aspects of its construction are now in poor condition and is deemed to be unsafe for use. It is now currently unused and was condemned in 2000 - it is fenced off from the public.

1.4.6 Floating Marina

A concrete floating marina was constructed in 2017 containing 16 berths.

A recreational and a commercial floating marina constructed in 2003 containing 41 berths, both are in good condition. This is constructed of interlocking plastic modules in a proprietary system.

1.4.7 Swing Moorings

Council has a Resource consent for 80 swing moorings inside the harbour. Only 20 swing moorings are installed with 10 inside the inner harbour on the western side and a further 10 in the north eastern corner of the outer harbour arm.

1.4.8 Light Tower

The steel lattice structure was initially part of the old conveyor system that Golden Bay Cement Company had installed. The tower is now used for flood lighting of the main wharf area.

1.4.9 Manager's Office

A 6m x 3m portable building made from insulated building panel has been permanently located on piles at the Port entrance, beside the weighbridge. It has two rooms – one 3m x 1m containing toilet, shower and basin on the western end and second is an open office area including a kitchen vanity on the eastern end. Services are gas hot water, two UV filters for water and power. It also operates as a hub for the weighbridge activities including manual releases for all security gates.

1.4.10 Weighbridge and Security Gates at Port entrance

A sensortronic SSLP 502 – 12m x 3m steel deck weighbridge with a calibrated 1 x 40 tonne x 20kg load capacity was installed October-November 2014. It has 6 load cells with Eweigh software to shed housing touch screen computer and printers for all freight in and out of the Port. The complete infrastructure includes concrete structures, drainage, washouts and aprons and an automated gate access system.

1.4.11 Rockwork Protection

The rock protection surrounds the inner and outer moles on all sides and varies in gradient. It is estimated that there is approximately 38,000m³ of rock armour with a further 255,000m³ of core material and rubble.

The resource consent for the development of the western inner mole in 2008 included a number of penguin nests to be constructed along its length, a condition volunteered by Council to reduce the number of penguin fatalities on local roads. These nests consist of a wooden box built into the rock protection, it is hoped that this will encourage the penguins to nest closer to the coast rather than heading inland. It is likely that any further development at the port will see similar conditions.

1.4.12 Water Supply

The water source serving the port is located on land opposite owned by Port Tarakohe Limited. An agreement is in place that allows Council to take water from the source which is maintained by this Company. The source consists of a small capacity dam, when water is stored here it overflows the weir and into two silt traps before being piped to the storage tank. Water control and supply will remain an issue for Council until it sorts its own supply out. Events such as the 2011 floods which damaged the current water supply, proved control of water for its current and future activities is critical.

The 5,70m³ water tank is also sited on Port Tarakohe Ltd land and is capable of storing one week's supply.

In addition, there are a number of silos and water tanks located at the old cement works which would be capable of providing water storage if expansion was required.

Treatment of the potable water at the marina is by three self-flushing sand filters followed by UV. The treatment facility is located in a shed to the rear of the toilet block. An untreated supply is available for firefighting purposes and also for Talley's. The water in the storage tank owned by Talley's is available for use at the marina in the event of an emergency.

The boat club receives water from the same source as the marina and has its own treatment facility in place. In addition, the boat club has a rainwater tank.

1.4.13 Wastewater

Wastewater from the marina is connected to the Council's reticulated system. A toilet block is available for public use. A shower block exists at the boat club and is available for use by marina users.

1.4.14 Security

Security fencing was first installed in early 2000's along the eastern side of the port to protect the operational wharf areas and encourage cruise ships to visit. Council has upgraded the fencing when introducing the weighbridge on November 2014, which included the full road access to the commercial Port entrance. It now includes pedestrian, weighbridge and other port access gates (3) which are all controlled by electronic secured access by PIN pads and provide a substantially improved Port security access.

There is also CCTV camera coverage throughout the Port.

1.4.15 Boat Ramp

The boat ramp is located on the western arm of the port. It is owned by Tasman District Council.

1.4.16 Boat Storage Compound

A storage compound for approximately 37 boats was constructed by Council in 2009.

1.4.17 Navigational Aids

The Navigational Aids were replaced in 2009 and comprise of galvanised towers and solar panels.

1.4.18 Roading

Access to the port is off the Abel Tasman Drive

There is unsealed access along the length of both outer and inner moles, although public access is restricted out to the head of the west outer mole.

2 Strategic Direction

Council is working towards developing a vibrant port that is a mix of commercial and recreational users which is underpinned by growth opportunities that are paid for by users.

2.1 Our Goal

The Council aim is to provide a financially sustainable and viable port for commercial and recreational use.

2.2 Contribution to Community Outcomes

The community outcomes that the ports activity contributes to most are shown in Table 5 - 1.

Table 5 - 1: Community Outcomes

Community Outcomes	How Our Activity Contributes to the Community Outcomes
Our region is supported by an innovative and sustainable economy.	Running a viable and economically sustainable port ensures development and growth opportunities are paid for by users and do not place an undue burden on district ratepayers.
Our infrastructure is efficient, cost effective and meets current and future needs.	The Port Tarakohe activity provides commercial and recreational users with facilities to meet stakeholder needs, at an affordable cost and is positioned for future growth.
Our Council provides leadership and fosters partnerships, a regional perspective and community engagement	The Council has re-established the Port Tarakohe Advisory Group and opened communication lines with all key stakeholders to improve engagement with all users and gain support for port development initiatives.
Our communities have access to a range of social, educational and recreational facilities and activities.	The Port Tarakohe facilities offer access for communities to a safe boating facility for a range of recreational activities to meet social, educational and recreational needs.
Our urban and rural environments are people-friendly, well-planned and sustainably managed.	The port activities are well planned and sustainably managed, ensuring any impacts on urban, coastal and rural environments are minimised.
Our unique natural environment is healthy and protected.	Port Tarakohe facility activities are within a recognised landscape area and attempts to minimise any impact on the wider Golden Bay environment.

2.3 Key Issues

Council recognises that some of the assets identified within the Commercial AMP have been acquired subject to restrictive covenants or conditions that create legacy issues and may affect the ability to apply true commercial principles and deliver market related returns. By applying sound commercial principles, the returns to Council from these activities will improve but it is recognised that some assets may never reach the desired return level, however maximising the performance is the key objective.

2.3.1 Key issues facing Port Tarakohe

- increase in demand for port facilities from the proposed development of aquaculture in Tasman Bay, driven by the marine farming and mineral (rock and dolomite) industries
- addressing the health and safety problems associated with the aged infrastructure
- increase in demand for both commercial and recreational facilities
- development of a reserves management strategy for the site to assist in managing conflicts between commercial and recreational use and the wider port area
- returning the port to a financially sustainable position
- the impact of climate change
- the impact of Outstanding Natural Features and Landscape issues on both existing and future operations and expanding needs of the Port to meet approved consents and permits within the region.

2.4 Key Changes

Table 5 – 2 summarises the key changes for the management of the port activity since the 2015 AMP.

Table 5 - 2: Key Changes

Key Change	Reason for Change
Port Manager	Recruited April-May 2018 after resignation of incumbent after 2 years.
Port Assistant 0.5 FTE	Recruited December 2017 to assist with increasing work load and to provide coverage which was driven by increased port and marina activity.

2.5 Key Legislation

Table 5 - 1: Key Legislation

Legislation	How it Relates to ...
Tasman District Council (Tarakohe Harbour Reclamation Validation and Vesting) Act 1995	Validated a reclamation at Tarakohe Harbour and vested the reclaimed land in the Council as a local purpose reserve.
Health & Safety at Work 2015	Secure the Port workplace as free from hazards and risks as is reasonably practicable for workers and other persons
The Local Government Act 1974 and 2002	Provides a framework and powers for local authorities to decide which activities they undertake and the manner in which they will undertake them.
Reserves Act 1977	The Act provides for the physical welfare and enjoyment of the public and for the protection of the natural environment and beauty of areas for recreational activities.
Heritage New Zealand Pouhere Taonga Act 2014	Current sites have a number of cultural and protected aspects on the holiday parks and holiday parks. Council commercial requirements are managed in conjunction with iwi, Parks and Reserves and other stakeholders.
Te Tiriti o Waitangi – Treaty of Waitangi	The Treaty of Waitangi is an agreement between Māori and the Crown. Under Section 4 of the Local Government Act 2002 local authorities are required to 'recognise and respect the Crown's responsibility to take appropriate account of the principles of the Treaty of Waitangi and to maintain and improve opportunities for Māori to contribute to local government decision-making processes'. Further sections of the Act, particularly 77 and 81, detail the scale of requirement for local authorities to seek contributions and involvement from Māori in consultation and decision-making processes.

