



# Property

Activity Management Plan

**2015 - 2025**

**Draft**

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## Quality Assurance Statement

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For full Quality Assurance Statement, Refer Appendix Z

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## 1 ACTIVITY DESCRIPTION

### 1.1 What We Do

The Property activity encompasses the provision and maintenance of Council administration offices and Libraries at Richmond, Motueka Takaka and Murchison, plus Council assets which are not associated with any other Activity Management Plan.

A complete description of the assets included in the Property activity is in Appendix B.

Other council properties are associated with their respective Activity Management Plans. For example halls and recreation centres are part of the Community Facilities AMP and water treatment buildings are part of the Water AMP.

### 1.2 Why We Do It

Council is the owner or custodian of a substantial property portfolio and has identified the need for quality property services and professional expertise within council to meet its ongoing property requirements. Property has a public value and Council's ownership and management ensures the assets are retained for the community.

The property activity is treated as a council overhead. Where direct costs are identified for a specific council activity are allocated to those accounts.

## 2 COMMUNITY OUTCOMES AND OUR GOAL

The community outcomes that the Property activity contributes to most are shown in Table 2-1.

**Table 2-1: Community Outcomes**

Community Outcomes	How Our Activity Contributes to the Community Outcome
Our unique natural environment healthy and protected.	All Property assets 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 pleasant, safe and sustainably managed.	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 communities are healthy, resilient and enjoy their quality of life.	Our offices and Libraries will be accessible for persons with disabilities and will also provide a safe and welcoming environment.

### 2.1 Our Goal

To provide management of Council Property assets that contributes 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.

### 3 KEY ISSUES FOR THE PROPERTY ACTIVITY

The most important issues relating to the Property activity are shown below in Table 3-1.

**Table 3-1: Key Issues for the Property Activity**

Key Issue	Discussion
Community satisfaction	Council will ensure that its operational properties continue to satisfy the requirements of the community and tenants.
Value to the community	Council will ensure that its properties are dealt with in an efficient, economic and effective manner.

### 4 OPERATIONS, MAINTENANCE AND RENEWALS STRATEGY

#### 4.1 Operations and Maintenance

Council's strategy is to maintain its operational property assets as well as any other Council owned properties, so that they provide facilities suitable for the users at the least long term cost to Council.

For Property, the assets are maintained by local contractors through service agreements. These include:

- Heating, ventilation and air conditioning systems
- Lift and door inspections
- Fire protection services
- Cleaning
- Building compliance and warrant of fitness assessment
- Building maintenance
- Electrical services
- Plumbing and drainage services
- Car park maintenance
- Grounds maintenance
- Exterior and interior painting

Buildings are inspected at least once a year. Maintenance costs are expected to remain relatively constant over the period covered by this AMP but may result in an increase in maintenance costs upon the completion and updating of condition assessments.

Operation and maintenance is discussed in detail in Appendix E.

#### 4.2 Renewals

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 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 contractors 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 contractors and consultants.

The Council proposes to maintain the existing level of service provided to the Property assets to meet at least the existing needs. Renewals are discussed in detail in Appendix I.

## **5 EFFECTS OF GROWTH, DEMAND AND SUSTAINABILITY**

### **5.1 Population Growth**

A comprehensive Growth Demand and Supply Model (GDSM or growth model) has been developed to provide predictive information for population growth and business growth, and from that, information about dwelling and building development across the district and demand for infrastructure services. The Growth Demand and Supply Model underpins the Council's long term planning through the Activity Management Plans, Long Term Plans (LTPs) and supporting policies (e.g. Development Contributions Policy). The 2014 Growth Demand and Supply Model is a fourth generation growth model with previous versions being completed in 2005, 2008 and 2011.

Population growth within the district does not have a direct effect on the Property activity. Therefore the Growth Demand and Supply Model outputs are not directly relevant to this activity. However, population growth generally leads to intensification of the use of existing facilities for recreation and commercial purposes.

It is Council's intention to adapt existing facilities to accommodate increased demand, with the exception of Motueka Library where consideration of building improvements or alternative premises to satisfy growth will be considered during the life of this AMP. There are no other growth related Property projects included in the 20 year forecast.

### **5.2 Implications of Legislative Change**

Council strives to meet the legislative standards that apply to the management of the property facilities. Where work is required to satisfy seismic requirements, increased expenditure may be required to ensure compliance. Growth and demand for the Property activity is discussed in detail in Appendix F.

### **5.3 Sustainability**

The Local Government Act 2002 requires local authorities to take a sustainable development approach while conducting its business, taking into account the social, economic and cultural well-being of people and communities, the need to maintain and enhance the quality of the environment and the reasonably foreseeable needs of future generations.

Sustainable development is a fundamental philosophy that is embraced in Council's Vision, Mission and Objectives, and that shapes the community outcomes. The levels of service and the performance measures that flow from these inherently incorporate the achievement of sustainable outcomes.

Many of the Council's cross-organisational initiatives are shaped around community well-being (economic, social, cultural and environmental) and take into consideration the well-being of future generations. This is demonstrated in:

- Council's Integrated Risk Management approach which analyses risks and particularly risk consequences in terms of community well-being.
- Council's Growth Demand and Supply Model which seeks to forecast how and where urban growth should occur taking into account opportunities and risks associated with community well-being.
- Council adopting a 20 year forecast in the Activity Management Plans to ensure the long term financial implications of decisions made now are considered.

At the activity level, a sustainable development approach is demonstrated by the following:

- ensuring minimal impact on the environment by the activity; and

- ensuring that the district's likely future property requirements are identified at an early stage and that they, and the financial risks and shocks, are competently managed over the long term without the Council having to resort to disruptive revenue or expenditure measures.

## 6 LEVEL OF SERVICE AND PERFORMANCE MEASURES

The following table summarises the levels of service and performance measures for the Property activity. Development of the levels of service is discussed in detail in Appendix R. Shaded rows are the levels of service and performance measures to be included in the Long Term Plan.

**Table 6-1: Levels of Service**

ID	Levels of Service (We provide ...)	Performance Measure (We will know we are meeting the level of service if...)	Current Performance (as at end Yr 2 2013/14)	Future Performance			
				Year 1	Year 2	Year 3	Years 4 - 10
<b>Community Outcome: Our urban and rural environments are pleasant, safe and sustainably managed.</b>							
1	Buildings and property services that comply with legislative and resource and building consent requirements.	All operational buildings (offices and libraries) and commercial buildings comply with resource, building consent and any other legislative requirements.	<b>Actual</b> = Current Building Warrant of fitness is displayed, compliance schedules are maintained and resource consents complied with.	100% compliance	100% compliance	100% compliance	100% compliance
<b>Community Outcome: Our infrastructure is safe, efficient and sustainably managed.</b>							
2	Property and building assets that are functionally appropriate and meet the needs of users and customers.	Customers and users are satisfied with the buildings they occupy and the level of service provided. As measured by a three-yearly survey of selected customers.	<b>Actual</b> = Staff survey results in 2014: 75% of occupants were satisfied or very satisfied.	Not measured	Not measured	75% of customers surveyed are satisfied or very satisfied.	75% of customers surveyed are satisfied or very satisfied (only measured in Years 6 and 9)



## 7 CHANGES MADE TO ACTIVITY OR SERVICE

Table 7-1 summarises the key changes for the management of the Property activity since the 2012 AMP.

**Table 7-1: Key Changes**

Key Change	Reason for Change
The ASB Aquatic and Fitness Centre has been removed from this AMP.	This asset now has its own AMP which is seen to be more relevant.
Camping Grounds and Commercial Property have been removed from this AMP.	These assets now comprise a part of the Commercial AMP.
Assets which do not belong to any other AMP have been included with this AMP.	This is a catch all to ensure that all assets are covered by an AMP. Residential houses purchased for future road improvements are now part of the Property AMP.

## 8 KEY PROJECTS

Table 8-1 details the key capital and renewal work programmed for years 2015 to 2025.

**Table 8-1: Significant Projects**

Project Name	Description	Year 1 (\$)	Year 2 (\$)	Year 3 (\$)	Year 4 to 10 (\$)	Project Driver <sup>1</sup>
Golden Bay Service Centre	Proposal to seismically strengthen and refit	567,000				R

Note:

1. See Appendix F for a full detailed list of new capital works projects driven by renewals and/or an increase in level of service.
2. See Appendix I for a full detailed list of renewal projects.

## 9 MANAGEMENT OF THE ACTIVITY

### 9.1 Management

Council provide quality buildings, building services and facilities management for its offices and Libraries. These services are managed to meet the requirements of staff and the community. Council also provides lease management and building management services for properties within the activity and within other AMP's. A significant part of the activity involves providing property services to Community Development and Engineering Services departments.

The continuous improvement of Council on its management of the Property activity will provide:

- Offices and libraries the ability to offer better services
- Facilities for staff to work in better conditions, improving efficiencies
- Facilities which will meet tenant's requirements and resulting in less complaints.

<sup>1</sup> LoS = Levels of Service, R = Renewal

## 9.2 Significant Effects

The significant negative and significant positive effects are listed below in Table 9-1 and Table 9-2 respectively.

**Table 9-1: Significant Negative Effects**

Effect	Council's Mitigation Measure
Cost of providing additional facilities to cater for growth	Council management of the properties activity using best practice and competitive tendering aims to provide economic efficiency (ie. Best value for money) for ratepayers.
Ongoing cost of maintaining ageing building stock	Council management of the properties activity using best practice and a combination of scheduled and reactive maintenance properties.

**Table 9-2: Significant Positive Effects**

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

## 9.3 Assumptions

Council has made a number of assumptions in preparing the AMP. These are discussed in detail in Appendix Q. Table 9-3 lists the most significant assumptions and briefly outlines the impact of the assumption.

**Table 9-3: Significant Assumptions**

Assumption Type	Assumption	Discussion
Financial assumptions.	That all expenditure has been stated in 1 July 2014 dollar values and no allowance has been made for inflation.	The LTP will incorporate inflation factors. This could have a significant impact on the affordability of the plans if inflation is higher than allowed for, but Council is using the best information practically available from Business and Economic Research Limited (BERL).
Asset data knowledge.	That Council has sufficient knowledge of the assets and their condition so that the planned renewal work will allow Council to meet its levels of service.	There are several areas where 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.
Timing of capital projects.	That capital projects will be undertaken when planned.	The risk of the timing of projects changing is high due to factors like, resource consents and funding. Council tries to mitigate this issue by undertaking the consultation, investigation and design phases sufficiently in

Assumption Type	Assumption	Discussion
		advance of the construction phase. If delays are to occur, it could have significant effects on the level of service.
Ownership.	Council will continue to own its operational property	There is no taxation advantage not to own operational property, so there is no intention to take the risk of having a landlord.
Funding of capital projects	That the projects identified will receive funding.	The risk of Council not funding capital projects is moderate due to community and user affordability issues. If funding is not secured, it may have moderate effect on the levels of service as projects may be deferred. The risk is managed by consulting with the affected community/users and appropriate distribution of fees.
Accuracy of capital project cost estimates	That the capital project cost estimates are sufficiently accurate enough to determine the required funding level.	The risk of large under estimation is low; however the significance is moderate as Council may not be able to afford the true cost of the projects. Council tries to reduce the risk by including a standard contingency based on the projects lifecycle.
Changes in legislation and policy	That there will be no significant changes in legislation or policy.	The risk of major change is moderate due to the changing nature of the government and politics. If major changes occur it is likely to have an impact on the required expenditure. Council has not mitigated the effect of this.
Management	The provision of property services will continue to be delivered in house.	Council's preference is to manage this in house. There are regular unsolicited approaches to outsourcing.

The major capital projects and their potential uncertainties are listed in Appendix Q.

#### 9.4 Risk Management

Council's risk management approach is described in detail in Appendix Q.

This approach includes risk management at an organisational level (Level 1). The treatment measures and outcomes of the organisational level risk management are included within the Long Term Plan.

The asset group level (Level 2) risk assessment was carried out at the same time as the Level 1 assessment due to the small number of assets managed within the activity.

Critical assets and components relating to the Property AMP are the facilities required to enable council to undertake its day to day operations as well as those facilities that have been identified to form part of any council response during an emergency. These particular assets are identified in Appendix B.

Council's Main Office in Richmond has been identified as a critical asset. The Council's risk management strategy in relation to this asset is:

- to maintain and ensure compliance with up to date Health and Safety Plans for all staff and contractors and manage the contractors response to new Health & Safety issues.
- to monitor the condition of the plant on a regular basis and maintain compliance with water quality standards.
- that a regular maintenance programme is maintained.
- to monitor potential hazards on a regular basis, and to take appropriate action to reduce possible risks by eliminating, mitigating or isolating the hazard as soon as any potential hazard is identified.

- to monitor the structural aspects of the complex and ensure that it is maintained in a safe and sound condition that complies with the Building Act where required.
- to ensure back up electrical generating capacity is available during power outages and that regular generator tests are carried out.

## 9.5 Improvement Plan

This Activity Management Plan document was subject to a peer review in its Draft format by Waugh Infrastructure Management Ltd in February 2015. The document was reviewed for compliance with the requirements of the LGA 2002. The findings and suggestions were assessed and prioritised by the asset management team and either implemented for the final version of the document or added to the Improvement Plan.

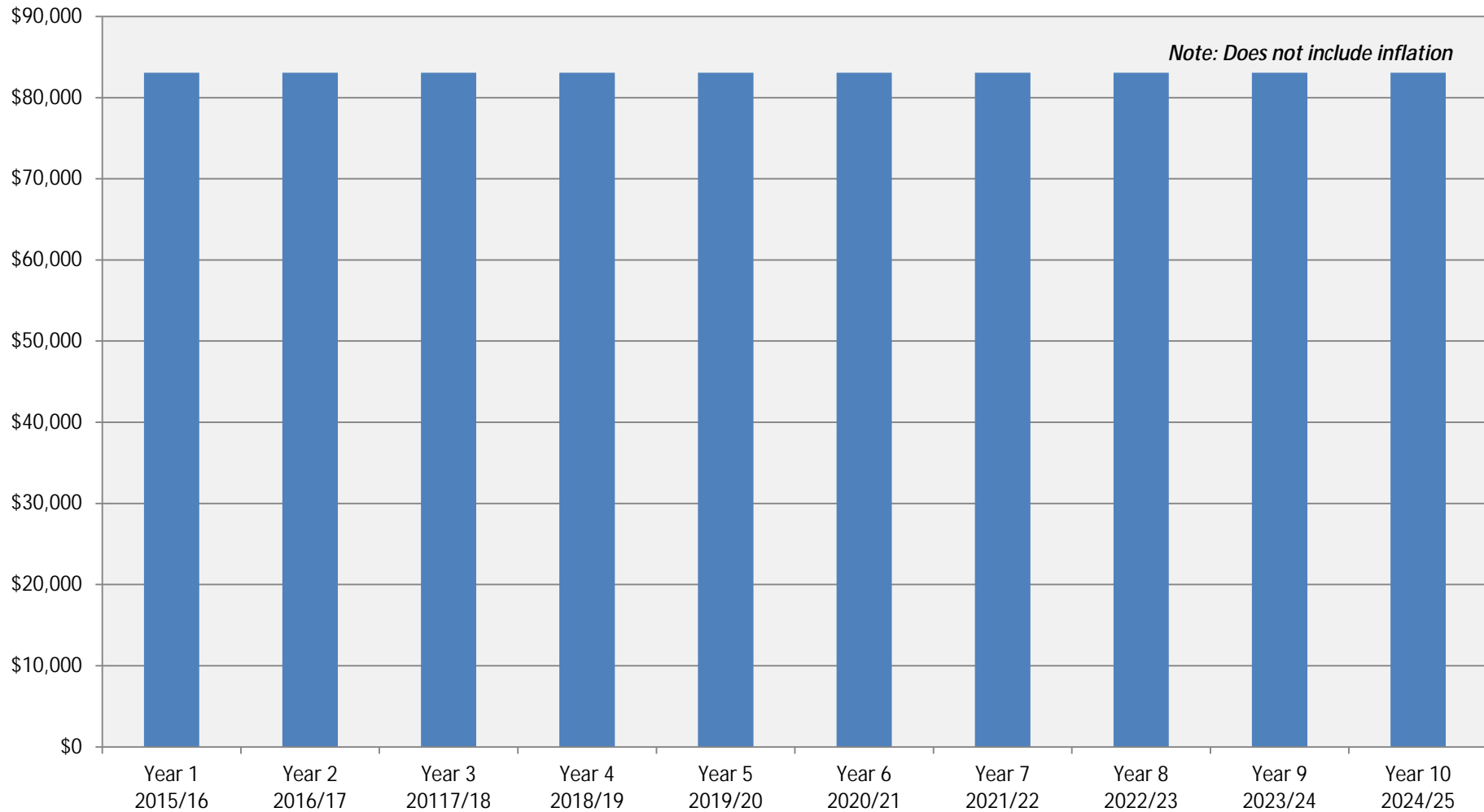
Development of the improvement plan is discussed in Appendix V. It includes a table (Table V-3) of planned improvements that are still to be implemented and information on how they have been budgeted. It is a snapshot of the improvement plan as at February 2015 and includes .... It is intended that the Improvement Plan is continually updated and monitored as a live document.