2.6 Key Planning, Policies and Strategies

Table 5 - 4: Key Planning, Policies and Strategies

Planning, Policies & Strategies	How it Relates to ...
Commercial Committee	Monitor and improve the performance of the Port.
Port Tarakohe Advisory Group	Provides a conduit for users and the community to provide advice / recommendations to Council.

2.7 Tasman District Council Bylaws

Table 5 - 5: Key Bylaws

Bylaw	How it Relates to ...
Navigation Safety Bylaw 2015	The bylaw covers all navigable waterways in the Tasman District and is aimed at ensuring the safety of users on these waterways including rivers and lakes. It sets out

Bylaw	How it Relates to ...
	safe practices for people using these waterways for water skiing, swimming, boating, kayaking or other water activities safely, by seeking to reduce the conflicts between different activities.

3 Levels of Service

A key objective of this plan is to match the levels of service provided by the Port activity with the agreed expectations of our customers and their willingness to pay for that level of service. These levels of service provide the basis for the life cycle management strategies and works programmes identified in this plan.

Levels of service are attributes that Tasman District Council expects of its assets to deliver the required services to stakeholders.

A key objective of this plan is to clarify and define the levels of service for the Port assets and then identify and cost future operations, maintenance, renewal and development works required of these assets to deliver that service level. This requires converting user's needs, expectations and preferences into meaningful levels of service.

Levels of service can be strategic, tactical, operational or implementation and should reflect the current industry standards and be based on:

- Customer Research and Expectations: information gained from stakeholders on expected types and quality of service provided.
- Statutory Requirements: Legislation, regulations, environmental standards and Council bylaws that impact on the way assets are managed (e.g. resource consents, building regulations, health and safety legislation). These requirements set the minimum level of service to be provided.
- Strategic and Corporate Goals: Provide guidelines for the scope of current and future services offered and manner of service delivery, and define specific levels of service, which the organisation wishes to achieve.
- Best Practices and Standards: Specify the design and construction requirements to meet the levels of service and needs of stakeholders.

3.1 Our Levels of Service

The following table summarises the levels of service and performance measures for the Port Tarakohe activity.

Table 5 - 6: Levels of Service and Performance Measures

Levels of Service	Performance Measure	Current Performance	Future Performance Targets			
			Year 1	Year 2	Year 3	Year 10
			2018/19	2019/20	2020/21	2028/29
Commercial assets are managed prudently to provide a financial return for the benefit of the districts ratepayers	Earnings before Interest, Taxes, Depreciation and Amortisation (EBITDA) for Port Taranaki will provide adequate funding cover for debt servicing or depreciation, whichever is the larger.	Funding cover = 0.4	Funding cover = 0.5	Funding cover = 0.7	Funding cover = 0.9	Funding cover = 1.0
Management systems and strategic planning are up-to-date.	Activity Management Plan completed for Property and Council Enterprises.	100% compliance – all building facilities are encompassed in an AMP	100% compliance	100% compliance	100% compliance	100% compliance

4 Activity Management

There are multiple factors that influence how Council manages this activity. They can be internal or external and include legislation, policies, regulations, strategies and standards. This section summarises these key linkages.

4.1 Demand Drivers

Demand is driven by the production of marine-related industries and the production volumes generated by the movement of minerals (rock and dolomite).

4.2 Asset Condition and Performance

4.2.1 Background

A condition assessment was carried out on the structural assets of Port Tarkohe by MWH New Zealand Ltd in 2009 at low tide to enable a proper visual inspection of the wharf structures. The main heavy duty concrete wharf was inspected at low tide by a combination of walking along the rock revetment under part of the wharf, and the remainder of the wharf inspected using a boat. The old timber wharf dating from approximately 1920 had only a very brief visual inspection, as this structure is no longer used and is programmed to be replaced.

There has not been any formal update on this inspection since. However, a number of corrective actions have progressively occurred to the asset and those comments are added under each section below.

4.2.2 Heavy Duty Concrete Wharf

The 120m long and 18m wide concrete wharf was constructed in 1977 as part of the Golden Bay Cement Works infrastructure. Based on the visual inspection of the wharf it appears the wharf is constructed as follows:

There are transverse beams located at 6m centres along the wharf, with each beam measuring 1,000mm wide and 800mm deep. There are four 500mm square piles under each beam plus every alternate beam has two additional inclined piles attached.

The deck of the wharf was measured to be approximately 450 – 500 mm thick, with the Port Manager indicating that he thought that this thickness was made up of a precast concrete panel with a polystyrene layer placed above, and then a concrete running surface laid on top of that. This however cannot be verified until the as-built drawings of the wharf are found.

There is an 800mm deep edge beam on the landward side of the wharf which supports the fill material that has been placed behind that edge of the wharf.

The wharf is in a highly corrosive environment and there is likely to be a build-up of chloride ions on the underside of the wharf. This is due to the underside of the wharf being constantly exposed to the salty environment, but never getting any exposure to the rain to wash it off.

Around the outside perimeter of the wharf there is a timber fender system which is independent of the wharf and is supported by large diameter timber piles driven into the sea-bed.

4.2.3 Concrete Piles

The piles are in reasonable condition, however there is spalling or cracking of the concrete at the top of a number of these piles.

4.2.4 Concrete Beams

The concrete beams are generally in good condition.

4.2.5 Concrete Deck

The underside of the concrete deck is in good condition except for a few of the deeper precast panels that have been used at each edge of the wharf. The ends of these deeper units are showing some signs of spalling and corrosion of the reinforcing. There is some abrasion occurring to the top surface of the wharf.

4.2.6 Timber Kerbs on Wharf

Around the perimeter of the wharf there are 300 x 150 timber kerbs bolted to the slab to prevent vehicles driving off the wharf.

4.2.7 Timber Fenders

The timber fendering system is assessed to be in an average condition. There has been some damage caused by the mooring of ships and also during the loading and unloading of heavy materials.

4.2.8 Old Timber Wharf

The old timber wharf is believed to be 85 years old. This wharf was condemned in 2009 and is currently unused and is fenced off from the public.

4.2.9 Piles

The piles are in poor condition, many of them have completely decayed and no longer reach the sea bed.

4.3 Operations and Maintenance

4.3.1 Overview

The Council has management and operational roles as a Harbour Authority, Regional Authority and Local Territorial Authority.

The reports and recommendations to Council are made through the Commercial Committee which reports to the Full Council.

The Commercial Portfolio Manager, is the executive officer for the Port and has delegated the responsibility for its administration. The Council may, at its discretion, delegate some of their authority to a management committee. The Port Tarakohe Advisory Group was established in 2014 to encourage feedback to Council. Its decisions are not binding on Council.

The day- to-day management is undertaken by the Port Manager and the Assistant Port Manager. The Port Manager reports to the Commercial Portfolio Manager.

The Council carries out the following roles in management of Port Tarakohe assets:

Environment and Planning

Implementing aspects of the Harbour Bylaw relating to navigational safety, designated marine activities and commercial operators.

Implementing the Resource Management Act 1991, Tasman Resource Management Plan (TRMP) and Proposed Regional Statement (RPS) including setting coastal planning policy and processing resource consents

Corporate Services

Implementing aspects of the Harbour Bylaw relating to collection of wharfage/berthage fees.

4.3.2 Operation and Maintenance

The Port Manager supported by the part-time Assistant Port Manager is employed by Council to carry out the operation and maintenance of Port Tarakohe. The duties include:

- Overall operational management of the port
- Maintenance and planning of the port facilities including the grounds
- Undertaking minor repairs
- Advising on commercial opportunities that may arise.

4.3.3 Maintenance

There are no formal maintenance procedures in place at the port, other than those detailed above, and the majority of the maintenance is reactive. The Port Manager frequently visits all parts the port and as a result, he is able to identify and undertake maintenance as and when required.

A structural condition assessment of the key assets at Port Tarakohe was undertaken in August 2009 by Councils professional services consultant, MWH. It is recommended that a detailed inspection of the Port Tarakohe infrastructure be carried out by a structural engineer at three yearly intervals. During this inspection the condition of defects already identified can be monitored and any further issues investigated.

A geological assessment of the port area has highlighted that a number of assets are located close to the fall zone of the cliffs. Potential risk from seismic activity is very real in the area, the rock road tunnel being created during the 1929 Murchison earthquake.

4.3.4 Maintenance Strategy

Council's strategy is to maintain commercial property to a sound standard suitable for market lease income rates; so that these provide a facility suitable for the commercial users at the least long term cost to Council.

4.3.5 Control and Management of Operations and Maintenance

Condition assessment inspections are managed through the Commercial Portfolio Manager for all sites.

4.3.6 Maintenance Standards

The minimum level of service requires a high standard of maintenance for all assets.

4.3.7 Rock Protection

Formal inspections of the condition of the rock protection are made on an annual basis and also following major storm or tidal events. Some areas of the rock protection are of a particularly steep gradient (inside of the eastern outer mole) and are therefore more prone to damage. Any reparations required are to be noted and addressed as required.

4.3.8 Timber Wharf

The old timber wharf is due for replacement with a new structure in 2019/20. It is currently unsafe for use and is fenced off from public access. The fencing around the old wharf and the signage needs to be maintained to ensure public safety.

4.3.9 Piled Walk-on Wooden Marina

The timber marina currently appears to be in good condition. Routine checking of the condition of the handrails occurs.

4.3.10 Floating Marinas

The services at both marinas run through the plastic sections of the walkways. By drilling the holes in the plastic units through which to run the services, the integrity of the unit has been lost. Water accumulates inside some of the units and has to be pumped out. This will continue to occur and will require monitoring.

Shellfish adhere to the plastic sections of the floating marinas on a regular basis. The routine removal of the shellfish should be continued. There is also an ongoing issue with didymo attaching to the piles. Previous

attempts have been made to prevent this from happening, such as wrapping the piles, but these have proved unsuccessful.

4.3.11 Roads

Regular inspections should be made to the condition of the road.

4.3.12 Water Supply

There is no regular maintenance schedule in place for the water supply to the port. Visual inspections are made periodically.

4.3.13 Navigation Aids

The navigational aids were new in 2009 and so require minimal maintenance. They are checked monthly by the Port Manager and maintenance is undertaken as necessary.

4.3.14 Moorings

There is no maintenance associated with the moorings.

4.3.15 Future Developments

Whilst work progresses on the development, operation and maintenance of the existing port will need to adapt to fit around any disturbances caused as a result of the construction. This may result in a greater frequency of inspections to key assets.

4.3.16 Business Continuity / Emergency Management

The Council has a commitment to ensure the provision of goods and services during hazard events. Council will maintain the required safety procedures required under the Maritime Transport and the Local Government Act and its own Civil Defence emergency plans. Port Tarakohe has been identified as a key asset to utilise in the event of the closure of Takaka Hill for the loading and offloading of passengers and goods.

Recreational use may be restricted or curtailed during hazard events.

There is no Business Continuity Plan (BCP) in place for the event of the wharf collapsing and Council plan to address this whilst completing a strategic review during 2018. If such an event occurred, it is likely that the larger vessels would be unable to enter the port, but the smaller vessels would still be able to.

4.3.17 Deferred Maintenance

Deferred maintenance is:

- the shortfall in rehabilitation or refurbishment work required to maintain the service potential of the asset,
- maintenance and renewal work that was not performed when it should have been, or when it was scheduled to be, and which has therefore been put off or delayed for a future period.

Maintenance of Port Tarakohe has been intermittent in recent years. Some work has been deferred due to funding restrictions. The Council has reduced any rate funding of the all commercial assets with a view to making these self-funding.

With exception of the above, the current budget levels are believed to be sufficient to provide the proposed levels of service and therefore no other maintenance work has been deferred. This however is subject to the changes in levels of service and expectations of customers and aspects identified in any structural reviews.

4.3.18 Increase in Network Size through Development

Extensions of the Port boundaries are unlikely at a major level due to geological and landscape issues. It is recognised however, the capacity of the Port will be challenged by its physical scale should the mussel farming activity grow as anticipated. Council has to navigate the competing natural landscape issues and seek community input of how the two can co-exist. Additional maintenance and operation costs for these assets may need to be included in future budgets.

4.3.19 Projected Operations and Maintenance costs

Detail the projected operations and maintenance expenditure for the next 10 years are listed in the summarised financials within the summary front end of the AMP and Section 9.

4.4 Asset Renewal/Replacement

4.4.1 Key Renewal Themes

The Council proposes to maintain the existing level of service provided to all port users, including lessees, and increased levels of service where a commercial imperative exists.

- Pile berths – an anticipated modification for use by larger commercial boats.
- Second wharf extension – replacement of the old condemned wharf structure will be required to facilitate aquaculture industry expansion when it occurs.
- Marina location – relocation may be required over time to facilitate aquaculture industry expansion.
- Crane facilities (two) – new facilities to gain better efficiencies and service for commercial port users will be required to facilitate port expansion. Cranes are part of a fit-for-purpose port operation that protects the Council facilities from damage and provides an all tide facility. They will also improve the health and safety at the port.
- Port security – best practice access control for commercial port activity is to be gradually adopted. This will assist to ensure a fit-for-purpose operation that is functional and meets the required legislative needs for export product.
- Mooring increases – currently the port has 20 moorings installed. It has approval for 80 moorings under its consent. We expect a further 10 moorings will be required over the coming five years. These will be managed as part of the overall marina operation.

4.4.2 Renewal Strategies

Assets are considered for renewal when:

- they near the end of their effective useful life;
- the cost of maintenance becomes uneconomical and the whole-of-life costs are less to renew the asset than keep up maintenance;
- the risk of failure of critical assets is unacceptable.

The renewal programme has generally been developed by the following:

- Taking asset age and remaining life predictions, calculating when the remaining life expires and converting that into a programme of replacements based on valuation replacement costs.
- Reviewing and justifying the renewals forecasts using the accumulated knowledge and experience of asset operations and asset management staff. This incorporates the knowledge gained from tracking asset failures and performance through the asset management system.
- The renewal programme is reviewed in detail every three years and cross referenced with other activities to determine if other projects are occurring in the same location. Every year the annual renewal programme is reviewed and planned with the input of the maintenance contractor.

The renewals programme has been developed to ensure that our facilities continue to supply services that meet the requirements of the users of those facilities. With heavy reliance on HVAC for heating and cooling, funds have been set aside on a regular basis to ensure systems are able to be replaced as required.

Currently the renewals programme is based on the asset manager's knowledge of the property assets in conjunction with the building occupiers, contractors and consultants' inputs.

4.4.3 Delivery of Renewals

Renewals are delivered by suitably experienced contractors procured under Council's Procurement Policy.

4.5 Asset Development

New capital expenditure is used to create new assets, expand or upgrade existing assets, or increase the capacity of existing assets beyond their original design capacity or service potential. This section summarises future new capital work requirements for this activity.

4.5.1 Key Asset Development Themes

The main drivers for the port upgrades are:

- Increased volume of marine- based product and materials passing through the port
- Increased volume of minerals passing through the port.

4.5.2 Key Projects to Support Increasing Levels of Service and Growth

The work projected for Port Taranaki are major projects comprising a new wharf at the location of the dilapidated wooden wharf, a possible new marina development and upgrades to general security elements and the weighbridge.