Version (#) of this document and the Improvement Plan was then reviewed a final time by ... in (date 2015). The report produced has been included in Appendix V along with key improvements that have been achieved since the 2012 AMP.

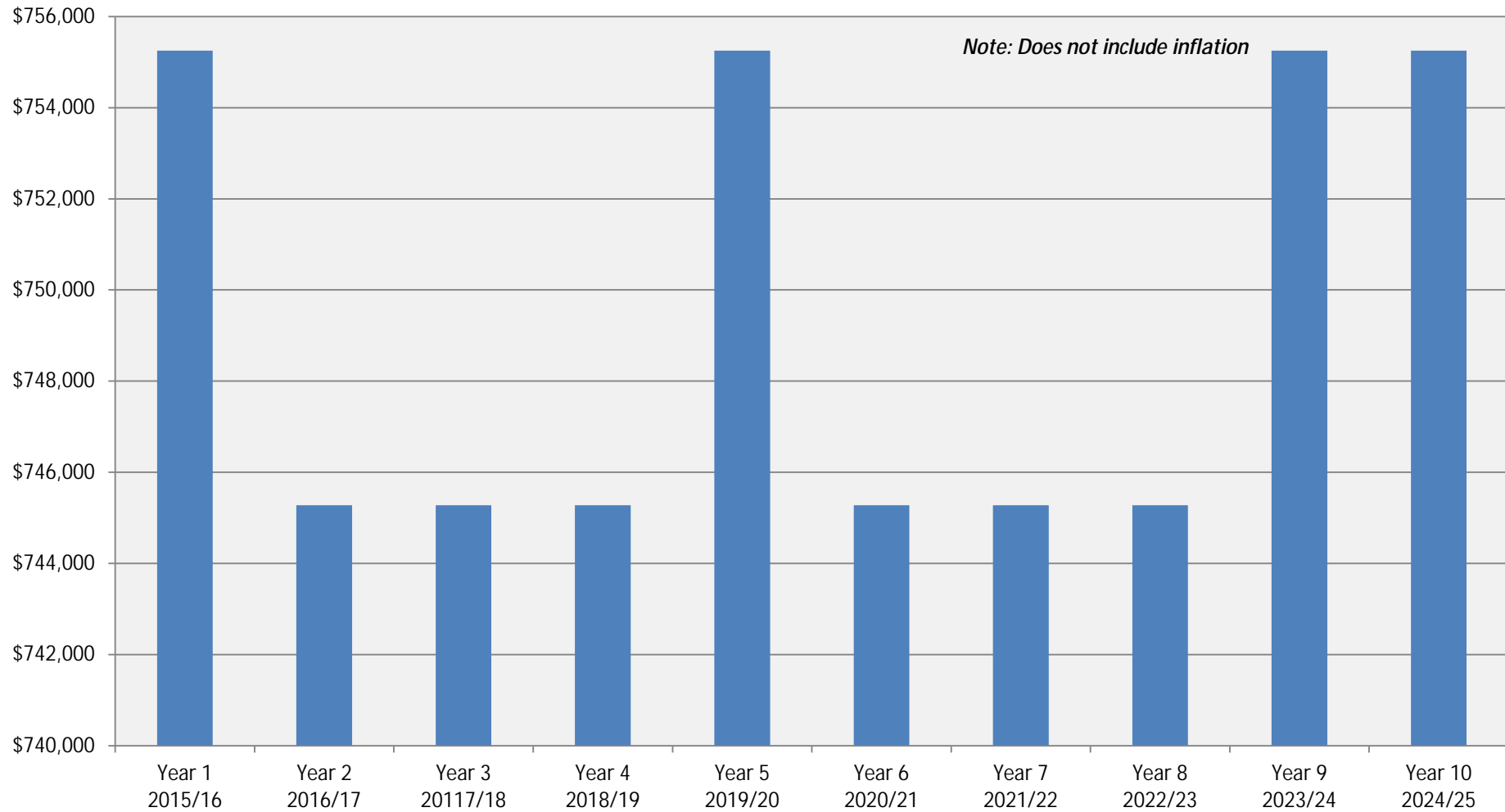
## 10 SUMMARY OF COST FOR ACTIVITY

The following figures have been generated from the Funding Impact Statement held in Appendix L. Further detail is held in Appendix E, F and I for operation and maintenance, new capital and renewal costs respectively. The following graphs exclude inflation.

Figure 10-1: Total Income

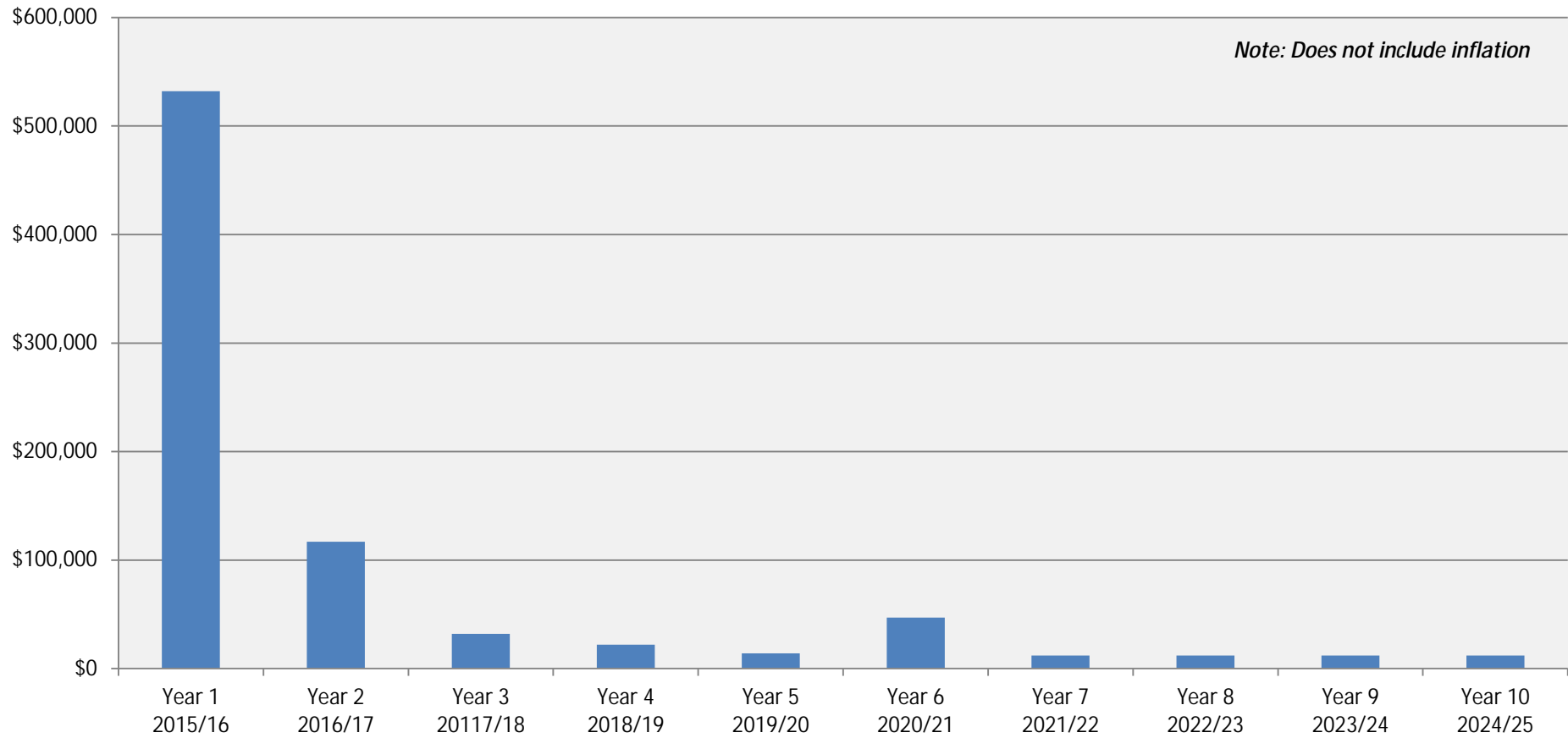


**Figure 10-2: Operational Expenditure**



**Figure 10-1: Capital Expenditure**

The peak in year one is the seismic repair and refurbishment of the Golden Bay Service Centre.



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## **APPENDIX A. LEGISLATIVE AND OTHER REQUIREMENTS AND RELATIONSHIPS WITH OTHER PLANNING DOCUMENTS**

### **A.1 Introduction**

The purpose of this Activity Management Plan (AMP) is to outline the Council's strategic long-term approach to the provision and maintenance of its property assets and the delivery of property services.

Council owns, manages and maintains buildings and property assets within the district which support council and community activities. This includes libraries and administration offices, community fire stations and property assets which are not associated with any other AMP such as residential houses purchased for future roading improvements. A facilities management service is provided for libraries and administration offices. The Property Services activity also provides an in-house property consultancy service for other Council activities which includes the acquisition, disposal, leasing and development of property.

The AMP demonstrates responsible management of the District's Property activity on behalf of customers and stakeholders. It assists with the achievement of strategic goals and statutory compliance and ensures that the levels of service required by customers are provided at the lowest long-term cost to the community.

The target audience of the front section of this AMP document is Council staff, Councillors and the community. The appendices provide more in-depth information for the management of the activity and are therefore targeted at the Activity Managers. The entire document is available within the public domain.

In preparing this AMP the project team has taken account of:

- national Drivers – for example the drivers for improving AMPs through the Local Government Act 2002
- regional and local Drivers – community desire for increased level of service balanced against the affordability
- linkages – the need to ensure this AMP is consistent with all other relevant plans and policies
- constraints – the legal constraints and obligations Council has to comply with in undertaking this activity.

Key activity drivers include the following factors:

- population growth
- aging population
- Council prefers to own its offices and libraries
- Council will continue to provide offices and library services in Richmond, Murchison, Golden Bay and Motueka

### **A.2 Key Legislation and Industry Standards**

Key statutes relating to the management of Property activity include:

- Building Act 2004
- Bylaws Act 1910
- Civil Defence and Emergency Management Act 2002
- Climate Change Response Act 2002
- Conservation Act 1987
- Electricity Act 1992
- Fencing Act 1978
- Fire Safety and Evacuation of Buildings Regulations 1992

- Fire Service Act 1975
- Forest and Rural Fires Act 1977
- Health and Safety in Employment Act 1992
- Historic Places Act 1993
- Land Act 1948
- Land Drainage Act 1908
- Local Government Act 2002
- Property Law Act 2007
- Occupiers Liability Act 1962
- Public Body Leases Act 1969
- Public Works Act 1981
- Reserves Act 1977
- Resource Management Act 1991
- Telecommunications Act 1987

### A.3 Links with Strategic Plans and Policies

This AMP is a key component in the Council's strategic planning function. Among other things, this plan supports and justifies the financial forecasts and the objectives laid out in the LTP. It also provides a guide for the preparation of each Annual Plan and other forward work programmes. Table A-1 describes the key Council plans and policies with linkages to the Property activity.

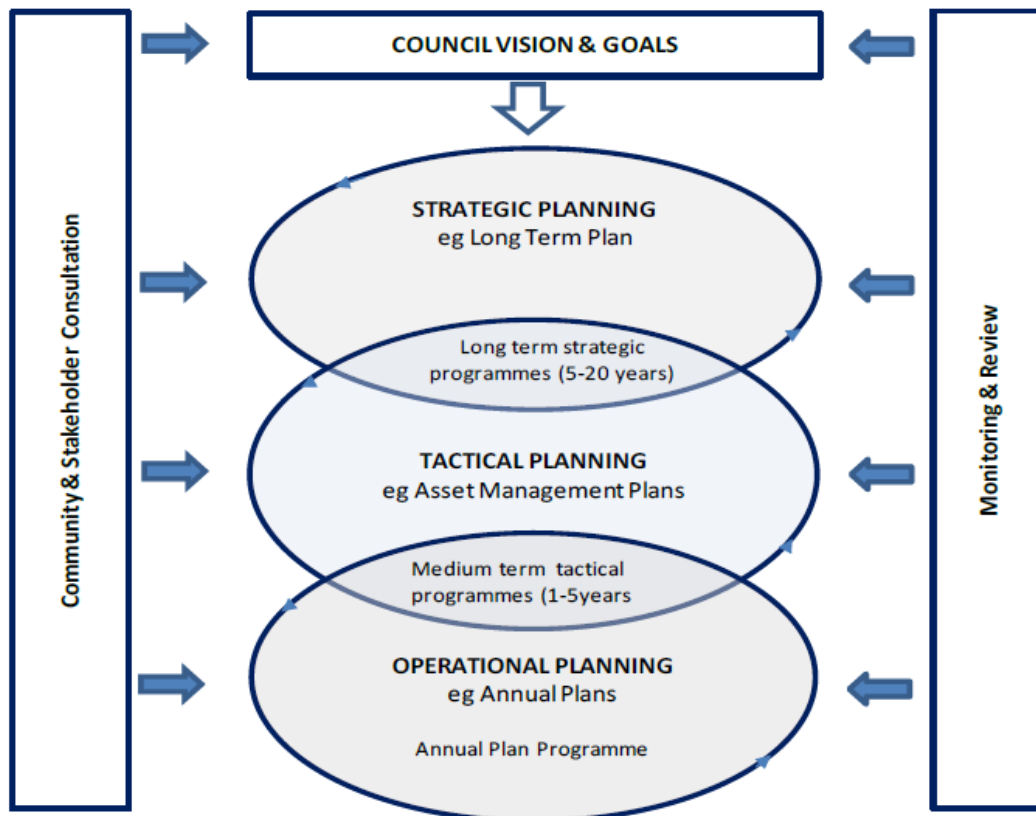
Table A-1: Council plans and policies affecting the Property AMP

Long Term Plan (LTP)	The LTP is Council's 10 year planning document. It sets out the broad strategic direction and priorities for the long term development of the District; identifies the desired community outcomes; describes the activities the Council will undertake to support those outcomes; and outlines the means of measuring progress.
Activity Management Plans (AMPs)	AMPs describe the infrastructural assets and the activities undertaken by Council and outline the financial, management and technical practices to ensure the assets are maintained and developed to meet the requirements of the community over the long term. AMPs focus on the service that is delivered as well as the planned maintenance and replacement of physical assets. Other AMPs with linkages to the community facilities activity include the Community Facilities AMP and various infrastructure AMPs.
Annual Plan	A detailed action plan on the Council's projects and finances for each financial year. The works identified in the AMP form the basis on which annual plans are prepared. With the adoption of the LTP, the Annual Plan mainly updates the budget and sources of funding for each of the years between the LTP.
Annual Report	The Annual Report identifies the prior year's achievements against Long Term Plan/Annual Plan targets.
Annual Work Programme	The expenditure projections for the annual work programme will be taken directly from the financial forecasts in the AMP.
Contracts and agreements	The service levels, strategies and information requirements contained in the AMP are the basis for performance standards in the current Maintenance and Professional Service Contracts for commercial arrangements and in less formal "agreements" for community or voluntary groups.
Operational plans	Operating and maintenance guidelines to ensure that the asset operates reliably and is maintained in a condition that will maximise useful service life of assets within the network.
Corporate information	Quality asset management is dependent on suitable information and data and the availability of sophisticated asset management systems which are fully integrated with the wider corporate information systems (eg. financial,

	property, GIS, customer service, etc). Council's goal is to work towards such a fully integrated system.
Council bylaws, standards and policies	These tools for asset creation and subsequent management are needed to support activity management tactics and delivery of service.
Growth Supply and Demand Model	The Growth Supply and Demand Model predicts the population increases for the district over the coming 20+ years. These predictions influence the likely demand on Council activities, infrastructure and services.
Tasman Regional Policy Statement	A regulatory document produced under the Resource Management Act 1991 which sets the high level policy for environmental management of the region, with which Council activities have to comply.
Tasman Resource Management Plan	This plan sets objectives, policies and methods for addressing the District's resource management issues.
Significance and Engagement Policy	This policy informs and determines the relationship the Council and community share with regard to engagement.
Settlement Area Reports	An analysis of individual settlement areas to identify development opportunities and constraints and associated infrastructure needs.