4.5.3 Forecast New Capital Expenditure

		2018/19	2019/2020	2020/2021	2021-2028
Port Taranaki	New Wharf Construction	\$1,000,000			\$1,000,000
	Taranaki Marina				\$3,500,000
	Weighbridge, Security & Surveillance				\$100,000

4.5.4 Port Taranaki projected demand for Services

It is expected that volumes through the Port will generally increase but will be subject to commodity demand fluctuations. Any development proposal will be supported by a business plan.

4.5.5 Development of New Capital Requirement Forecasts

The capital programme that has been forecast for this activity is summarised in the front end of this AMP. They will also be reviewed during the Port Taranaki Strategic Report being completed by Council in late 2018.

This includes potential wharf configuration changes, second wharf extension (to replace condemned wharf), Marina movement and a number of health and safety development items identified in a recent external Health and Safety report.

An individual business case is required to establish the commercial viability of any proposal to add or subtract services from the Port. The Port is expected to see significant change over this LTP period all of which will be driven by immediate demand, not requested services without committed volumes of trade.

There is not expected to be any direct correlation between the projected population growth in the area and the demand on Port Taranaki. However, there are changes in public and industry expectations which will have an impact of the future demands of the port.

There is expected to be an increase in the demand on Port Taranaki for:

- The proposed development of aquaculture in Tasman Bay – being driven by the marine farming industry.
- The recognition that a commercial boat is the optimum boat for Port Taranaki as it delivers both berthage and wharfage income and given its current size constraints Port Taranaki will need to be very focused on consolidating activities and maximise location for best operational and financial outcomes.
- The resultant changing boat makeup as the number of larger mussel industry vessels will continue to grow.
- The changing trend in demographics indicates that a greater proportion of the population will be seeking improvement in the availability of recreational facilities. Recent waiting lists for marina berths and moorings have declined but are expected to return in the long term.
- Promotion of Golden Bay as a destination will increase the need for the port to expand to accept and service larger tourist and cruise boats.
- There is an increasing trend to expand the coastal shipping industry to reduce the pressure on land transport.

4.6 Asset Disposal

Where demand analysis identifies that a building is surplus to Council and community requirements, disposal options may be explored. Disposal of built assets generally only occurs when they have reached the end of their useful life and/or are not considered safe for ongoing public use and/or the cost of restoring a facility is not cost effective. Disposal options include:

- removal from site;
- demolition;
- subdivision and subsequent sale; and
- sale.

The Council has a policy on significance and engagement pursuant to Section 76AA of the Local Government Act 2002. This policy establishes criteria which could be used to consider the level of significance of issues, proposals or decisions. The individual assets listed in this AMP are not defined as strategic assets, although a decision or proposal that affects the assets and activities within this AMP may be regarded as being highly significant if it meets certain criteria. In other cases, a decision or proposal may be considered of low or moderate significance.

Council has not signaled any intention of disposing of any land or facilities during the term of this AMP but will consider property disposal on a case-by-case basis as situations arise.

There are no planned asset disposals.

5 Financials

Council has planned a prudent financial approach to managing its assets and services. This section provides a summary of the total value of the activity and the investment that Council has planned to make over the next 10 years.

5.1 Funding Policy, Fees and Charges

The Ports activity is currently funded through a variety of mechanisms as follows:

Table 5 -7: Funding Sources

	General Rates	Uniform Annual General Charges	Targeted Rates	User Fees and Charges	Interest	Dividends from Investments	Financial Contributions	Grants and Subsidies	Other Sources
Port Tarakohe				✓					✓

- lease / licence income
- wharfage / berthage income
- weighbridge income
- storage / demurrage
- loans and borrowings

The objective is for all commercial facilities to be operated without support from rates and provide a sustainable financial return for Council.

Major capital projects may be loan funded. When loans are made, the loan is taken for a fixed period, usually 20 years, with a fixed annual principal repayment as a capital expense on the account, and interest payments as an operating expense. For the purpose of the financial forecasts, all new works and renewal work has been assumed to be loan funded.

Commercial activities may dispose of low performing assets and purchase additional assets that produce a better return or improve consolidated financial performance to Council.

5.2 Asset Valuation and Depreciation

The Local Government Act 1974 and subsequent amendments contain a general requirement for local authorities to comply with Generally Accepted Accounting Principles (GAAP).

Council requires its infrastructure asset register and valuation to be updated in accordance with Financial Reporting Standards and the AMP improvement plan.

The valuations summarised below have been completed in accordance with the following standards and are suitable for inclusion in the financial statements for the year ending June 2017.

- NAMS Group Infrastructure Asset Valuation Guidelines – Edition 2.0.
- New Zealand International Public Sector Accounting Standard 17; Property, Plant and Equipment (PBE IPSAS 17) and PBE IPSAS 21 (Impairment of Non Cash Generating Assets)

Key assets were previously revalued every three years. Council continues to adopt a three year revaluation cycle. Historic asset valuations reports are held with Council and last valued their assets as at the end of June 2017 for key assets.

Some commercial assets have not been regularly valued and valuations are underway as at June 2017 and will be updated as per the improvement plan. As we move to a greater commercial focus, all commercial assets will be revalued on a minimum of a 3 yearly basis or as required based on specific project work.

It is noted that due to the origin of a number of these legacy assets, which were vested or transferred to Council, their valuations do not reflect an impairment as a result of restrictions and covenants affecting these assets and restrictions on any possible disposal. These assets are managed using commercial disciplines to maximise returns.

5.2.1 Asset Data

The information for valuing the assets was obtained from Council’s commercial asset registers, based on excel spreadsheet outlining the latest information held.

5.2.2 Asset Lives

Economic lives and residual lives have been defined for all properties. As structures near the end of their theoretical lives, minimum residual lives have been adopted to reflect the remaining base value still existing prior to any renovation or upgrading.

The Base Useful Lives for each asset type as published in the NZIAVDG Manual were used as a guideline for the lives of the assets in the valuation. Generally, lives are taken as from the mid-range of the typical lives indicated in the Valuation Manual where no better information is available.

5.2.3 Asset Valuation

The current valuation information is based on either individual property valuation, valuations on specific assets or a generic valuation undertaken during 2013. Asset value dates vary as do the types of valuation used based on the complexity of each asset. The asset depreciated value (as at 30 June 2017) is summarised below.

Table 5 - 8: Asset Valuation

Asset type:	Description	Value
Port Tarakohe	Land	\$570,000 ^a
	Infrastructure	\$4,235,000 ^b
	Total	\$4,805,000

a External valuation as at 30 June 2016 completed by Quotable Value (QV)
 b Council Infrastructural Asset Register as at 30 June 2017

All commercial assets will have a higher degree of review and valuation updating during the next 3 years, where individual assets will be valued, which has not always historically been the case. This is a reflection on the changing approach of how the commercial assets are to be managed.

5.2.4 Depreciation

Depreciation of assets must be charged over their useful life. Depreciation is provided on a straight line basis on some infrastructural assets at rates which will write-off the cost (or valuation) of the assets to their estimated residual values, over their useful lives.

5.3 Financial Summary

Council has planned a prudent financial approach to managing its assets and services. This section provides a summary of the total value of the activity and the investment that Council has planned to make over the next 10 years.