The following figure depicts the relationship between the various processes and levels of planning within the Council required to deliver on Council's vision and goals.

Figure A-1: Relationship between corporate planning processes and AMPs



#### A.4 How the Property activity contribute the Community Outcomes

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

Table A-2: How the Property activity contributes to Community Outcomes

Community Outcomes	How Our Activity Contributes to the Community Outcome
Our urban and rural environments are people-friendly, well-planned and sustainably managed.	The activity can be managed so the impact of any property development upon the environment is minimised and any future developments have environment sustainability as an expectation.
Our communities have access to a range of social, educational and recreational facilities and activities.	Our offices and Libraries and other public facilities will be accessible for persons with disabilities, and will provide a safe and welcoming environment.
Our region is supported by an innovative and sustainable economy.	We will support the development or sale of Council property, where appropriate, to provide business or employment opportunities.

## **APPENDIX B. AN OVERVIEW OF EVERY SEPARATE PROPERTY ASSET IN THE DISTRICT**

### **B.1 Overview**

The assets covered by this AMP include all land and buildings owned by council which are not

#### **B 1.1 Property Assets**

The assets covered in this AMP include all of the buildings owned by the Tasman District Council that support the following Council Activities:

##### **Category 1 – Operational Buildings**

- . Takaka Library
- . Upper Takaka Fire Station
- . Richmond Dog Pound
- . Emergency Centre Tapawera
- . Brightwater Fire Station
- . Car park 25 Oxford Street Richmond
- . St Arnaud Fire Station
- . Marahau Fire Station and community hall
- . Records Storage Sheds, Fittal Street Richmond
- . Golden Bay Service Centre, Takaka
- . Motueka Service Centre
- . Motueka Library
- . Murchison Service Centre and Library
- . Richmond Council Administration building
- . Richmond Library
- . Wakefield Library

##### **Category 2 – Housing**

- . 101 Fairfax St Murchison (Residential house could be shifted to Community housing?)
- . 2/344 Queen St Richmond (held for road improvements)
- . 4/346 Queen St Richmond (held for road improvements)
- . 1/346 Queen St Richmond (held for road improvements)
- . 54A Oxford St Richmond (held for car parking purposes)
- . 54B Oxford St Richmond (held for car parking purposes)
- . 81 Headingly Lane Richmond (On land for stormwater and Sewage purposes)
- . 52 Oxford St Richmond (held for car parking purposes)
- . 54 Oxford St Richmond (held for car parking purposes)

##### **Category 3 – Miscellaneous Land and Buildings**

- . Licensed Causeway to Leisure Park Mapua
- . Leased Workshop Collingwood transfer Station
- . Golden Bay Work Centre lease Takaka
- . Former Tapawera Depot – leased
- . Hair Salon 24 Commercial St Takaka
- . Leased buildings Murchison (old depot)
- . Old Upper Takaka Fire Station
- . Former dosing strip Pakawau
- . 47 Waller Street Murchison
- . Motueka Golf Club
- . Land for future road, Stephens Bay Road
- . Plunket Rooms Richmond
- . Senior Citizens rooms Richmond
- . Broadcast New Zealand Box, Mt Burnett

Category 4 Facilities not in the AMP.

- Generators
- Car parking
- Chattels within facilities

## **B.2 Strategic Management Approach**

### **B.8.1 Key Issues for Operational Property**

The key issues for Council's operational property are:

- Provision of buildings and building services which enable the excellent delivery of Council services.
- Maintenance of Council properties which enables Council service delivery to continue with a minimum of interruption.
- Asset knowledge.

### **B.8.2 Operational Property Strategic Approach**

The strategic approach to these issues is:

- Condition assessments to be undertaken and reviewed at least every three years on a rolling basis.
- Current service contracts are held with key service suppliers.
- Consideration of building occupants requirements with any renovations, renewals or new works.

### **B.8.3 Key Issues for other Properties**

- Asset knowledge
- Asset condition
- Tenant's reasonable requirements are satisfied within budgetary limitations.

### **B.8.4 Other Properties Strategic Approach**

- Condition assessments to be undertaken and reviewed at least every three years on a rolling basis.
- All leases and tenancies are inspected at least once each year.
- Maintain liaison with tenants.

## **B.3 Asset Condition**

The asset condition data is stored in the Confirm Asset Management System. Opus International Consultants were engaged in 2008 to collect and analyse data which was subsequently imported into Confirm. Within the condition assessment process, assets were categorised into five groups, the same groups used for the agreed valuation categories:

- Electrical and mechanical
- External features
- Fixtures and fittings
- Internal features
- Building structure

Asset condition typically deteriorates over time and is a key indicator of the amount of renewal expenditure required to maintain an asset at an acceptable level to ensure the full life of the asset is gained.



Each building was assessed on a 1 to 5 condition rating scale as follows:

- 1: Excellent
- 2: Very good
- 3: Satisfactory
- 4: Poor
- 5: Very Poor

Overall the condition of the asset components was very good. An improvement action for this plan is to update the previous condition assessments and to capture data for the remaining assets in this AMP. The documentation of the data collection processes, the process for updating the information and capturing new information is also an improvement action.

Council's building stock has to be seismically assessed to determine the percentage rating of each building against new building standards (NBS). Some buildings have had Initial Evaluation Processes (IEP's) and those which failed to meet 34% NBS have had Detailed Engineering Assessments (DEA's) undertaken. The legislation on earthquake prone buildings is being reviewed and the new act is expected to require all commercial buildings to be assessed within a limited time frame and any subsequent repairs to be completed within a further specified period.

The Golden Bay Service Centre in Commercial Street Takaka has been assessed at less than 34% of New Building Standards (NBS) and has been closed pending a decision on whether to repair it.

The main office building in Richmond has had seismic repairs completed and exceeds 67% NBS. The Motueka Library has been rated at 60% NBS. Assessments on the remaining buildings will be scheduled during the first three years of this plan subject to budget availability. Buildings constructed prior to 1985 will be accorded priority for inspection.

#### **B.4 Future Development & Demand**

The future development and demand for property assets is linked to technological changes, growth of the district and changes to the district's demographics. There has been a trend in recent years for office space to be more open plan rather than in enclosed offices. While this is often done for economic purposes, primarily to keep costs down, it also provides the opportunity to improve communication between like minded groups of activities. Changes in work styles should see working environments reviewed every 8 to 10 years to ensure that staff are being provided with facilities which will enable them to perform constantly at a high level. Good work space planning will ensure there is sufficient space to cater for known and expected staff increases during the life of this AMP. Devolution of responsibility for certain activities from central to local government also impacts on space requirements for staff and activities. Space requirements at the main office administration complex were reviewed in 2010 for the ensuing ten years based on projected staff increases, and the extensions completed in 2012 have allowed for such growth. Some funding is available in 2014 / 2015 to undertake minor improvements to the Motueka Library. The Golden Bay Service Centre is an earthquake prone building and has been vacated. A proposal to seismically repair and refit the building is included in the Long Term Plan. Service Centre functions are being undertaken from leased premises at 14 Junction Street Takaka.

The other assets in this AMP are not expected to be further developed during this AMP.

**Table B1: Summary of Property Assets**

Category	Asset Type	Description
Category 1 Operational buildings	Council Offices	These properties have mainly council only use and incorporate facilities need for council to undertake its obligations to the community.  Tasman District operates out of a main office located at 189 Queen Street Richmond. It was substantially altered and extended in 2012.
	Libraries and Offices	Council owns and operates Libraries in Richmond, Motueka, Takaka and Murchison, (a joint service centre). And community Libraries in Mapua and Wakefield. Two stand alone office are located in Takaka and Motueka with a third located with the Murchison Library.
	Fire Stations	Council owns four community fire stations used to provide Rural Fire Services located in Brightwater, Marahau, Ngatimoti, St Arnaud and Marahau.
	Pound	Council has a pound located in Fittal Street Richmond
Category 2 Housing		Council has one house located adjacent to and on the same title as pensioner housing in Murchison on land vested by the crown. It also owns houses in Oxford Street and Queen street Richmond set aside for future car parking and road widening requirements.
Category 3 Miscellaneous property	Community buildings	These include the Richmond Senior Citizens, Age Concern and Plunket rooms, Richmond Information Centre, the Broadcasting New Zealand transmitter on Mt Burnett, Richmond Information Centre and Tapawera Emergency Centre.
	Leased property	These facilities include a contractors yard in Murchison, a former contractors yard in Tapawera and Collingwood, a commercial premise in Takaka, buildings occupied by the Work Centre trust in Takaka and the Mapua causeway.
Facilities not included in AMP		Facilities not included in the AMP include: Generators, chattels within the facilities and car parking.

**Table B2: Detail of Property Assets.**

ID	Ownership	Asset category	Asset type	Asset details	Address	Notes
31002	Leased	Miscellaneous	Causeway	Causeway To leisure park Sealed access strip	End of Toru St Mapua	
	TDC	Housing	Ownership Flat		2/344 Queen St	
	TDC	Housing	Ownership Flat		4/346 Queen St	
	TDC	Housing	Ownership Flat		1/346 Queen St	
50411/14	TDC	Housing	Ownership Flat		54A Oxford Street	
50411/14	TDC	Housing	Ownership Flat		54B Oxford Street	
51302	TDC	Operational Buildings	Richmond Library	TDC Library Grd. Upgrade 2010/2011	282 Queen St Richmond	
51302	TDC	Operational Buildings	Richmond Library	TDC Library First Floor	282 Queen St Richmond	
51302	TDC	Operational Buildings	Richmond Library	Seal & layout Land & Ois. Landscaping 2010/2011	282 Queen St Richmond	
21501	TDC	Housing	Dwelling	Verandah	101 Fairfax St Murchison	
50503	TDC	Miscellaneous	Senior Citizens Club	Deck / access ramps/shelter	Oxford St Richmond	Carpark sep valued as Infr asset
50503	TDC	Miscellaneous	Age Concern building	At same site as Senior Citizens Club	Oxford St Richmond	
12505	TDC	Miscellaneous	Info Centre Buildings	Information centre sealing and Landscaping	Willow St Takaka	Info Cntr Bldg is not owned by TDC Carpark upgraded since 1 July 2002
12103	TDC	Miscellaneous	Old Upper Takaka Fire Station	Shed	Harwood Place Upper Takaka	
		Miscellaneous	Broadcast NZ transmitter box	Bcn box Mt Burnett	Mt Burnett, Golden Bay	
10710	TDC	Miscellaneous	Workshop	Fmr Landfill & Depot	Collingwood-Bainham Rd	Former Refuse landfill
12508	TDC	Operational Buildings	Library	New Library	3 Junction St Takaka	Carpark area valued as infrastructural asset
50010	TDC	Miscellaneous		Building	Fittal St Richmond	
50010	TDC	Operational Buildings	Old Staff Room	Old Shed, dog hut & dangerous goods store	Fittal St Richmond	
50010	TDC	Miscellaneous	Pump Station	Pump Station	Fittal St Richmond	
50010	TDC	Miscellaneous	Portacom Building	Portacom Building	Fittal St Richmond	
50010	TDC	Operational Buildings	Fence gate	upgraded 2013	Fittal St Richmond	

ID	Ownership	Asset category	Asset type	Asset details	Address	Notes
50010	TDC	Operational Buildings	Dog Pound	Dog Pound	Fittal St Richmond	
	TDC	Operational Buildings	Pound/storage	Concrete Slab 3/2014	Fittal St Richmond	
22506	TDC	Operational Buildings	Emergency Centre	Emergency Centre	103 Main Rd Tapawera	
12509	TDC	Miscellaneous	Building	G B Workcentre Trust site	82 Commercial St Takaka	Carpark area valued sep as infrastructural sset
22505	TDC	Miscellaneous	Garages, Office	Tapawera Depot	107 Main Rd Tapawera	
32509	TDC	Operational Buildings	Fire Station	Seal & paving	6 Spencer Place Brightwater	Sewer Pump stn sep valued in I/Asset register Land leased from Brightwater engineers
52504	TDC	Miscellaneous	Plunket Rooms	Verandah, porch, timber ramp & deck	56 Oxford St Richmond	
52504	TDC	Miscellaneous	Plunket Rooms	Shed	56 Oxford St Richmond	
52504	TDC	Miscellaneous	Plunket Rooms	Playground Equipment	56 Oxford St Richmond	
52504	TDC	Miscellaneous	Plunket Rooms	Concrete Paving / Layout	56 Oxford St Richmond	
50603	TDC	Miscellaneous	Dwelling and outbuildings	Garage/deck/stables/shed	81 Headingly Lane	Land for drainage
	TDC	Operational Buildings	New car park	Fencing Sealed car park	25 Oxford St Richmond	
22103	TDC	Operational Buildings	Fire Station	St Arnaud Fire Station	Main Rd St Arnaud	Land leased from Crown
42101	TDC	Operational Buildings	Marahau Fire Station	Marahau Fire Station	Main Rd Marahau	land is leased
50720	TDC	Operational Buildings	record storage sheds	Refuse Transfer Station Site	Fittal St Richmond	Imps sep valued as Infrastructure Asset
10001	TDC	Operational Buildings	Takaka Service Centre	porch Offices	78 Commercial St Takaka	Oldest part of bldg valued as a heritage asset Carpark area valued sep as infrastructural asset
10001	TDC	Operational Buildings	Takaka Service Centre	Offices	78 Commercial St Takaka	Oldest part of bldg valued as a heritage asset Carpark area valued sep as infrastructural asset
10001	TDC	Operational Buildings	Takaka Service Centre	Garage, Carport	78 Commercial St Takaka	Oldest part of bldg valued as a heritage asset Carpark area valued sep as infrastructural asset
10001	TDC	Operational Buildings	Takaka Service Centre	Impairment recognised 30/6/13	78 Commercial St Takaka	
40008	TDC	Operational Buildings	Motueka Service Centre	Verandah	7 Hickmott Place Motueka	Maori carving sep valued as heritage asset Carpark area sep valued as infrastructural asset
40008	TDC	Operational Buildings	Motueka Service Centre	Layout / Social Area	7 Hickmott Place Motueka	Maori carving sep valued as heritage