5.3.1 Total Expenditure

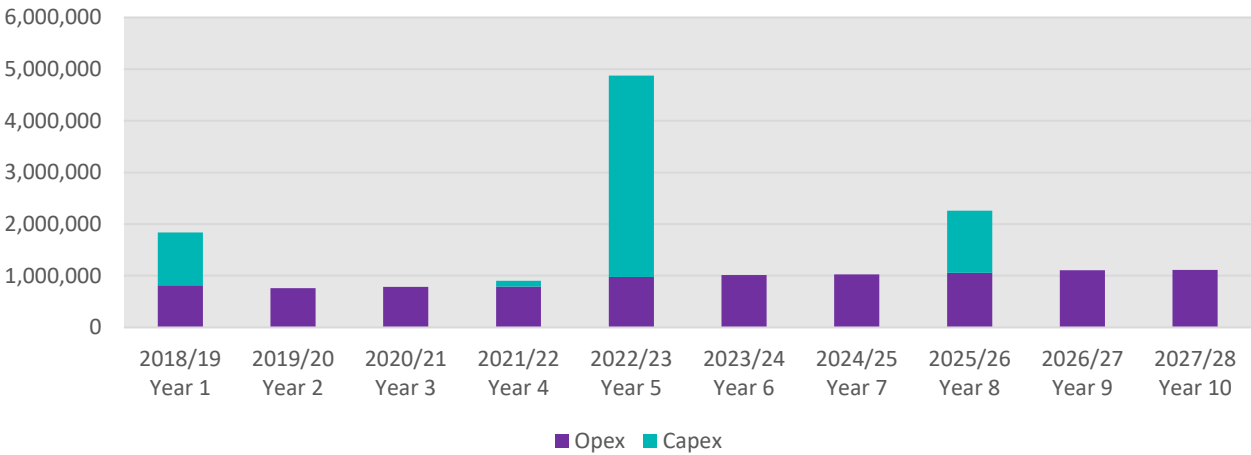


Figure 5 - 2: Total Expenditure Years 1 to 10 Including Inflation

5.3.2 Total Income

The income proposed for the next 10 years is expected to increase, principally from mussel farming activity scale. Fishing, rock and other commercial activities as well as recreational activities (marina, mooring and boat ramp fees) are expected to largely be unchanged.

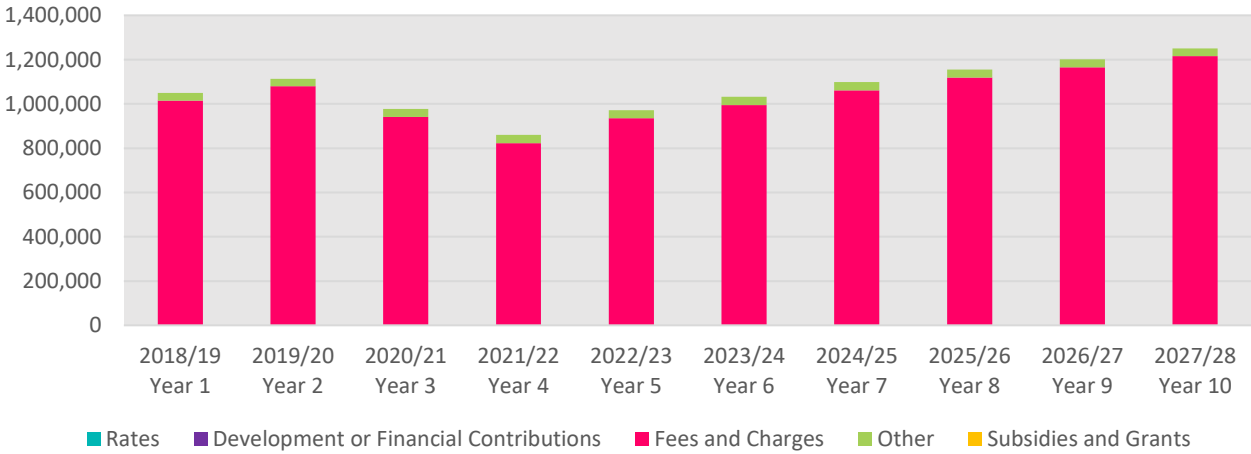


Figure 5 - 3: Total Annual Income Years 1 to 10 Including Inflation
 Note: Total Income from Fees and Charges, Local Authorities Fuel Tax and Other Receipts

5.3.3 Total Operating

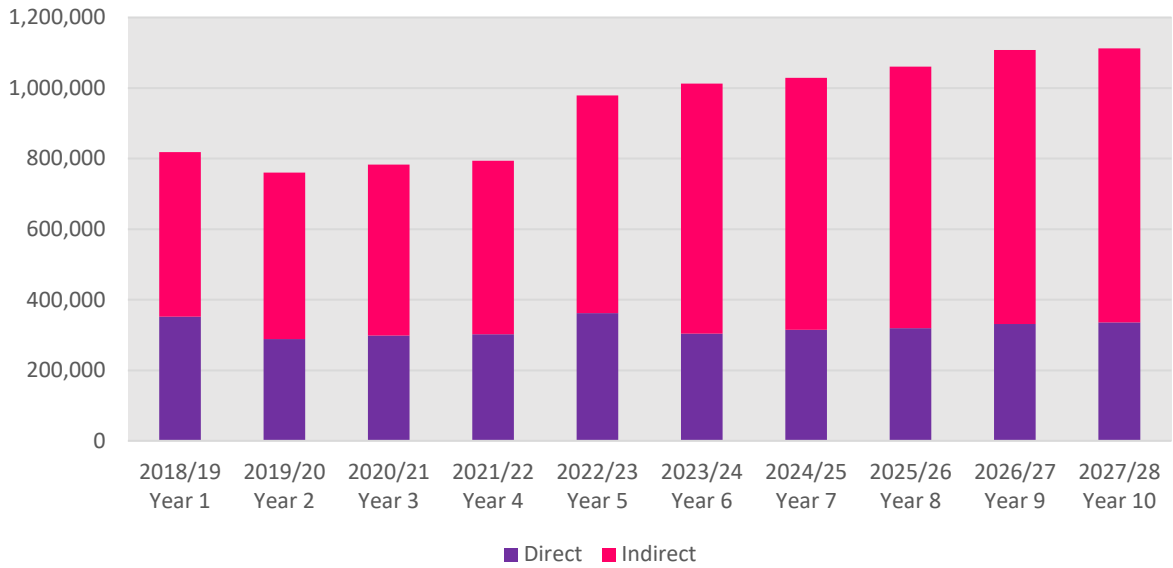


Figure 5 - 4: Total Operating Expenditure Years 1 to 10 Including Inflation

5.3.4 Capital Expenditure

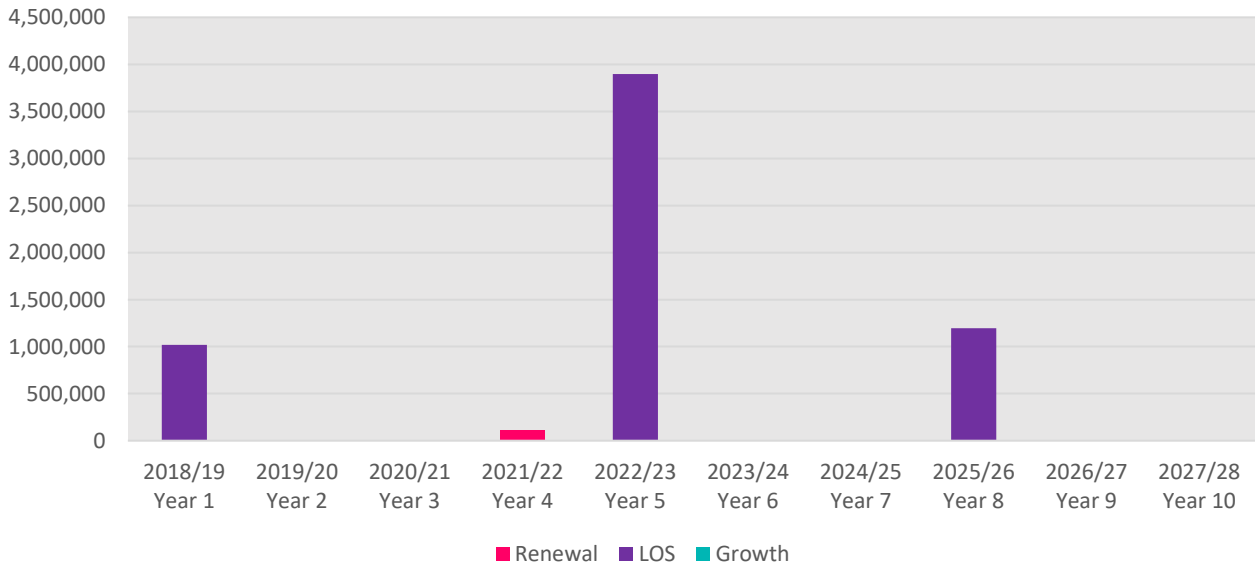


Figure 5 - 5: Total Capital Expenditure Years 1 to 10 Including Inflation

6 Sustainability

Sustainability means that we effectively balance the needs of present and future communities. From an asset management perspective, sustainability is critical, as many assets have a long lifespan and must be ‘future-proofed’. Council has a responsibility to manage this activity in way that supports the environmental, social, cultural and economic wellbeing of current and future generations. This section focuses on social, cultural and environmental sustainability.