ID	Ownership	Asset category	Asset type	Asset details	Address	Notes
						asset Carpark area sep valued as infrastructural asset
40008	TDC	Operational Buildings	Motueka Service Centre	Dangerous Goods Store	7 Hickmott Place Motueka	Maori carving sep valued as heritage asset Carpark area sep valued as infrastructural asset
41780A	TDC & Pts leased	Operational Buildings	Pt Memorial Park-Hall/Library	Verandah	Pah St Motueka	TDC is half owner of land. Kindy Tennis Club & Snr Citizens Bldgs are not TDC ppty. Carpark area sep valued infrastructural asset
20001	TDC	Operational Buildings	Fulton Hogan Workshop, Office/staff Amenities & Store	Service Centre & Depot	92 Fairfax St Murchison	Svce Cntr/Library Bldg sep valued as Heritage asset
20001	TDC	Miscellaneous	NZ Post Store (ex fire station)	Service Centre & Depot	92 Fairfax St Murchison	Svce Cntr/Library Bldg sep valued as Heritage asset
20001	TDC	Miscellaneous	Store (ex Powerhouse)	Service Centre & Depot	92 Fairfax St Murchison	Svce Cntr/Library Bldg sep valued as Heritage asset
20001	TDC	Miscellaneous	Truck Store	Service Centre & Depot	92 Fairfax St Murchison	Svce Cntr/Library Bldg sep valued as Heritage asset
20001	TDC	Operational Buildings	Murchison Service Centre & Depot	Sealed carpark & drive	92 Fairfax St Murchison	Svce Cntr/Library Bldg sep valued as Heritage asset
50000	TDC	Operational Buildings	Main TDC Office Complex	Terrace & deck	189 Queen St Richmond	Carpark sep valued as Infrastructural asset
50000	TDC	Operational Buildings	Main TDC Office Complex	Bike shelter	189 Queen St Richmond	Carpark sep valued as Infrastructural asset
50000	TDC	Operational Buildings	Main TDC Office Complex	Canopy	189 ueen St Richmond	Carpark sep valued as Infrastructural asset
50000	TDC	Operational Buildings	Main TDC Office Complex	upgrade 2011/2013 Layout, courtyard	189 Queen St Richmond	Carpark sep valued as Infrastructural asset
	TDC	Operational Buildings	Main TDC Office Complex	P/S costs Oct 2013	189 Queen St Richmond	
	TDC	Operational Buildings	Main TDC Office Complex	Wiring modification Nov 13	189 Queen St Richmond	
31310	TDC	Operational Buildings	Wakefield Library/Restroom	Library / Restrooms	Edward St Wakefield	War memorial sep valued as heritage Asset

## APPENDIX C. PRIVATE ASSETS

### C.1 Private Assets

In addition to the key assets detailed in Appendix B, Council leases premises at 3 Elm Street in the Wakatu Estate for archive storage and premises at 14 Junction Street Takaka for an interim Service Centre until the council owned facility is repaired or replaced. These assets are not maintained by Council.

## APPENDIX D. ASSET VALUATIONS

### D.1 Background

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

The Financial Reporting Act 1993 sets out a process by which GAAP is established for all reporting entities and groups, the Crown and all departments, Offices of Parliament and Crown entities and all local authorities. Compliance with the 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) is the one of the current requirements of meeting GAAP.

The purpose of the valuations is for reporting asset values in the financial statements of Tasman District Council.

Council requires its 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 2009.

- 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)

#### D1.1 Depreciation

Depreciation of assets must be charged over their useful life.

- *Depreciated Replacement Cost* is the current replacement cost less allowance for physical deterioration and optimisation for obsolescence and relevant surplus capacity. The *Depreciated Replacement Cost* has been calculated as:

$$\frac{\text{Remaining useful life}}{\text{Total useful life}} \times \text{replacement cost}$$

- *Depreciation* is a measure of the consumption of the economic benefits embodied in an asset. It distributes the cost or value of an asset over its estimated useful life. Straight-line depreciation is used in this valuation.
- *Total Depreciation to Date* is the total amount of the asset's economic benefits consumed since the asset was constructed or installed.
- The *Annual Depreciation* is the amount the asset depreciates in a year. It is defined as the replacement cost minus the residual value divided by the estimated total useful life for the asset.

- The *Minimum Remaining Useful Life* is applied to assets which are older than their useful life. It recognises that although an asset is older than its useful life it may still be in service and therefore have some value. Where an asset is older than its standard useful life, the minimum remaining useful life is added to the standard useful life and used in the calculation of the depreciated replacement value.

**D1.2 Revaluation**

The revaluations are based on accurate and substantially complete asset registers and appropriate replacement costs and effective lives.

- The lives are generally based upon NZ Infrastructure Asset Valuation and Depreciation Guidelines – Edition 2. In specific cases these have been modified where in our, and Council’s opinion a different life is appropriate. The changes are justified in the valuation report.
- The component level of the data used for the valuation is sufficient to calculate depreciation separately for those assets that have different useful lives.

**D.2 Overview of Asset Valuations**

Assets were previously valued every three years, but Council has now moved to a two year revaluation cycle. Historic asset valuations reports are held with Council. Council last revalued their assets as at end of June 2013.

**D2.1 2013 Valuation – Property activity**

The Property assets were last re-valued in June 2013 and are reported under separate cover<sup>1</sup>. Key assumptions in assessing the asset valuations are described in detail in the valuation report.

**D2.2 Asset Data**

The information for valuing the assets was obtained from Council’s asset registers<sup>2</sup>, based on excel spreadsheets. The data confidence is detailed in Table D-1 below. The confidence grades are based on the following: A - Highly reliable; B – Reliable; C – Uncertain; and D - Very uncertain.

Table D-1: Confidence Grades – Financial Data

	<b>Confidence grade</b>	<b>Comments</b>
All activities operations/ maintenance	A	A > Based on a consistent history the current costs are considered to be highly reliable for the next 5 years.
Development	A to D	Generally very reliable for the first 1 to 2 years, then drops to B for years 3 & 4 and then to C for years 5 to 6 and to D for years 7 to 10. While there has been some work put into future growth and demand planning which identify future works, accurate long term development planning is extremely difficult to achieve due to changing demands, issues and priorities.
Disposal	A	Disposal of assets unlikely.
Valuation	A	A > Building assets have been appropriately identified and valued

<sup>1</sup> ‘Tasman District Council Property Portfolio Asset Valuation for Financial Reporting Purposes - Valuation Report as at 30 June 2013’: report prepared by QV Valuations.

<sup>2</sup> Asset data is held within the ‘Building Improvements’ asset register, a copy of which is available here: [P:\LTCCPLTP 2015\Building Assets 2013-14 as at 31 May 2014 \(with filters\).xlsx](P:\LTCCPLTP 2015\Building Assets 2013-14 as at 31 May 2014 (with filters).xlsx)

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

#### *D2.3 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 D-2 below.

#### *D2.4 Asset Valuation*

The current valuation information is based on the property valuation undertaken during 2013. Asset values (as at 30 June 2014) for individual buildings are presented in Table D-2 below. The asset depreciated value (as at 30 June 2014) and annual depreciation applying to each group of building assets is summarised in Table D-3 below.



Table D-2: Property Asset Lives and Asset Valuation (as at 30 June 2014)

Asset	Life of structure (years)	Minimum remaining life of structure (years)	Asset Depreciated Value (\$)	Annual Depreciation Requirement (\$)
<b>Housing</b>				
2/344 Queen Street Richmond	85	47	7,3458	7,571
4/346 Queen Street Richmond	85	57	122,148	9,076
1/346 Queen Street Richmond	85	57	122,148	9,076
54A Oxford Street Richmond	55	13	44,118	6,241
54B Oxford Street Richmond	55	13	44,118	6,241
101 Fairfax Street Murchison	85	28	78,303	14,848
<b>Miscellaneous</b>				
Causeway to Mapua Leisure Park	60	27	19,444	7,78
Richmond Senior Citizens	75	22	63,291	7,705
Takaka Information Centre site	80	65	134,726	5,987
BCNZ Transmitter Box Mt Burnett	20	10	2,000	250
Leased building Collingwood	80	45	34,034	983
Fittal Street Richmond building	65	6	10,593	3,253
Regional Sewage pump station Fittal St Richmond	65	32	19,688	656
Portacom Fittal St Richmond	65	53	26,943	528
Leased building 92 Fairfax St Murchison	80	17	4,412	294
Store, 92 Fairfax St Murchison	80	17	3,176	412
Truck Store 92 Fairfax St Murchison	80	17	8,824	588
82 Commercial St Takaka	70	22	26,364	1,318
107 Main Road Tapawera	70	38	39,789	1,105
Plunket rooms 56 Oxford St Richmond, porch and deck	40	36	3,306	97
Plunket rooms 56 Oxford St Richmond, shed	40	36	1,417	42
Plunket rooms 56 Oxford St Richmond, playground	20	16	2,625	188
Plunket rooms 56 Oxford St Richmond	75	8	20,821	4,840
81 Headingly Lane	75	37	166,590	7,255
Old Upper Takaka Fire Shed	60	7	2,857	571
<b>Operational Buildings</b>				
Richmond Library upgrade 2010/11	80	74	282,3458	92,671
Richmond Library First floor	80	74	899,895	26,702
Richmond Library, seal and landscaping	40	25	32200	1,400
Takaka Library	70	65	742661	25,469

Dangerous goods store Fittal St Richmond	60	5	2,427	1,587
Richmond Pound fencing	50	46	27,261	620
Richmond Pound	70	66	247,563	6,318
Richmond Pound Concrete slab	50	46	7,776	174
Emergency Centre Tapawera	70	18	79,408	5,546
Brightwater Fire Station	80	57	49,923	2,539
Car park 25 Oxford St Richmond	40	38	48,684	1,316
St Arnaud Fire Station	80	57	84,618	6,991
Marahau Fire station and hall	65	32	25,372	2,314
Storage sheds Fittal St Richmond	50	46	19,130	435
Old Takaka Service Centre 78 Commercial St, porch, offices	90	50	15,800	0
Old Takaka Service Centre 78 Commercial St, offices	90	62	28,280	2,910
Old Takaka Service Centre 78 Commercial St, Garage	70	47	25,529	2,336
Motueka Service Centre veranda	65	44	2,864	68
Motueka Service Centre layout	50	39	4,744	128
Motueka Service Centre	70	51	313,167	24,767
Motueka Library	70	52	372,256	29,472
Murchison Service Centre/ Library	80	27	17,439	1,630
Main Office 189 Queen St Richmond, terrace and deck	50	38	5,211	145
Main Office 189 Queen St Richmond, bike shelter	30	21	2,262	119
Main Office 189 Queen St Richmond, Canopy	50	41	19,976	512
Main Office 189 Queen St Richmond, Upgrade 2011/ 2013	80	45	7,115,015	258,542
Main Office 189 Queen St Richmond, P/S costs	45	42	1,545	15
Main Office 189 Queen St Richmond, wiring modifications	45	42	14,949	370
Wakefield Library	70	12	24,763	5,668

Table D-3: Property Asset Valuation Summary (as at 30 June 2014)

Asset type	Asset Depreciated Value (\$)	Annual Depreciation (\$/yr)
Housing	484,293	53,053
Miscellaneous	590,900	36,072
Operational	13,354,176	500,764
<b>TOTAL</b>	<b>14,429,369</b>	<b>589,889</b>

## **APPENDIX E. MAINTENANCE AND OPERATING ISSUES**

### **E.1 Maintenance Contract**

The asset management contracts applicable to the Property AMP include painting, electrical, fire alarm testing, fire protection, air conditioning, automatic door servicing, building maintenance, lock maintenance, closed circuit television cameras lift maintenance and building compliance. Contracts or service agreements are in place with preferred suppliers which ensures a consistency of approach and the opportunity to build relationships with contractors.

The Council offices and libraries in Richmond, Motueka, Takaka, Murchison and the Wakefield Library are on individual contracts with Programme Property Services for exterior painting. This involves a full exterior repaint of the buildings at the commencement of the contract and an annual wash and touch up at each anniversary until the expiry of the contract. Contracts vary from 6 to 8 years. There is a similar contract for the Richmond Library to maintain the interior paintwork.

Facilities management contracts are in place for cleaning services and security.

#### **E.1.1 Non Scheduled Maintenance (Reactive)**

Non scheduled maintenance encompasses unplanned call outs and maintenance caused by vandalism, asset failure or user needs.

#### **E.1.2 Scheduled / Cyclic Maintenance**

Scheduled or cyclic maintenance includes regular operating costs such as:

- Heating, ventilation and air conditioning systems
- Lift maintenance and inspections
- Fire protection services
- Cleaning
- Building Warrant of Fitness assessments
- Maintenance of painted surfaces

#### **E.1.3 Planned Maintenance**

Planned maintenance is the long term planned items undertaken to maintain an asset to ensure it is able to achieve its target useful life. This includes regular lifecycle asset management items such as painting and carpet replacement etc.

Maintaining building components on a regular basis extends their life and provides better knowledge of life expectancy. The improvement and updating of condition assessments will allow more accurate replacement of components.

### **E.2 Maintenance Standards**

The offices and libraries are maintained slightly higher than one would normally expect for a commercial building. The council considers it important to provide a high standard of facilities for staff, ratepayers and users of Council's facilities.

Buildings are inspected at least annually. Buildings other than offices or libraries are maintained to the minimum standard required for the occupiers use.

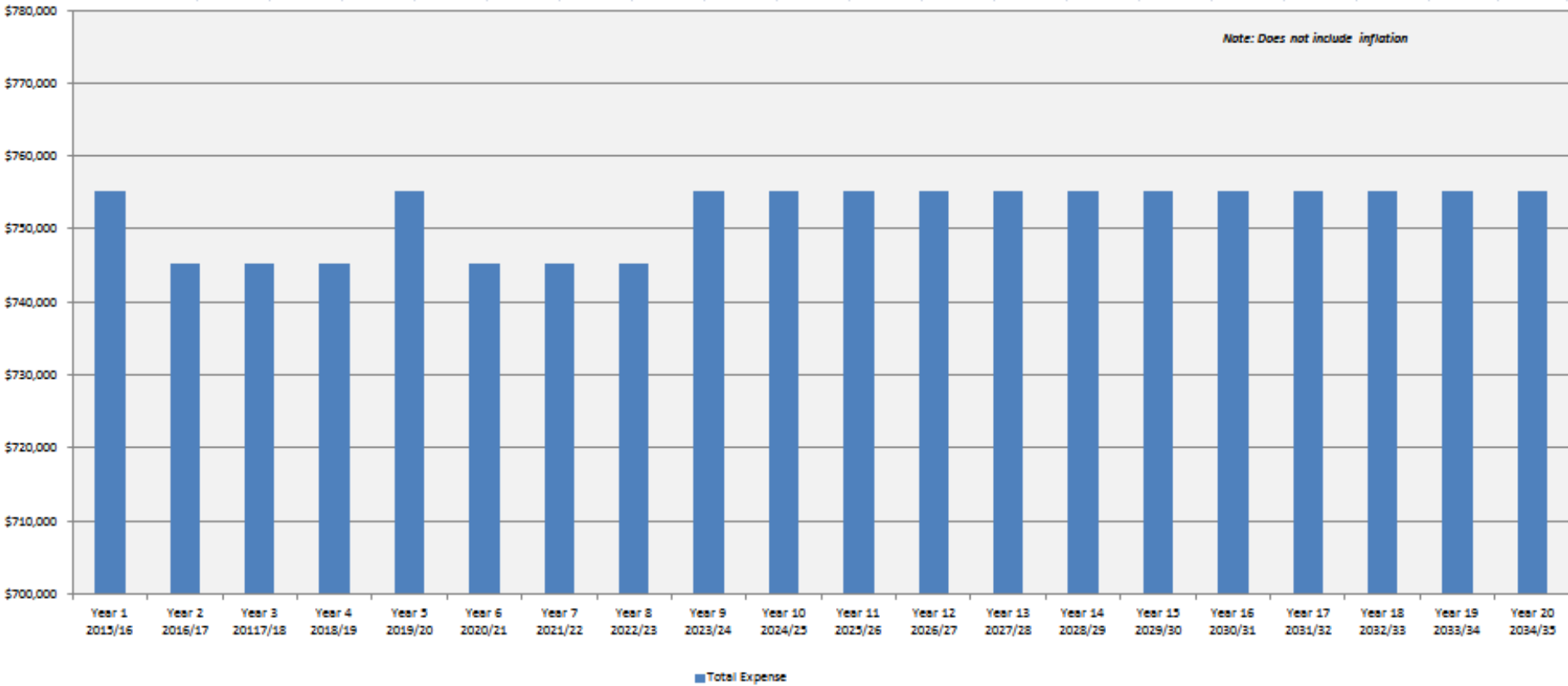
As asset knowledge improves, the amount of reactive maintenance will decrease and scheduled maintenance will increase. There is a balance between reactive and scheduled maintenance that is necessary to keep costs in check. There are very few assets or asset components in this AMP which must be maintained to a standard that ensures they are capable of functioning at all times as might be expected in a processing activity. For this reason there is a preference to allow

components to reach the end of their life before replacement unless the earlier replacement is considered advantageous.