6.1 Negative Effects

Schedule 10 of the Local Government Act (LGA) requires an outline of any significant negative effects that an activity may have on the local community. Potential negative effects associated with the Port activity are outlined in Table 5 - 9.

Table 5 - 9: Negative Effects

Effect	Council's Mitigation Measure
Increased traffic and noise from both commercial and recreational users of port facilities.	The Council controls the use of coastal areas and ports through bylaws, the TRMP, restriction of access and education. It is an industrial site with a buffer zone around the port through neighbouring industrial land and geographical separation from the local urban environment.
An industrial environment may have a negative visual impact.	The Council controls this through bylaws and the TRMP and may impose conditions on lessees to improve the amenity value of existing buildings.

6.2 Positive Effects

The significant positive effects are listed below in Table 5 - 10

Table 5 - 10: Positive Effects

Effect	Description
Economic development.	Provision and maintenance of the port allows for the development of commercial businesses, therefore contributing to economic growth and prosperity of the region.
Economic efficiency.	The Council's management of the port activities uses best practice and competitive tendering to provide value for money for ratepayers and also provides work for contractors.
Community value.	Port Tarakohe contributes to community wellbeing by providing assets for economic prosperity, recreational use by residents and visitors to the area.
Environmental sustainability.	The Council aims to achieve environmental sustainability whilst managing the port. Provision of maintenance at the port improves protection for some residents and the built environment surrounds.

6.3 Environmental Management

6.3.1 Resource Consents

The statutory framework defining what activities require resource consent is the Resource Management Act (RMA) 1991. The RMA is administered locally by Tasman District Council, as a unitary authority, through the Tasman Resource Management Plan (TRMP). Generally there is no monitoring of resource consent conditions undertaken at present with the Council intending to initiate a programme of monitoring.

7 Risk Management and Assumptions

The purpose of risk management is to identify the risks associated with forestry activity and assets. This requires considering potential risks from many perspectives, which may include financial, operational, organisational and public health and safety considerations to name a few.

7.1 Activity Risks and Mitigation

7.1.1 Port Risks

Council's risk management approach is addressed in the summary section of this AMP. All remain applicable to the port activity.

The Port is a lifeline asset for Golden Bay. Should a road failure occur between Motueka and Takaka, which would isolate the area, access by air and sea only would be available. Given the terrain of the roading network this loss could be substantial and take considerable time to repair. Retaining the functionality of this asset is a key focus for the Council.

Insurance cover is held for key infrastructure and operational failures (chemical spills and environmental contamination) resulting from accidents.

Climate impact on the port could be substantial with sea level changes increasing. The science and timing on this matter remains unproven and we will continue to develop a strategy for the expected rises over time. The strategy will be to raise the height of the port infrastructure or change location of the port. Whilst the coastal nature of the current access land is lowlying, there is substantial higher ground behind the port back to Pohara and Takaka.

The outcome from this process is summarised below for Port Tarakohe, including a list of mitigation measures that should be considered.

Table 5 - 11: Key Port Tarakohe Risks

Risk Event	Mitigation Measures
Catastrophic failure of Port infrastructure.	<p>Current:</p> <ul style="list-style-type: none"> 5 yearly structural review of commercial wharves by external Qualified Structural Engineer. Last review 2015. 5 yearly structural review of recreational and commercial berth facilities by external Qualified Structural Engineer/product supplier. 2 yearly lift of moorings to inspect structural aspects and maintenance requirements. Last completed 2014. routine weekly maintenance and inspections of all facilities are conducted by the Port Manager; detailed inspections when reviewing capital and maintenance requirements quarterly monthly or as required by Commercial Portfolio Manager; reactive inspections following extreme weather events by the Port Manager. <p>Proposed:</p> <ul style="list-style-type: none"> continuation of structured maintenance and inspection programmes.
Premature deterioration or obsolescence of Port facilities.	<p>Current:</p> <ul style="list-style-type: none"> maintenance performance measures included in the maintenance contract of Port Manager; routine weekly inspections by Port Manager; industry best practice adopted and where unsure external parties engaged. <p>Proposed:</p> <ul style="list-style-type: none"> continuation of structured maintenance and inspection programmes.

Risk Event	Mitigation Measures
Combustible Materials.	<p>Current:</p> <ul style="list-style-type: none"> • Fuel providers comply with necessary regulation, inspection and certification processes; • Individual users utilise mini tanker materials, from time to time. Responsibility sits within each operator and their provider; • Assurance certification required to be held by the Port Manager and verified six monthly; • Separation of fuel areas away from high activity, geological and landscape issues to minimise of risk. <p>Proposed:</p> <ul style="list-style-type: none"> • Ongoing operator awareness; • Standardisation of operating procedures across all Council sites; • Comply with operational needs of health and safety requirements.
Wharf Operational demands and potential conflicts as Port activity grows.	<p>Current:</p> <ul style="list-style-type: none"> • Port activity is currently low but is expected to grow rapidly. The current use of the wharf facilities and marinas are shared between various industry users and split between commercial and recreational users. The pressure will develop as capacity increases which will create challenges and conflicts between users. The operational efficiency and clearance of obstructions for full capacity is being planned and implemented ahead of time to ensure the safest possible operating environment exists; • Maintain close links with key operators to ensure growth plans are well planned and changes required implemented ahead of needs; <p>Proposed:</p> <ul style="list-style-type: none"> • Complete strategic review which looks across all key stakeholders and their expected needs over 20-30 year period. • Continue to measure and identify actual (versus planned) needs.
Health and Safety operational needs.	<p>Current:</p> <ul style="list-style-type: none"> • Observe Maritime Law requirements for all marine operations; • Adopt Port and Marina operational best practice and review against at least two other Ports annually; • Entry to commercial Port activities is both secure and restricted to all users; • Members of NZ Ports and Marina associations, which provide best practice information; • Port user meetings channelled through Port Taranaki Advisory Group which meets quarterly; • Standard incident reporting procedures through Council "Vault" database. • Ensure all contractors are approved, authorised and certified to meet appropriate standards. <p>Proposed:</p> <ul style="list-style-type: none"> • Develop standard operation procedures inside commercial wharf areas. Review annually; • Develop emergency plan, test and review annually; • Comply with Health and Safety at Work Act 2015 and WorkSafe New Zealand's focus.

7.2 Assumptions and Uncertainties

This AMP and the financial forecasts within it have been developed from information that has varying degrees of completeness and accuracy. In order to make decisions in the face of these uncertainties, assumptions have to be made. Table 5 - 12 documents the uncertainties and assumptions that the Council consider could have a significant effect on the financial forecasts and discusses the potential risks that this creates.