### **E.3 Projected Operations and Maintenance Costs**

The forecasts for operations and maintenance costs are shown in Figure E-1. The annual costs over the life of this plan are predicted to remain relatively constant for the properties listed in this AMP, although this is dependent upon the completion and updating of condition assessments.

Figure E-1 operations and maintenance costs



## APPENDIX F. DEMAND AND FUTURE NEW CAPITAL REQUIREMENTS

### F.1 Growth Supply – Demand Model

#### F.1.1 Model Summary

A comprehensive Growth Demand and Supply Model (GDSM or growth model) has been developed for Tasman District. The growth model is a long term planning tool, providing population and economic projections district wide. The supply potential is assessed as well as demand, and a development rollout for each settlement is then examined. The development rollout from the Growth Model informs capital budgets (new growth causes a demand for network services) which feed into the AMPs and in turn underpin the Long Term Plan and supporting policies e.g. Development Contributions Policy.

This 2014 growth model is a fourth generation growth model with previous versions being completed in 2005, 2008 and 2011. In order to understand how and where growth will occur, the growth model is built up of a series of Settlement Areas which contain Development Areas. A Settlement Area (SA) is defined for each of the main towns and communities in the district. There are 17 Settlement Areas for the present version of the growth model. Each Settlement Area is sub-divided into a number of Development Areas. Each Development Area is defined as one continuous polygon within a Settlement Area that if assessed as developable, is expected to contain a common end-use and density for built development.

The growth model organises and integrates the assessments of demand and supply of built development. The development is categorised as residential or business demand and supply, with business including all industrial, commercial and retail uses. For residential demand and supply:

- the 'demand' for residential buildings (dwellings) is assessed from population and household growth forecasts based on Statistics New Zealand's latest release.
- the 'supply' of lots for future dwellings is assessed from analysis of the Development Areas in each Settlement Area and how many lots could feasibly be developed for residential end use over a twenty year time period, after accounting for a number of existing characteristics of the Development Area.

For business demand and supply:

- the 'demand' for business premises is assessed from economic and employment growth forecasts, and associated land requirements.
- the 'supply' of lots for future business premises is assessed from analysis of the Development Areas in each Settlement Area over time in a similar way as that for future dwellings.

The Development Areas and Settlement Areas are the building blocks that allow the growth model to spread demand for new dwellings and business premises, and assess where there is capacity to supply that demand.

The growth model is not just an isolated tool that calculates a development forecast. It is a number of linked processes that involve assessment of base data, expert interpretation and assessment, calculation and forecasting. The key input data, assessment and computational processes, and outputs of the growth model are captured in a database called the Growth Model Database.

The outputs of the growth model are located on a shared browser site that all Council staff have access to. The browser contains:

- all the various input data sets and calculated outputs;
- maps defining the Settlement Areas and Development Areas within those; and
- an updated model description describing the model working in detail, assumptions and planned improvements.

The review process is also mapped in ProMapp.

F.1.2 Overall Population Growth and Trends

Richmond is the largest and fastest growing town in the District with an estimated 13,606 residents, as at 2014. Motueka is the next largest town, with 6,687 residents. Another five settlements are relatively small, with populations ranging from 1239 in Takaka up to 2,498 in the Coastal Tasman area. Nine have populations of less than 500 people.

Tasman District is a popular destination for older age group or “retirees”. A high proportion of population growth results from people moving to the Tasman District from elsewhere, rather than from current residents having children. The growth modelling shows that older people moving to the Tasman district are choosing to live in larger centres with easier access to services, hence the larger settlements are growing and the smaller ones are not. As shown in Table F-1, Richmond, Brightwater and Wakefield are predicted to grow by 500 people or more over the next 25 years. Overall, Tasman’s population is expected to increase by 7,700 people by 2039. Council’s planning also takes into consideration the decrease in the number of persons per household and provides for an increase in the number of holiday homes. The latter is particularly important for holiday settlements such as Kaiteriteri and Pohara/Ligar Bay.

The population projection in the growth model has been taken from Statistics New Zealand population projections derived from the 2013 census data, using a “medium” growth rate projection for all settlement areas (refer Table F-1). The population projections are used to determine a demand for new dwellings in each settlement area.

Table F-1: Population projections used in the Growth Model

Settlement Area	Population in 2014	Population projection for 2039	Increase or decrease in people by 2039
Brightwater	1835	2412	577
Coastal Tasman Area	2498	2903	405
Collingwood	232	250	18
Kaiteriteri	377	382	5
Mapua/Ruby Bay	2028	2506	478
Marahau	119	120	1
Motueka	6687	6810	123
Murchison	413	365	-48
Pohara/Ligar/Tata	543	583	40
Richmond	13606	16396	2790
Riwaka	591	636	45
St Arnaud	101	93	-8
Takaka	1239	1056	-183
Tapawera	284	320	36
Tasman	189	210	21
Upper Moutere	148	177	29
Wakefield	1939	2471	532
Ward Remainder (Area Outside Ward Balance)	282	303	19
Ward Remainder Golden Bay	3023	3248	225
Ward Remainder Lakes Murchison	2418	2722	304
Ward Remainder Motueka	3096	3597	501
Ward Remainder Moutere Waimea	4248	4937	689
Ward Remainder Richmond	1612	2704	1092
<b>Total for District</b>	<b>47508</b>	<b>55201</b>	<b>7693</b>

*Projected Population data derived from Statistics NZ 2013 Census Data*

(adjusted for Growth Model). Base projection series applied = medium

Table F-2 summarises some key statistics for Tasman’s population, based on Statistics New Zealand medium growth projections (2006 base, updated in June 2013).

Table F-2: Population change in Tasman District

Key Statistics	2006	2013	2031
Population	45,800	48,800	53,900
Median age (years)	40.3	44.2	47.3
Proportion of population aged over 65	13.6%	17.9%	29.1%
Number of households	17,900	18,261	23,500
Working age population	29,810	30,500	29,170

Additional information from the 2013 census about Tasman District:

- Tasman’s population is 1.1% of New Zealand’s total population
- 93.1% of population is European
- 7.6% of population is Māori
- 20% of population aged under 15 years
- 75% of households in occupied private dwellings owned the dwelling or held it in a family trust (this is the highest rate of home ownership in New Zealand)

As shown in Table F-2, Tasman’s population is expected to be about 53,900 by 2031. Like the rest of New Zealand, the median age of Tasman’s population is also increasing. The first of the baby boomers (those born between 1946 and 1964) commenced retiring in 2011 and fertility rates have also decreased over the last 20 years. The median age is projected to increase from 44.2 in 2013 to 47.3 in 2031. By 2031, the number of people aged over 65 in Tasman is projected to comprise 29.1 percent of the population, compared to 17.9 percent in 2013. Twenty years ago the figure was less than 10 percent. These demographic changes raise a number of challenges for Council.

As Tasman’s population increases, Council needs to provide more services. However, many of the retired population will be on fixed incomes and unable to pay for increases in services (rates are a tax on property, not income, and if a property value is high the rates can take a significant portion of this fixed income payment). Council’s Growth Strategy considers whether our community can afford to support growth in all 17 settlements and what form this growth will take.

Communities with an older population are likely to have different aspirations to the communities with a younger median age. This may include:

- where they wish to live, possibly closer to main settlement areas where medical and social services are more readily available.
- an increase in the demand for smaller properties and a decrease in the demand for lifestyle or larger properties, particularly given the projected increase in the number of single households.
- the type of facilities and the levels of service requested, including more informal recreation facilities and the increased demand for “free” or low cost services such as libraries.
- their ability and willingness to pay for services and facilities may be lower, given that incomes are expected to be lower.

Council has taken these factors into account in the development of this AMP and the LTP.

## F.2 User Needs

User needs are assessed on an activity level:



- Changes in Community use, or non use.
- Council objectives.

Owning property for the sake of owning property is not a key driver for the Tasman District Council. Other factors such as historical significance, community use and ownership, financial performance and future development potential all impact on the requirements for Council property. Council then develops and maintains property at a level which meets those community needs. Property assets will be regularly reviewed to identify any surplus assets which may be used for alternative purposes or recommended for disposal.

### **F.3 Changes in Technology**

Changes in Technology used in the systems to manage facility assets and, in the systems impacting on the delivery of services have an effect on the demand and the use of the assets. Significant changes in technology identified are:

- General
  - Wireless networks (impact on cabling and inbuilt systems within facilities).
  - Environmental sustainability (changes in energy sources, technology and utilising life cycle costing analyses).
  - Heating, ventilation and Air Conditioning (HVAC) delivery systems, demand and customer expectations.
  - Information systems changes such as LCD screens producing less heat and impact on HVAC requirements.
- Building Management
  - Improved energy efficiency, use of photovoltaic cells.
  - Sustainability initiatives
  - Use of personal devices to control building systems
- GIS and GPS
  - Use of advanced GIS mapping and GPS to assist in planning and management of Property Assets

### **F.4 Future New Capital Requirements**

New works are those works that did not previously exist, or works that upgrade or improve an existing asset beyond its existing growth capacity. The need for new work is based on growth, user requirements and council policy. In the first instance it will be council's intention to adapt existing assets or extend existing assets but where this is not possible or appropriate, consideration will then be given to the construction of new property assets.

The Property AMP does not identify any future new capital Property requirements within the first three years of the plan. There are no taxation advantages to be enjoyed by council through not having ownership of its Property Assets used for its offices and libraries and it is Council's preference to own these assets.

#### *F.4.1 Main Office*

There are sufficient landholdings at the Council main administration complex to cater for seen or unseen growth with the Council purchase of the property at 183 Queen Street Richmond. This has provided additional car parking and the premises lease provides for redevelopment of that site if necessary. There are funds provided for a redevelopment of council land holdings at 183 and 189 Queen Street Richmond but any venture will be subject to approval of a sound business case

The main Council office complex comprises five structures which are interconnected. The oldest was constructed in 1962 and was seismically strengthened to 80% NBS in 2012. The Civic area serves as a backup Emergency Operations Centre for Civil Defence purposes. An emergency

generator provides back up power to all electrical systems in the complex except for HVAC systems which is only available in the Computer server room. A solar panel provides hot water to the staff tea room, toilets and showers. HVAC systems and floor coverings will require replacement during the life of this AMP.

#### *F.4.2 Motueka Service Centre*

The Motueka Service Centre building in Hickmott Place was recently altered to provide a modern customer services area. HVAC systems and floor coverings will require replacement during the life of this AMP. Any additional space requirements can be accommodated with the removal of internal non load bearing walls. Some refurbishment is expected. The automatic main entry door has just been replaced. Meeting room chairs and tables have been replaced to enable a better layout of the meeting room and to provide a better service for the Community Board and meeting room users.

#### *F.4.3 Golden Bay Service centre*

The Golden Bay Service Centre in Takaka is an earthquake prone building and consideration of its repair and refit will be considered as a part of the LTP. Service Centre functions are being undertaken from leased premises at 14 Junction Street Takaka. Community Board and other council meetings are being conducted in hired premises. The current leased premises are considered satisfactory for up to two years but are not suitable for long term occupancy as a service centre because of location and size. A proposal to repair and refit the building is included in the LTP.

#### *F.4.4 Motueka Library*

The Motueka Library no longer satisfies the requirements of the community due to space requirements and a lack of car parking. It has seismic capacity of 60% of New Building Standards. Council has approved inclusion of \$1.8 million as Council's contribution for the Draft Long Term Plan Consultation Document and Library Activity Management Plan as follows:

- Year 5 (2019/2020) = \$300,000 for design, consents, etc, for an extension to the existing library or a new Motueka Library or Library/Service Centre hub to be funded from general rates
- Year 6 (2020/2021) = \$1.1 million from general rate for construction of an extension to the existing library or a new Motueka Library or Library/Service Centre hub – plus \$400,000 to come from the Motueka Reserve Financial Contributions account;

#### *F.4.5 Murchison Service Centre and Library*

Consideration has previously been given to the relocation of the Murchison Service Centre and Library. There are no proposals in this AMP to consider alternative premises for the delivery of that service.

#### *F.4.6 Other Assets*

No other Property assets are being considered for development in this AMP and will be maintained for their existing use or disposed of.

The ten year forecast for New Capital Expenditure is shown in Table F-1

## **APPENDIX G. DEVELOPMENT CONTRIBUTIONS / FINANCIAL CONTRIBUTIONS**

There are no development contributions applicable to the Property activity. However, Council property developments may require the payment of Development Contributions for water, wastewater, transportation or stormwater and will be required to pay the fees specified in the Development Contributions Policy.

## **APPENDIX H. RESOURCE CONSENTS AND PROPERTY DESIGNATIONS**

### **H.1 Introduction**

The statutory framework defining what activities require resource consents is the Resource Management Act (RMA) 1991. The RMA deals with the control of use of land.

The RMA is administered by the Tasman District Council, a unitary authority through the Tasman Resource Management Plan (TRMP) which sets out the policies, objectives and rules controlling activities to ensure they meet the purpose and principles of the RMA.

Land subdivision proposals, property easements, complying with car parking requirements for building developments, site coverage, boundary setbacks and land use are all matters which may need to be addressed with the properties listed in this AMP. Water take and discharge, water levies and coastal occupation permits and land use consents may be required for activities (such as operation of commercial campgrounds) undertaken on Council reserve land.

### **H.2 Resource Consents**

The current resource consents relating to the Commercial Property activity are detailed in Table H-1.

### **H.3 Property Designations**

Designations are provided for by the RMA to identify and protect lands for existing and proposed public works. There are no current designations in place for land covered by this AMP.