Table 5 - 12: Generic Assumptions and Uncertainties

Type	Uncertainties	Assumption	Discussion
Financial	Unless stated it can be unclear whether financial figures include inflation or not, as well as whether GST has been included or not.	That all expenditure has been stated in 1 July 2017 dollar values and no allowance has been made for inflation and all financial projections exclude GST unless specifically stated.	The LTP will incorporate inflation factors. This could have a significant impact on the affordability of each activity if inflation is higher than allowed for. The Council is using the best information practically available from Business and Economic Research Limited (BERL) to reduce this risk.
Asset Data Knowledge	The Council has inspection and data collection regimes in place for assets. These regimes do not allow for entire network coverage at all times. The Council's aim is to strike the right balance between adequate knowledge and what is practical.	That the Council has adequate knowledge of the assets and their condition, so that planned renewal works will allow the Council to meet the proposed levels of service.	There are several areas where the Council needs to improve its knowledge and assessments, but there is a low risk that the improved knowledge will cause a significant change to the level of expenditure required.
Growth Forecasts	Growth forecasts are inherently uncertain and involve many assumptions. The Council uses Statistics NZ projections as the basis for its growth planning, but these will vary depending on actual birth and death rates as well as net migration.	That the district will grow or decline as forecast in its Growth Model.	Growth forecasts are used to determine infrastructure capacity and when that capacity will be required. If actual growth varies significantly from what was projected, it could have a moderate impact on the Council's plans. If higher, new or additional infrastructure may be required quicker than anticipated. If lower, Council may be able to defer the delivery of new or additional infrastructure.
Project Timing	Multiple factors affect the actual timing of projects e.g.: <ul style="list-style-type: none"> • Consents • Access to land • Population growth • Timing of private developments 	That projects will be undertaken when planned.	The risk of the timing of projects changing is high due to factors like resource consents, third party funding, and land acquisition and access. The Council tries to mitigate these issues by undertaking the investigation, consultation and design phases sufficiently in advance of when construction is planned. If delays occur, it could have an impact on the levels of service and the Council's financing arrangements.
Project Funding	The Council cannot be certain that it will receive the full amount of anticipated subsidy or contribution. It depends on the funder's decision making criteria and their own ability to raise funds.	That projects will receive subsidy or third party contributions at the anticipated levels.	The risk of not securing funding varies and depends on the third party involved. If the anticipated funding is not received it is likely that the project will be deferred which may impact levels of service.

Type	Uncertainties	Assumption	Discussion
Accuracy of Cost Estimates	Project scope is often uncertain until investigation and design work has been completed, even then the scope can change due to unforeseen circumstances. Even if the scope has certainty there can be changes in the actual cost of work due to market competition or resource availability.	That project cost estimates are sufficiently accurate enough to determine the required funding level.	The risk of large underestimation is low; however, the importance is moderate as the Council may not be able to afford the true cost of the project. The Council tries to reduce this risk by undertaking reviews of all estimates and including an allowance for scope risk based on the complexity of the project.
Land Access and Acquisition	Land access and acquisition is inherently uncertain. Until negotiations commence, it is difficult to predict how an owner will respond to the request for access or transfer.	That the Council will be able to secure land and/or access to enable completion of projects.	The risk of delays to projects or changes in scope is high due to the possibility of delays in obtaining access. Where possible, the Council undertakes land negotiations well in advance of construction to minimise delays and scope change. If delays do occur, they may affect the level of service that the Council provides.
Legislation Changes	Often Central Government changes legislation in response to events where the need for change is identified. It is difficult to predict what events may occur and the associated response. Election of a new Government also introduces uncertainty as to what policies they will implement.	That there will be no major changes in legislation or policy.	The risk of major change is high due to the changing nature of the Government and its policies. If major changes occur, it is likely to have an impact on the required expenditure. The Council has not planned expenditure to specifically mitigate this risk.
Emergency Reserves	It is impossible to accurately predict when and where a natural hazard event will occur. Using historic trends to predict the future provides an indication but is not comprehensive.	That the level of funding reserves combined with insurance cover will be adequate to cover reinstatement following emergency events.	Funding levels are based on historic requirements. The risk of requiring additional funding is moderate and may have a moderate effect on planned works due to reprioritization of funds.
Network Capacity	The Council uses a combination of as built data, network modelling and performance information to assess network capacity. The accuracy of the capacity assessment is based on the accuracy of asset and performance data.	That the Council's knowledge of network capacity is sufficient enough to accurately programme works.	If the network capacity is higher than assumed, the Council may be able to defer works. The risk of this occurring is low; however, it should have a positive impact on the community because the level of service can be provided for longer before requiring additional capital expenditure. If the network capacity is lower than assumed, the Council may be required to advance capital works projects to provide the additional capacity sooner than anticipated. The risk of this occurring is low; however, it could have a significant impact on expenditure.

Assumptions specific to this activity are listed below;

Table 5 - 13: Significant Assumptions for Port Activity

Assumption Type	Assumption	Discussion
Asset Management	The port will continue to operate on its current basis for the foreseeable future.	The Council has indicated it will review most commercial assets and decide whether to continue to hold these.

8 Asset Management Processes and Practices

This section outlines the appropriate level of activity management for the Port activity and summarises our asset management systems and data.

8.1 Appropriate Practice Levels

The Office of the Auditor General (OAG) has chosen to use the International Infrastructure Management Manual (IIMM) as the benchmark against which New Zealand councils measure their activity management practices. There are five maturity levels in the IIMM; Aware, Basic, Core, Intermediate and Advanced. The IIMM sets out what the requirements are for each level against each area of the activity management system.

In 2017, the Council reviewed its Activity Management Policy and adopted an updated version. The Policy sets out the Council’s activity management objectives and appropriate levels of practice. For the Port activity the Council has determined that the appropriate level of practice is “Core”.

8.2 Service Delivery Reviews

In 2014, Section 17A was inserted into the Local Government Act which requires the Council to review the cost effectiveness of its current arrangements for providing local infrastructure, services, and regulatory functions at regular intervals. Reviews must be undertaken when service levels are significantly changed, before current contracts expire, and in any case not more than six years after the last review. A service review will take place in 2018.

8.3 Asset Management Systems and Data

Table 5 - 14 summarises the various data types, data source and how they are managed within the Council. It also provides a grading on data accuracy and completeness where appropriate.

Table 5 - 14: Data Types and Information Systems

Data Type	Information System	Management strategy	Data Accuracy	Data Completeness
Asset description	Activity Management Plan	Refer to Section 1.4.	2	2
Asset location	Explore Tasman / GIS	GIS holds a layer depicting Council-owned properties.	2	2
Asset valuation	Finance Spreadsheet	Valuation of assets done regularly.	2	2
Contract payments	MagiQ	All maintenance and capital works contract payments are done through MagiQ.	N/A	N/A
Customer Service Requests	Customer Services Application	Customer calls relating to asset maintenance are captured in the custom-made Customer Services Application.	N/A	N/A
Financial Information	MagiQ	Council’s corporate financial system is MagiQ, a specialist supplier of integrated financial, regulatory and administration systems for Local Government.	N/A	N/A
Capital planning	MagiQ	Programmes for Council’s activities are compiled in MagiQ.	N/A	N/A
Maintenance history	MagiQ	Maintenance costs can be manually extracted from this system.	2	2

Data Type	Information System	Management strategy	Data Accuracy	Data Completeness
Photos	Network drives / Silent One	Electronic photos of assets are mainly stored on Council's network drives and Silent One	N/A	N/A
Processes and documentation	Promapp	Promapp is process management software that provides a central online repository where Council's process diagrams and documentation are stored.	2	5

Table 5 - 15: Data Accuracy and Completeness Grades

Grade	Description	% Accurate
1	Accurate	100
2	Minor Inaccuracies	+/- 5
3	50 % Estimated	+/- 20
4	Significant Data Estimated	+/- 30
5	All Data Estimated	+/- 40

Grade	Description	% Complete
1	Complete	100
2	Minor Gaps	90 – 99
3	Major Gaps	60 – 90
4	Significant Gaps	20 – 60
5	Limited Data Available	0 – 20

9 Ports 10 Year Operating Budgets

ID	Name	Total Budget	Financial Year Budget (\$)									
		2018-28	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
10202202	Legal Expenses	115,000	27,500	7,500	7,500	7,500	27,500	7,500	7,500	7,500	7,500	7,500
10202203	Professional Services	160,000	35,000	10,000	10,000	10,000	45,000	10,000	10,000	10,000	10,000	10,000
1020220301	Strategic Plan	20,000	20,000	0	0	0	0	0	0	0	0	0
10202306	Eftpos - Rental	5,000	500	500	500	500	500	500	500	500	500	500
10202401	Wharf Maintenance	600,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000
1020240101	Marina Maintenance	140,000	20,000	20,000	20,000	20,000	10,000	10,000	10,000	10,000	10,000	10,000
10202401010	Moorings Maintenance	15,000	3,000	0	3,000	0	3,000	0	3,000	0	3,000	0
1020240102	Harbour Maintenance	150,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
1020240103	Compound Maintenance	25,000	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500
1020240104	Barrier & Boat Ramp Maint	30,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
1020240105	Amenities Maintenance	30,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
10202405	Tarakohe Minor Capital Works	20,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
10202408	Tarakohe Cleaning & Mowing	60,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000
10202409	Ford Ranger GTT105	24,000	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400
10202504	Telecommunications	30,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
10202505	Electricity	300,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000
10202506	Port Tarakohe Insurance	806,720	80,672	80,672	80,672	80,672	80,672	80,672	80,672	80,672	80,672	80,672
10202507	Rent	20,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
10202508	Rates	110,000	11,000	11,000	11,000	11,000	11,000	11,000	11,000	11,000	11,000	11,000
1020250801	Water	60,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000
10202512	Publicity	5,000	500	500	500	500	500	500	500	500	500	500
10202517	Council Tarakohe Harbour Expen	90,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000
1020260901	Vehicle Expenses	30,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000

10 Ports 10 Year Capital Budgets

ID	Name	Project Driver %		Total Budget	Financial Year Budget (\$)									
		IncLOS	Renewals		2018-28	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
10206210011	New Wharf Construction	100	0	2,000,000	1,000,000	0	0	0	0	0	0	1,000,000	0	0
1020621003	Coastal Strct - Tarakohe Marina	100	0	3,500,000	0	0	0	0	3,500,000	0	0	0	0	0
1020621010	Weighbridge, Security & Surveying	0	100	100,000	0	0	0	100,000	0	0	0	0	0	0

Appendix A: Improvement Planning

The activity management plans have been developed as a tool to help Council manage their assets, deliver on the agreed levels of service and identify the expenditure and funding requirements of the activity. Continuous improvements are necessary to ensure Council continues to achieve the appropriate level of activity management practice along with delivering services in the most appropriate way while meeting the community's needs.

Peer Reviews

In early 2018, Council engaged Waugh Infrastructure Management Ltd to undertake a peer review on the consultation version of this activity management plan. The peer review included the following analysis:

- Overview analysis and consideration of AMP progress completed since the Waugh Infrastructure detailed 2011 AMP Compliance Report (in summary not detail)
- Review of AMPs against general industry practice as observed by Waugh Infrastructure in the past 12 months
- Review and commentary on the adequacy of the AMP structure against current industry practice and requirements, as set out in IIMM 2015, ISO 55000
- Analysis of AMP individual section strengths and emphasis, including analysis of overall AMP 'message' verses issues identified
- Overview analysis of AMP status against appropriate asset management practice levels adopted in Council's Activity Management Policy (summary not detail)
- Analysis of the AMPs against Local Government Act 2002 amendment requirements, both 2012, and 2014 – identification of any issues or 'misses'
- Provided review comments of AMP strengths and weaknesses identified, with commentary on any suggested priority changes to be completed before LTP 2018

It is important to note that the peer review only considered what was included in the consultation version of this Activity Management Plan. There are aspects of the Council's asset management processes that are not discussed in this Activity Management Plan and are therefore not incorporated into the scoring.

The overall findings of the Peer Review were that the Council's AMPs are well developed to support the Council's Long Term Plan. Some of the AMPs had sections that required completion, but overall missing elements noted were relatively minor.

The AMP template has been updated to incorporate recent Local Government Act changes. The AMP template developed and used by Council has allowed clear, concise presentation of information in a logical manner. The overall compliance status is shown below in Figure A.

It is important to note that in 2011 only the Aerodrome Activity was reviewed. The 2018 review covered all Council Enterprises.

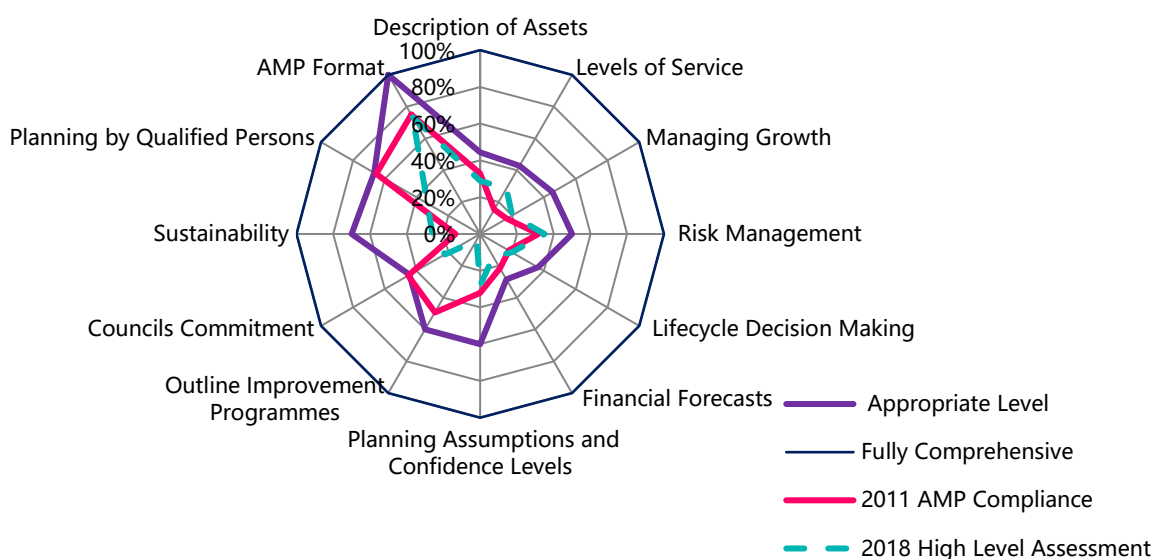


Figure A: 2018 Peer Review Compliance Status Summary

Council staff have reviewed and prioritised the feedback received in the peer review report. Improvements that could be made immediately have been incorporated into the final version of this activity management plan. Other improvements have been ranked and included in the Improvement Plan.

Improvement Plan

The establishment of a robust, continuous improvement process ensures that Council is making the most effective use of resources to achieve the appropriate level of asset management practice. The continuous improvement process includes:

- Identification of improvements
- Prioritisation of improvements
- Establishment of an improvement programme
- Delivery of improvements
- Ongoing review and monitoring of the programme

All improvements identified are included in the Improvement Plan below.

In the first three years of this AMP efforts will be focused on moving paper-based Council Property records into electronic systems.

The primary system for general records will be Silent One. Property Management records involving operational procedures will be captured in the Property Module of MagiQ. This will contain lease details and accounting codes. The use of Confirm reviewed to ascertain what data can be added and the level of recording e.g. to which level Condition assessments will be captured.

Table A: Proposed Improvements

Activity	Improvement Item	Further Information	Need for Improvement	Priority	Status	Expected Completion Date	Cost/Resource Type
Aerodromes	Provide asset valuations for main components – land, buildings and runway formation.		Identified as weakness in Waugh Infrastructure audit	Low	Not Started	1 June 2021	Staff time. Valuation fee.
Holiday Parks, Aerodromes and Port	Identify any critical assets and any lifeline functions.		Identified as weakness in Waugh Infrastructure audit for Holiday Parks and should also cover Aerodromes and Port	Low	Not started	1 June 2021	Staff time
Commercial Property and Holiday Parks	Improve levels of service information.		Needs to include statements around building safety, accessibility and maintenance.	Low	Not started	1 June 2021	Staff time
All	Update information on resource consents			Medium	Not started	1 June 2020	Staff time
Port	Describe water quality, risks and compliance with DWSNZ		Identified as weakness in Waugh Infrastructure audit	Low	Not started	1 June 2021	Staff time
Port	Improve levels of service information	Requires statements around minimum maritime safety requirement and that buildings are safe accessible and well maintained	Identified as weakness in Waugh Infrastructure audit	Low	Not started	1 June 2021	Staff time