Table H-1: Register of active resource consents as at 1 September 2014

CONSENT No	APPLICANT	LOCATION	TYPE	USE	Effective Date
020183	Tasman District Council	78 Commercial Street Takaka	Land use	To modify a category 11 heritage building	5/06/2002
010221	Tasman District Council	78 Commercial Street Takaka	Land use	create a ROW over Pt Sec 18	06/07/2001
960278	Tasman District Council	6 William Street, Collingwood	Land use	UPGRADE, MODIFY & RENOVATE THE RECEPTION AREA	10/07/1996
120885	Tasman District Council	Takaka Library 3 Junction Street Takaka	Land use	To Undertake a boundary adjustment	19/07/2012
000510	Murchison Information Centre	47 Waller Street, Murchison	Land use	extend the information centre	25/01/2001
060629	Motueka Golf Club	Motueka Quay Motueka	Land use	erect skyline garage to house Motueka Golf Club carts	04/09/2006
031115	Motueka Golf Club	Motueka Quay Motueka	Land use	take water for automatic irrigation of fairways and greens	24/05/2004
120912	Two Degrees Mobile Limited	7 Hickmott Place, Motueka	Land use	To attach three telecommunications antennas to an existing telecommunication facility and to operate and maintain the telecommunication facility in a Commercial Zone. The antennas will contravene daylight admission	07/12/2012
120646	Two Degrees Mobile Limited	7 Hickmott Place, Motueka	Land use	Co-location of 2 Degrees telecommunications on existing Telecom tower that does not meet the daylight recession plane.	07/09/2012
110245	Vodafone New Zealand Ltd	7 Hickmott Place, Motueka	Land use	Installation of a telecommunications cabinet & the attachment of additional antennas to existing 33m lattice tower.	13/04/2011

CONSENT No	APPLICANT	LOCATION	TYPE	USE	Effective Date
060665	Telecom New Zealand Ltd	7 Hickmott Place, Motueka	Land use	outline plan for addition of antennas to the existing Microwave Station at Hickmott Place	13/10/2006
970038	J V Contracting LTD	79 High St North, Motueka	Land use	To erect a sign	16/04/1997
120504	Tasman District Council	189 Queen Street Richmond	Land use	Relocate existing sign due to construction of new extension	19/07/2012
110760	Tasman District Council	189 Queen Street Richmond	Land use	To drill two bores for geotech investigations for piles	12/10/2011
080465	Tasman District Council	189 Queen Street Richmond	Land use	Construct a 6 metre antenna mast on a building	07/07/2008
060253	Tasman District Council	189 Queen Street Richmond	Land use	extend mast for weather station by 4m	09/06/2006
050379	Tasman District Council	189 Queen Street Richmond	Land use	erect a 4m mast for a weather station on top of a 10m high building	10/08/2005
040934	Tasman District Council	189 Queen Street Richmond	Land use	alterations and additions to Tasman District Council Richmond Offices	27/09/2004
940118	Tasman District Council	189 Queen Street Richmond	Land use	Building alterations	08/07/1994
8/80/3	Waimea County Council	189 Queen Street Richmond	Land use	Waimea County Council office extensions	26/06/1980
P90042	Tasman District Council	189 Queen Street Richmond	Land use	Erect Tasman District Council office complex	06/03/1992
P910038	Tasman District Council	280 Queen Street Richmond	Land use	Library and offices for TDC	26/07/1991
NN020269	PG Wrightson Ltd	280 Queen Street Richmond	Land use	Storage and retail sale of hazardous substances	20/08/2002

## **APPENDIX I. CAPITAL REQUIREMENTS FOR FUTURE RENEWALS**

### **I.1 Introduction**

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. An improvement is to capture better information on HVAC systems to provide more accuracy in this respect. Another improvement in this plan is to review the asset information collected by OPUS in 2008, update it where necessary and add in the rest of the properties in this AMP. This is proposed to be updated on a rolling basis.

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.

### **I.2 Forecast of Renewals Expenditure for Next 20 years**

The expenditure forecast for renewals over the next 20 years is shown in Figure I-1 below.

### **I.3 Renewal Standards**

Council offices are maintained to a standard that allows staff working in those facilities to be able to perform their functions to the best of their abilities in comfort with modern up to date features. Renewal projects are estimated to be required every eight years.

The standards for New Zealand Public Libraries are used as a guide to identify space requirements for library renewals. Library statistics are maintained to compare current against previous years plus identifying demand. Other standards are those which relate to the Building Act and Resource Management Act.

### **I.4 Deferred Renewals**

Deferred renewals is the shortfall in renewals required to maintain the service potential of the assets.

This can include:

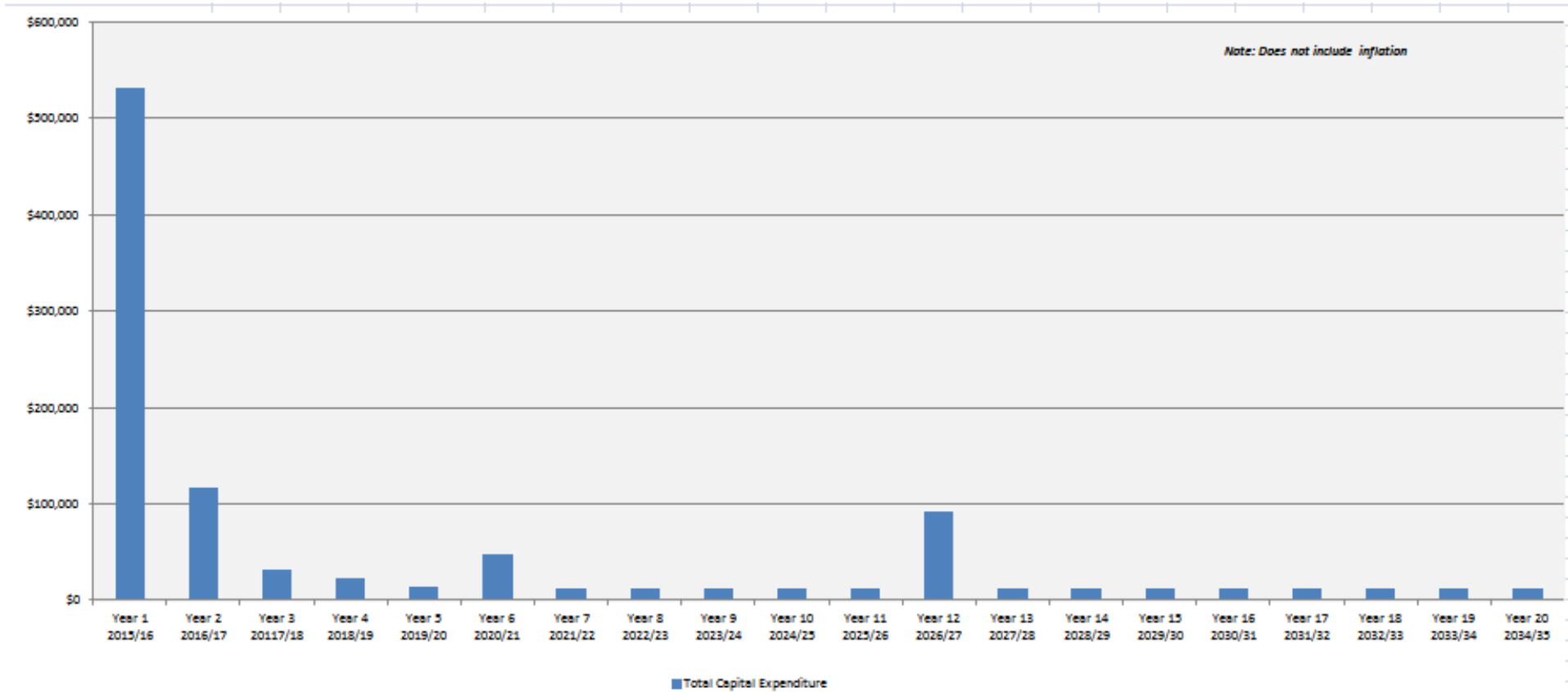
- Renewal work that is scheduled but not performed when it should have been and which has been put off for a later date. This is often due to cost or affordability reasons.
- An overall lack of investment in renewals that allows the asset to be consumed or run down, causing increasing maintenance and replacement expenditure for future communities.

When renewal work is deferred the impact of the deferral on economic inefficiencies and the system's ability to achieve the required service will be assessed. Although the deferral of some renewal works may not impact significantly on the operation of the assets. Repeated deferral will create a liability in the longer term.

Deferred property renewals are:

- Motueka Library. This building was signalled for redevelopment and expansion to meet current NZ library standards. The work has been deferred until year 5 and 6 of the LTP and instead funding was allocated in the 2014 / 2015 Annual Plan to undertake minor improvements. The building has a seismic capacity of 60% of New Building Standards (NBS).
- Golden Bay Service Centre. This building is rated 15% NBS and has been vacated. A recommendation that it be repaired and refitted has been included in the first year of the Long Term Plan.

Figure I.1 Forecast of Renewals and Capital expenditure



## **APPENDIX J. DEPRECIATION AND DECLINE IN SERVICE POTENTIAL**

### **J.1 Depreciation of Infrastructural Assets**

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

The remaining useful lives and associated rates for the property assetse are detailed in Appendix D – Asset Valuations.

### **J.2 Decline in Service Potential**

The decline in service potential is a decline in the future economic benefits (service potential) embodied in an asset.

It is Council policy to operate the Property Activity to meet a desired level of service. Council will monitor and assess the state of the property assets and upgrade or replace components over time to counter the decline in service potential at the optimum times.

### **J.3 Council's Borrowing Policy**

Council's borrowing policy was that it only funds capital and renewal expenditure through borrowing, normally for 20 years, but shorter terms are used for some assets depending on how long they are expected to last before they need to be replaced.

Council has now made a decision to start to phase in the funding of depreciation, effectively this will create a reserve to fund the replacement of assets. This method means that Debt will not be raised to fund asset replacement. This is being phased in over ten years and is more fully explained in the Financial Strategy which is part of Supporting Information associated with the 2015 LTP.

This method of funding capital expenditure provides intergenerational equity, this means that those people that receive the benefit from the asset generally pay for the asset.



## APPENDIX K. PUBLIC DEBT AND ANNUAL LOAN SERVICING COSTS

### K.1 General Policy

The Council borrows as it considers prudent and appropriate and exercises its flexible and diversified funding powers pursuant to the Local Government Act 2002. The Council approves, by resolution, the borrowing requirement for each financial year during the annual planning process. The arrangement of precise terms and conditions of borrowing is delegated to the Corporate Services Manager.

The Council has significant infrastructural assets with long economic lives yielding long-term benefits. The Council also has a significant strategic investment holding. The use of debt is seen as an appropriate and efficient mechanism for promoting intergenerational equity between current and future ratepayers in relation to the Council's assets and investments. Debt in the context of this policy refers to the Council's net external public debt, which is derived from the Council's gross external public debt adjusted for reserves as recorded in the Council's general ledger.

Generally, the Council's capital expenditure projects with their long-term benefits are debt funded. The Council's other district responsibilities have policy and social objectives and are generally revenue funded.

The Council raises debt for the following primary purposes:

- capital to fund development of infrastructural assets;
- short term debt to manage timing differences between cash inflows and outflows and to maintain the Council's liquidity; and
- debt associated with specific projects as approved in the Annual Plan or LTP. The specific debt can also result from finance which has been packaged into a particular project.

In approving new debt, the Council considers the impact on its borrowing limits as well as the size and the economic life of the asset that is being funded and its consistency with the Council's long term financial strategy.

The Borrowing Policy is found in the supporting information for the preparation of the LTP 2015-2025.

### K.2 Loans

Loans to fund Capital works over the next 10 years are still being developed from existing consolidated spreadsheets (loans for Council property were previously grouped with commercial assets). They will be added to this AMP in due course.

## APPENDIX L. SUMMARY OF FUTURE OVERALL FINANCIAL REQUIREMENTS

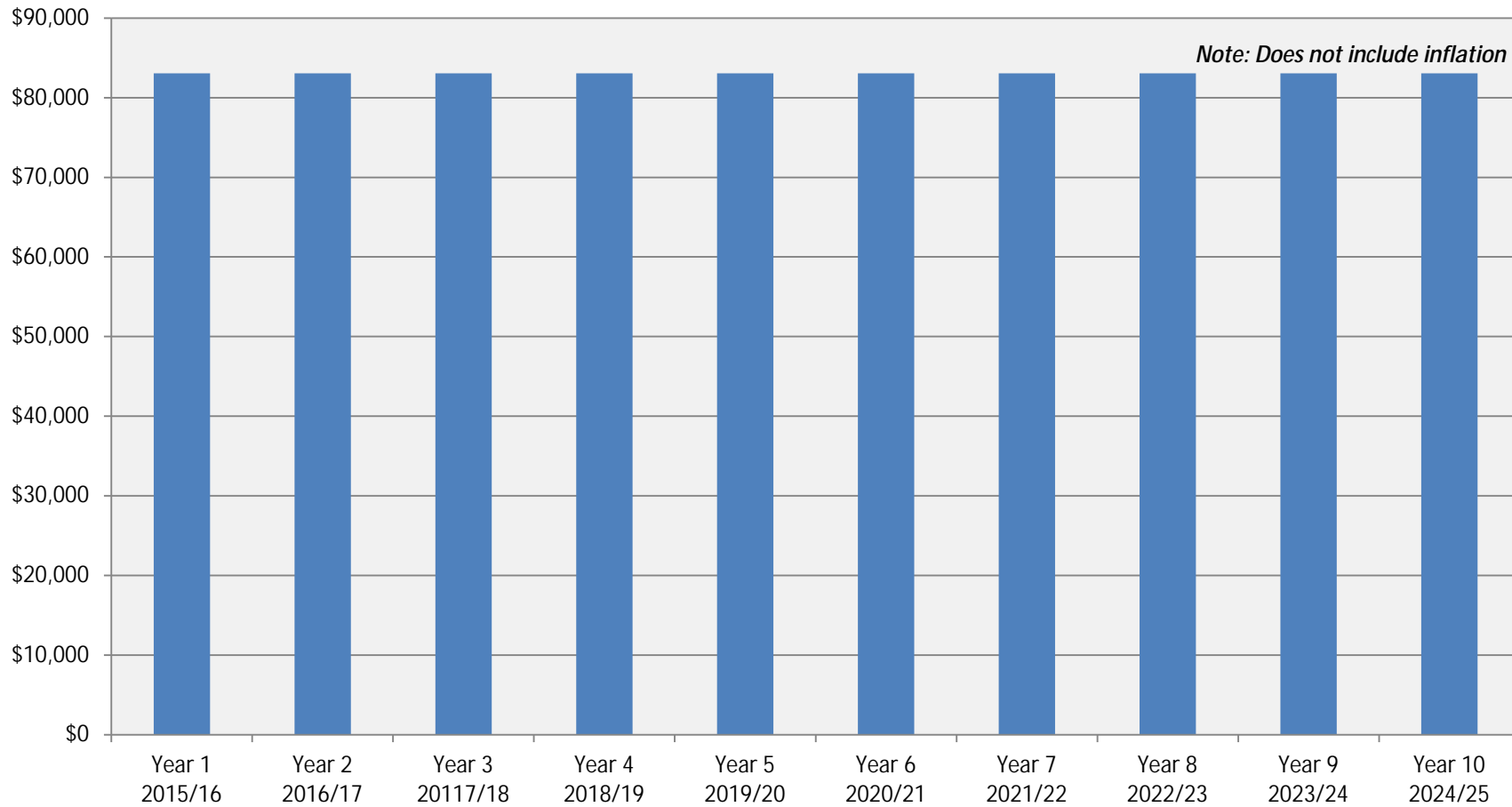
Below is the summary of the overall future financial requirements for the Council Enterprises and Property group of activities in the Tasman District.

Funding Impact Statement - Council Enterprises and Property	2014/15 Budget \$000	2015/16 Budget \$000	2016/17 Budget \$000	2017/18 Budget \$000	2018/19 Budget \$000	2019/20 Budget \$000	2020/21 Budget \$000	2021/22 Budget \$000	2022/23 Budget \$000	2023/24 Budget \$000	2024/25 Budget \$000
SOURCES OF OPERATING FUNDING											
General rates, uniform annual general charges, rates penalties	342	(5)	47	84	(180)	(181)	(175)	(204)	(245)	(266)	(298)
Targeted rates (other than a targeted rate for water supply)	0	0	0	0	0	0	0	0	0	0	0
Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0	0
Fees, charges and targeted rates for water supply	0	0	0	0	0	0	0	0	0	0	0
Internal charges and overheads recovered	808	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees, and other receipts	3,316	4,961	5,162	5,776	4,739	5,069	5,204	5,568	6,573	5,856	5,859
<b>TOTAL OPERATING FUNDING</b>	<b>4,465</b>	<b>4,956</b>	<b>5,209</b>	<b>5,860</b>	<b>4,559</b>	<b>4,888</b>	<b>5,029</b>	<b>5,364</b>	<b>6,327</b>	<b>5,590</b>	<b>5,561</b>
APPLICATIONS OF OPERATING FUNDING											
Payments to staff and suppliers	2,943	2,759	2,812	3,457	3,372	3,579	3,517	3,971	5,047	4,281	4,359
Finance costs	339	401	490	496	437	482	500	447	407	344	291
Internal charges and overheads applied	332	190	150	134	72	41	79	47	3	41	4
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL APPLICATIONS OF OPERATING FUNDING</b>	<b>3,614</b>	<b>3,350</b>	<b>3,452</b>	<b>4,087</b>	<b>3,881</b>	<b>4,101</b>	<b>4,095</b>	<b>4,465</b>	<b>5,456</b>	<b>4,666</b>	<b>4,654</b>
SURPLUS (DEFICIT) OF OPERATING FUNDING											
	851	1,606	1,757	1,773	677	787	934	899	871	924	907
SOURCES OF CAPITAL FUNDING											
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	0	0	0	0	0	0	0	0	0	0	0

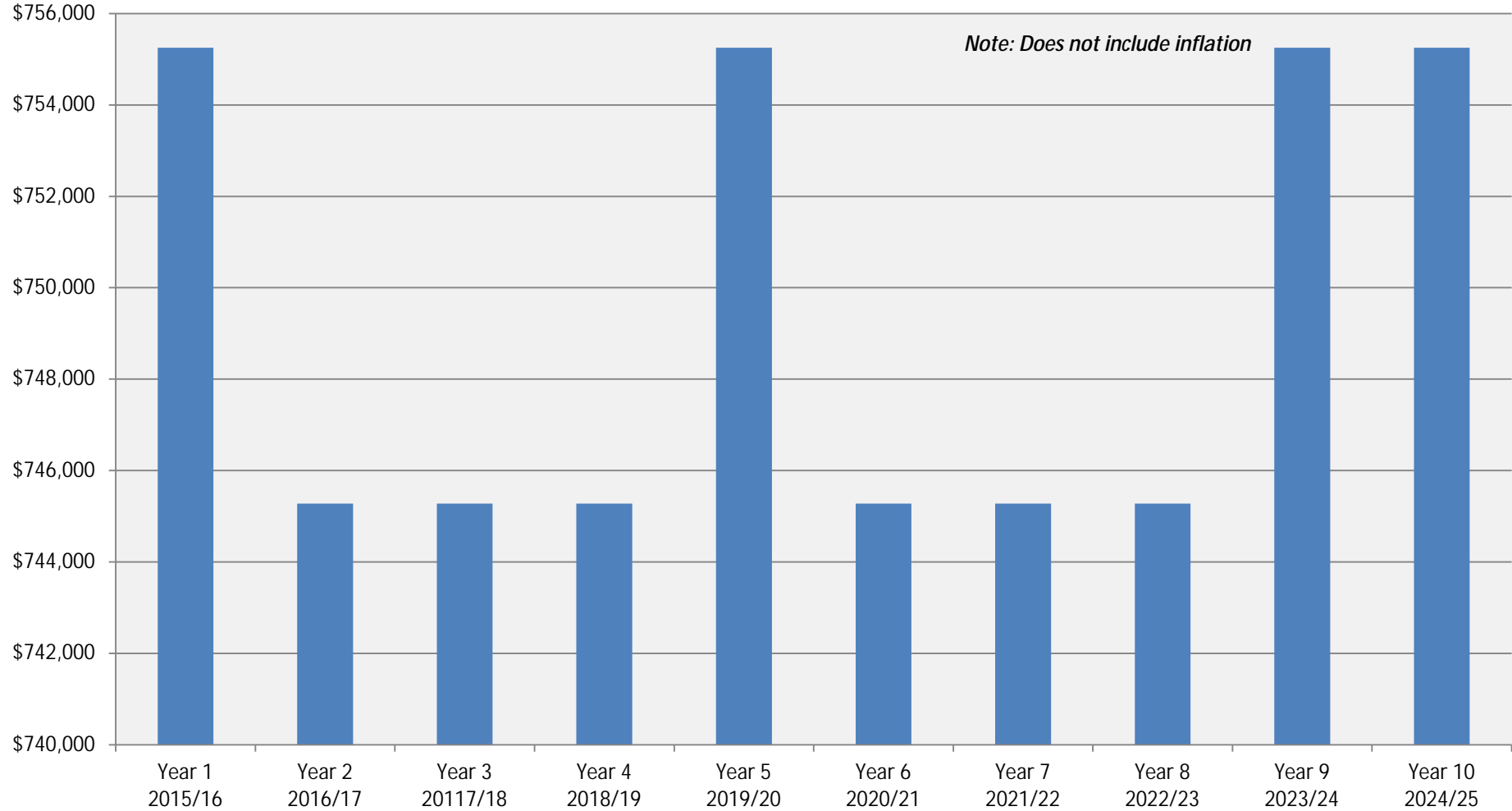
<b>Funding Impact Statement - Council Enterprises and Property</b>	<b>2014/15 Budget \$000</b>	<b>2015/16 Budget \$000</b>	<b>2016/17 Budget \$000</b>	<b>2017/18 Budget \$000</b>	<b>2018/19 Budget \$000</b>	<b>2019/20 Budget \$000</b>	<b>2020/21 Budget \$000</b>	<b>2021/22 Budget \$000</b>	<b>2022/23 Budget \$000</b>	<b>2023/24 Budget \$000</b>	<b>2024/25 Budget \$000</b>
Increase (decrease) in debt	296	2,165	781	(563)	(646)	1,506	(880)	(946)	(1,049)	(1,050)	(720)
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL SOURCES OF CAPITAL FUNDING</b>	<b>296</b>	<b>2,165</b>	<b>781</b>	<b>(563)</b>	<b>(646)</b>	<b>1,506</b>	<b>(880)</b>	<b>(946)</b>	<b>(1,049)</b>	<b>(1,050)</b>	<b>(720)</b>
<b>APPLICATIONS OF CAPITAL FUNDING</b>											
Capital expenditure											
- to meet additional demand	0	0	0	0	0	0	0	0	0	0	0
- to improve the level of service	535	0	0	0	0	0	0	0	0	0	0
- to replace existing assets	211	2,727	1,422	302	133	2,393	135	75	0	0	321
Increase (decrease) in reserves	401	1,044	1,116	908	(102)	(101)	(81)	(122)	(178)	(126)	(134)
Increase (decrease) in investments	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL APPLICATIONS OF CAPITAL FUNDING</b>	<b>1,148</b>	<b>3,772</b>	<b>2,538</b>	<b>1,210</b>	<b>31</b>	<b>2,293</b>	<b>54</b>	<b>(47)</b>	<b>(178)</b>	<b>(126)</b>	<b>187</b>
<b>SURPLUS (DEFICIT) OF CAPITAL FUNDING</b>	<b>(851)</b>	<b>(1,606)</b>	<b>(1,757)</b>	<b>(1,773)</b>	<b>(677)</b>	<b>(787)</b>	<b>(934)</b>	<b>(899)</b>	<b>(871)</b>	<b>(924)</b>	<b>(907)</b>
<b>FUNDING BALANCE</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

The following graphs apply to the Property Activity only:

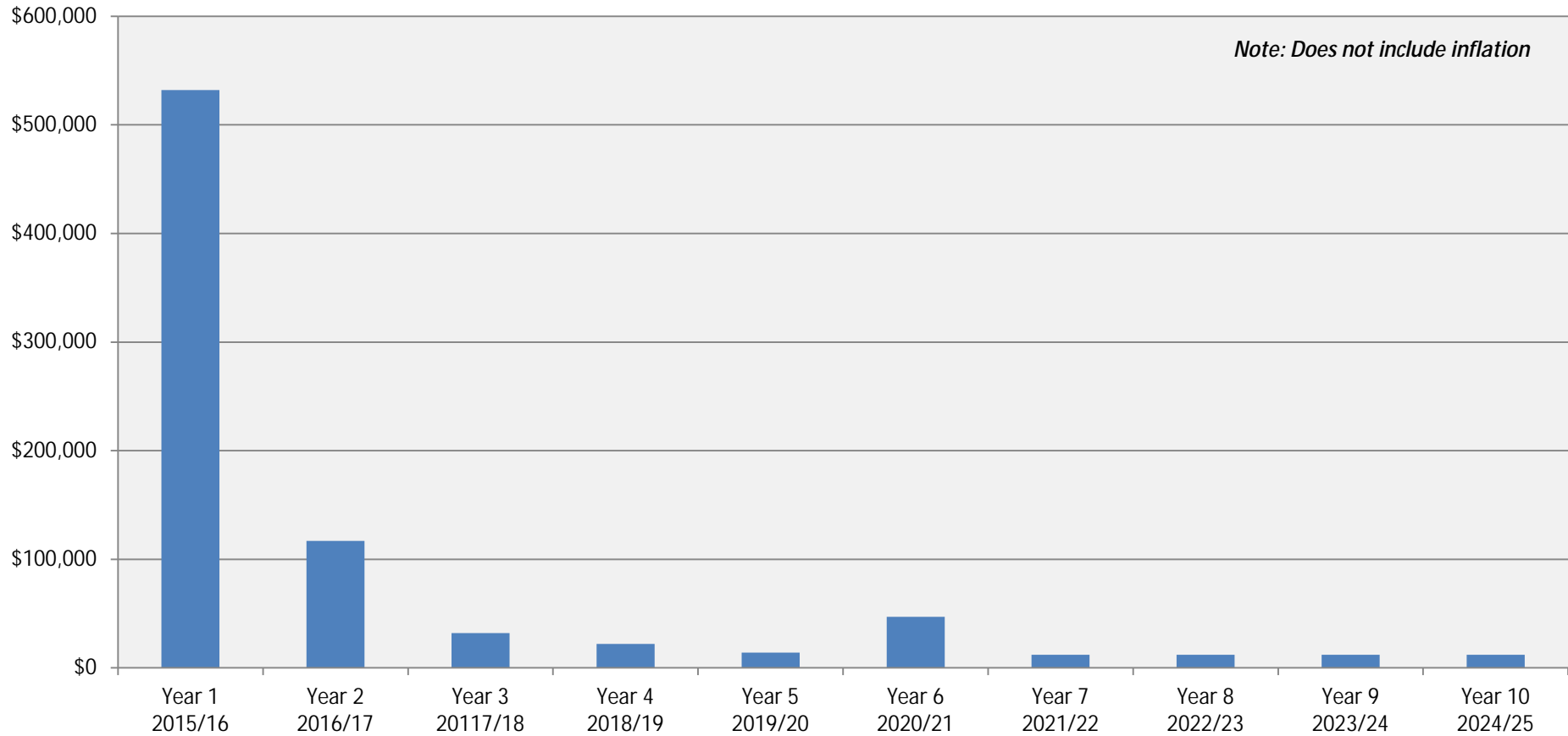
**Figure L1: Summary of Projected Income for next 10 years**



**Figure L2: Summary of Projected Operational Expenditure for next 10 years**



**Figure L3: Summary of Projected Capital Expenditure for next 10 years**



## **APPENDIX M.FUNDING POLICY, FEES AND CHARGES**

The completion of this section of the AMP has been included in the improvement programme.

## **APPENDIX N. DEMAND MANAGEMENT**

### **N.1 Introduction to Demand Management**

#### **Property**

Demand management as a comprehensive, integrated and long term approach seeks to improve the standard of the facilities provided in the Property AMP and deliver services to match the needs of the users on an affordable basis.

The Council works to provide facilities that are safe and accessible for staff and public. Improving our demand on management will:

- enable offices and libraries with the ability to provide better services
- provide facilities for staff that enable them to work in better conditions and provide a platform for efficiencies or productivity gains
- provide facilities that will meet a tenant's requirements.

### **N.2 Council's Approach to Demand Management**

Council will implement the following demand management strategies for the provision and rationalisation of property assets:

Community involvement: Involve property users in developing needs requirements through consultation to ensure 'fit for purpose' buildings are created.

Strategic planning: The Council will monitor and assess changes in population structure and preferences to enable provision to be related to varied and changing needs.

Multiple use: The Council will actively promote the development of flexible, multi-use facilities and the use of open space office environments.

Non-asset solutions: Consider the advantages of leasing property instead of purchase or build or other options such as contracting staff functions to reduce a need for staff to occupy building space.

Fees and charges: To charge market rentals for the occupation of property and buildings unless there are mitigating factors.

### **N.3 Climate Change**

The RMA 1991 states, in Section 7, that a local authority shall take account of the effects of climate change when developing and managing its resources. The Local Government Act 2002 also contains requirements to "to meet the current and future needs of communities for good quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses". "Good quality" means infrastructure, services, and performance that are efficient and effective and appropriate to present and anticipated future circumstances".

This appendix summarises climate change information available to Council for asset and activity planning. Key information sources include:

- Climate Change Effects and Impacts Assessment: A Guidance Manual for Local Government in NZ, MfE (2008)
- Climate Change and Variability in the Tasman District, NIWA (2008)

- Mean High Water Springs report, NIWA (2013)
- Fifth Assessment Report, IPCC (2013)
- Extreme sea-level elevations from storm-tides and waves: Tasman and Golden Bay coastlines, NIWA (2014).

### N3.1 Changing Climatic Patterns

To assist local authorities, the Ministry for the Environment (MfE) prepared a report<sup>3</sup> to support councils' assessing expected effects of climate change, and to help them prepare appropriate responses when necessary.

In 2008, Tasman District Council commissioned NIWA to provide local interpretation<sup>4</sup>. The report examined the impacts of expected climate changes for the Tasman-Nelson region.

Subsequently, the Intergovernmental Panel on Climate Change (IPCC) has produced its fifth assessment report AR5 (2013). The AR5 is a result of substantial collective international science over the past five years, and has synthesised the current physical science basis for climate change understanding. The report covers the scope and significance of expected impacts, vulnerabilities and adaptation challenges arising at an international level, and national level.

AR5 does not fundamentally change our understanding of how global climate impacts will manifest themselves locally in Tasman, however Council will undertake a similar exercise to that of 2008 to commission NIWA to produce a Climate Change and Variability report specific to the Tasman District.

### N.3.2 Temperature Change

Table N-1 shows that the mean annual temperatures in Tasman-Nelson are expected to increase in the future.

**Table N-1: Projected Mean Temperature Change (Upper and Lower Limits) in Tasman-Nelson (in °C)**

	Summer	Autumn	Winter	Spring	Annual
Projected changes 1990-2040	0.2 – 2.2	0.2 – 2.3	0.2 – 2.0	0.1 – 1.8	0.2 – 2.0
Projected changes 1990-2090	0.9 – 5.6	0.6 – 5.1	0.5 – 4.9	0.3 – 4.6	0.6 – 5.0

Source: *Climate Change and Variability – Tasman District (NIWA, June 2008)*

It is the opinion of NIWA<sup>5</sup> scientists that the actual temperature increase this century is very likely to be more than the 'low' scenario given here. Under the mid-range scenario for 2090, an increase in mean temperature of 2.0°C would represent annual average temperature in coastal Tasman in 2090.

### N.3.3 Rainfall Patterns

Table N-2 shows an expected increase in mean annual precipitation in Tasman-Nelson from 1990 to 2090.

**Table N-2: Projected Mean Precipitation Change (Upper and Lower Limits) in Tasman-Nelson (in %)**

	Summer	Autumn	Winter	Spring	Annual
Projected changes 1990-2040	-14, 27	-2, 19	-4, 9	-8,9	-3,9
Projected changes 1990-2090	-13, 30	-4, 18	-2, 19	-20, 19	-3, 14

Source: *Climate Change and Variability – Tasman District (NIWA, June 2008)*

<sup>3</sup> Climate Change Effects and Impacts Assessment A Guidance Manual for Local Government in NZ (MfE, May 2008)

<sup>4</sup> Climate Change and Variability – Tasman District (NIWA, June 2008)

<sup>5</sup> Climate Change and Variability – Tasman District (NIWA, June 2008)



#### N.3.4 *Heavy Rainfall*

A warmer atmosphere can hold more moisture (about 8% more for every 1°C increase in temperature), so there is an obvious potential for heavier extreme rainfall under climate change. More recent climate model simulations confirm the likelihood that heavy rainfall events will become more frequent.

#### N.3.5 *Evaporation, Soil Moisture and Drought*

From their report, NIWA conclude that there is a risk that the frequency of drought (in terms of low soil moisture conditions) could increase as the century progresses, for the main agriculturally productive parts of Tasman district.

#### N.3.6 *Climate Change and Sea Level*

The MfE Report provides guidance for local government on coastal hazards and climate change. The report recommends:

For planning and decision timeframes out to the 2090s (2090–2099):

- 1) a base value sea-level rise of 0.5 m relative to the 1980–1999 average should be used, along with
- 2) an assessment of the potential consequences from a range of possible higher sea-level rises (particularly where impacts are likely to have high consequence or where additional future adaptation options are limited). At the very least, all assessments should consider the consequences of a mean sea-level rise of at least 0.8 m relative to the 1980–1999 average. Guidance on potential sea-level rise uncertainties and values at the time (2008) is provided within the Guidance Manual to aid this assessment.

For planning and decision timeframes beyond the 2090s where, as a result of the particular decision, future adaptation options will be limited, an allowance for sea-level rise of 10 mm per year beyond 2100 is recommended.

Since the MfE guidance was published in 2008, the NZ Coastal Policy Statement has been updated, requiring identification of areas in the coastal environment that are potentially affected by coastal hazards over at least 100 years, taking into account the effects of climate change (Policy 24).

The two values of sea-level rise to be considered as a minimum number of rises for assessing risk of 0.5 m and 0.8 m by the 2090s in the 2008 MfE guidance are equivalent to rises of 0.7 m and 1.0 m extended out to 2115, which is “at least 100 years” from the present.

These projections are for mean sea levels.

In 2013 Council commissioned NIWA to prepare a report on mean high water springs (MHWS) for Tasman District, and includes a range of sea level rise scenarios<sup>6</sup>. Ongoing sea-level rise will require updates of the MHWS levels and for projecting MHWS levels into the future, whereby the appropriate sea-level rise is simply added to the ‘present day’ MHWS levels. The report includes worked examples for sea-level rise magnitudes of 0.7 m and 1.0 m, which extend the equivalent tie-point values for the 2090s (0.5 m and 0.8 m) in the Ministry for the Environment (2008) guidance out to 2115 to cover at least a 100-year period.

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<sup>6</sup> NIWA Report: Mean High Water Spring (MHWS) levels including sea-level rise scenarios: Envirolink Small Advice Grant (1289-TSDC95), 4 September 2013 (revised 30 April 2014)

Subsequently, Tasman District Council was granted an Envirolink medium advice grant (1413-TSDC99)<sup>7</sup> for NIWA to develop defensible coastal inundation elevations and likelihoods as a result of combinations of elevated storm-tide, wave setup and wave run-up, along the “open coast” of the Tasman Bay and Golden Bay coastlines. The study excludes inlets and the west coast of Tasman District. The report includes an interactive ‘calculator’ which allows council to accommodate various predicted sea level rise scenarios and different beach profiles.

The extent of coastal inundation in Motueka is being modelled at the time of writing this AMP (2014). The model is an extension of the modelling work undertaken on the movement of the Motueka Sandspit and impacts on Jakkett Island. The Motueka modelling is expected to show the depth and extent of land affected by sea water inundation.

Mapua and Ruby Bay have also been subject to inundation modelling as a result of TRMP Plan Change 22.

Future urban locations for inundation modelling have yet to be determined.

A wider coastal hazard assessment project for Tasman District is underway in 2014. The project will consider options for risk mitigation and adaptation. The results will be integrated into land use and infrastructure planning.

*N.3.7 Potential Impacts on Council’s Infrastructure and Services*

Table N-3 lists the potential impacts on Council’s infrastructure and services.

Table N-3: Local government functions and possible negative climate change outcomes

<b>Function</b>	<b>Affected Assets of Activities</b>	<b>Key Climate Influences</b>	<b>Possible Effects</b>
Water supply and irrigation	Infrastructure	Reduced rainfall, extreme rainfall events and increased temperature. Sea level rise.	Reduced security of supply (depending on water source). Contamination of water supply. Saltwater intrusion into coastal wells.
Wastewater	Infrastructure	Increased rainfall. Sea level rise.	More intense rainfall (extreme events) will cause more inflow and infiltration into the wastewater network. Wet weather overflow events will increase in frequency and volume. Longer dry spells will increase the likelihood of blockages and related dry weather overflows. Disruption of WWTPs due to coastal inundation or erosion impacts.
Stormwater	Reticulation Stopbanks	Increased rainfall Sea-level rise	Increased frequency and/or volume of system flooding. Increased peak flows in streams and related erosion. Groundwater level changes. Saltwater intrusion in coastal zones.

<sup>7</sup> NIWA Report: Extreme sea-level elevations from storm-tides and waves: Tasman and Golden Bay coastlines, March 2014.

			Changing flood plains and greater likelihood of damage to properties and infrastructure.
Roading	Road network and associated infrastructure (power, telecommunications, drainage).	Extreme rainfall events, extreme winds, high temperatures. Sea-level rise.	Disruption due to flooding, landslides, falling trees and lines. Direct effects of wind exposure on heavy vehicles. Melting of tar. Increased coastal erosion or storm induced damage.
Planning/policy development	Management of development in the private sector. Expansion of urban areas. Infrastructure and communications planning.	All	Inappropriate location of urban expansion areas. Inadequate or inappropriate infrastructure, costly retrofitting of systems.
Land management	Rural land management	Changes in rainfall, wind and temperature.	Enhanced erosion, Changes in type/distribution of pest species. Increased fire risk. Reduction in water availability for irrigation. Changes in appropriate land use. Changes in evapotranspiration. Increase in crop pests.
Water management	Management of watercourses/lakes/wetlands	Changes in rainfall and temperature.	More variation in water volumes possible. Reduced water quality. Sedimentation and weed growth. Changes in type/distribution of pest species.
Coastal management	Infrastructure. Management of coastal development.	Temperature changes leading to sea-level changes. Extreme storm events.	Coastal erosion and flooding. Disruption in roading, communications. Loss of private property and community assets. Effects on water quality.
Civil defence and emergency management.	Emergency planning and response, and recovery operations.	Extreme events	Greater risks to public safety, and resources needed to manage flood, rural fire, landslip and storm events.
Biosecurity	Pest management	Temperature and rainfall changes	Changes in the range and density of pest species
Open space and community facilities management	Planning and management of parks, playing fields and urban open spaces.	Temperature and rainfall changes. Extreme wind and rainfall events.	Changes/reduction in water availability. Changes in biodiversity. Changes in type/distribution of pest species. Groundwater changes. Saltwater intrusion in coastal zones.

			Need for more shelter in urban spaces.
Transport	Management of public transport. Provision of footpaths, cycleways etc.	Changes in temperatures, wind and rainfall.	Changed maintenance needs for public transport infrastructure. Disruption due to extreme events.
Waste management	Transfer stations and landfills	Changes in rainfall and temperature	Increased surface flooding risk. Biosecurity changes. Changes in ground water level and leaching.
Water supply and irrigation	Infrastructure	Reduced rainfall, extreme rainfall events and increased temperature.	Reduced security of supply (depending on water source). Contamination of water supply.

Source: *Climate Change Effects and Impacts Assessment (MfE, May 2008)*

Council have incorporated the potential impacts of climate change in the Engineering Standards and Policies.

#### APPENDIX O. Not relevant to this activity

#### APPENDIX P. SIGNIFICANT NEGATIVE EFFECTS ARISING FROM THIS ACTIVITY

Significant negative effects associated with the Property AMP include:

Table P-1: Potential negative effects

	Description	Mitigation Measures
Cost of catering for growth	<b>Economic</b> – Costs of upgrading or extending council buildings to cater for growth can place a financial burden on ratepayers.	Council will endeavour to work within existing building envelopes where possible and will look at reconfiguring work spaces to avoid substantial expenditure.
Seismic failure of buildings	<b>Economic</b> – Costs of upgrading buildings which do not satisfy the minimum requirements for earthquake standards.	Council has assessed the buildings which it considers may be a seismic risk and will consider mitigation measures on a case by case basis. There are still other buildings to be assessed.

Table P-2: Potential positive effects

Effect	Description
Environmental sustainability	Council aims to achieve environmental sustainability whilst managing the properties activity.
Economic efficiency	Council's management of the Property AMP using best practice and competitive tendering aims to provide economic efficiency (ie. Best value for money) for ratepayers.
Community value	The employment of skilled and experienced staff in the Property activity and skilled contractors and consultants ensures that the community is provided with an assurance of fairness and reasonableness in their dealings with council.

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## APPENDIX Q. SIGNIFICANT ASSUMPTIONS, UNCERTAINTIES, AND RISK MANAGEMENT

### Q.1 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. 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.

#### Q1.1 *Financial Assumptions*

The following assumptions have been made:

- all expenditure is stated in dollar values as at 1 July 2014, with no allowance made for inflation;
- all costs and financial projections are GST exclusive;
- operational budget projections are based largely on historical unit costs and levels of expenditure; and
- capital development budgets are based on estimates for known projects.

#### Q1.2 *Asset Data Knowledge*

While the Council has asset registers and many digital systems, processes and records, the Council does not have complete knowledge of the assets it owns. To varying degrees the Council has incomplete knowledge of asset location, asset condition, remaining useful life and asset capacities. This requires assumptions to be made on the total value of the assets owned, the time at which assets will need to be replaced and when new assets will need to be constructed to provide better service.

The Council considers these assumptions and uncertainties constitute only a small risk to the financial forecasts because:

- the majority of asset data is known and well recorded; and
- asset performance is well known from experience.

#### Q1.3 *Growth Forecasts*

Growth forecasts are inherently uncertain and involve many assumptions. The growth forecasts also have a very strong influence on the financial forecasts, especially in Tasman district where population growth is higher than the national average. The growth forecasts underpin and drive:

- the asset creation programme;
- the Council's income forecasts including rates and development contributions; and
- funding strategies.

Thus the financial forecasts are sensitive to the assumptions made in the growth forecasts. If the growth is significantly different it will have a significant impact. If higher, the Council may need to advance capital projects. If it is lower, the Council may need to defer planned works.

#### Q1.4 *Timing of Projects*

The timing of many projects can be well-defined and accurately forecast because there are few limitations on the implementation other than the community approval through the LTP/Annual Plan processes. However, the timing of some projects is highly dependent on some factors which are beyond the Council's ability to fully control.

These include factors like:

- obtaining resource consent, especially where community input is necessary;
- obtaining community support;
- obtaining a subsidy from central government;
- securing land purchase and / or land entry agreements;
- the timing of large private developments; and
- the rate of population growth.

Where these issues may become a factor, allowances have been made to complete in a reasonable timeframe. However these plans are not always achieved and projects may be deferred as a consequence.

#### *Q1.5 Funding of Projects*

When forecasting projects that will not occur for a number of years, a number of assumptions have to be made about how the project will be funded.

Funding assumptions are made about:

- whether projects will qualify for subsidies;
- whether major beneficiaries of the work will contribute to the project, and if so, how much will they pay;
- whether a project should be funded from development contributions, and if so, how much is appropriate; and
- whether the Council will subsidise the development of the project.

The correctness of these assumptions has major consequences especially on the affordability of new projects. The Council has considered each new project and concluded for each a funding strategy. The funding strategy will form one part of the consultation process as these projects are advanced toward construction.

#### *Q1.6 Accuracy of Project Cost Estimates*

The financial forecasts have been estimated from the best available knowledge. The level of uncertainty inherent in each project is different depending on how much work has been done in defining the problem and determining a solution. In many cases, only a rough order cost estimate is possible because little or no preliminary investigation has been carried out. It is not feasible to have all projects in the next 30 years advanced to a high level of accuracy. It is general practice for all projects in the first three years and projects over \$500,000 in the first 10 years to be advanced to a level that provides reasonable confidence with the estimate.

To get consistency and formality in cost estimating, the following practices have been followed:

- all expenditure is stated in dollar values as at 1 July 2014, with no allowance made for inflation;
- all costs and financial projections are GST exclusive;
- a project estimating template has been developed that provides a consistent means of preparing estimates;
- where practical, a common set of rates has been determined; and
- specific provisions have been included to deal with non-construction costs like contract preliminary and general costs, engineering costs, Council staff costs, resource consenting costs and land acquisition costs.

#### *Q1.7 Significant Assumptions and Uncertainties for Projects Assigned over the Next Three Years*

Table Q-1 details significant uncertainties and percentage accuracies for all major projects due in the next three years of the AMP.

**Table Q-1: Major Projects for Year 1 to Year 3**

Project	Project Stage and Estimate Accuracy	Project Value in Year 1 to 3	Factors that could Affect Estimate Accuracy
Golden Bay Service Centre repairs	\$500,000	\$500,000	Cost of materials and scope of works

Table Q-1 details significant uncertainties and percentage accuracies for all major projects due in the next three years of the AMP.

*Q1.8 Land Purchase & Access*

The Council has made the assumption that it will be able to purchase land, and/or secure access to land to complete projects. The risk of delays to project timing is high due to possible delays in obtaining the land. The Council works to mitigate this issue by undertaking consultation with landowners sufficiently in advance of the construction phase of a project. The consequence of not securing land and/or land access for projects may require redesign which can have a moderate cost implication. If delays do occur, it may influence the level of service the Council can provide.

*Q1.9 Future Changes in Legislation and Policy*

The legal and planning framework under which local government operates frequently changes. This can significantly affect the feasibility of projects, how they are designed, constructed and funded. The Council has assumed that there will be no major changes in legislation or policy. The risk of significant changes remains high owing to the nature of Government policy formulation. If major changes occur it will impact on required expenditure and the Council has not provided mitigation for this effect.

*Q1.10 Resource Consents*

The need to secure and comply with resource consents can materially affect asset activities and the delivery of capital projects.

The need to comply with resource consent conditions can affect the cost and time required to perform an activity, and in some instances determine whether or not the activity can continue. The Council has assumed that there will be no material change in operations due to consenting requirements over the period of the AMP.

The need to secure resource consent is often a significant task in the successful delivery of a capital project or in the management of a particular property. Securing resource consent may consume significant time and resources, particularly in the instance of a publicly-notified application or where a decision is subject to appeal.

The Council has assumed that there will be no material change in the need to secure consents for construction activities and that consent costs for future projects will be broadly in line with the cost of consents in the past.

*Q1.11 Council's Disaster Fund Reserves*

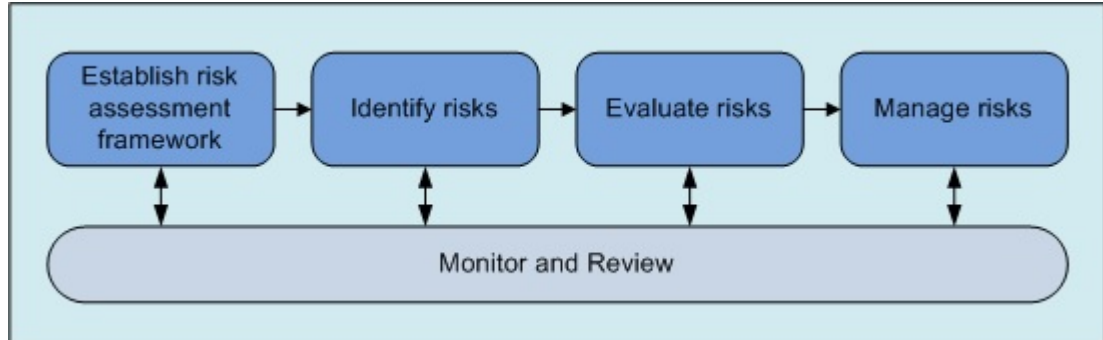
Council has a general disaster fund reserve to provide for reinstatement of property following any localised disaster or event. The Council has assumed, for the purposes of preparing this AMP, that the level of funding in these budgets and held in the Council's disaster fund reserves will be adequate to cover reinstatement following emergency events. Council also has insurance for most of its properties.

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 reprioritisation of funds.

## Q.2 Risk Management

### Q2.1 Why do we do Risk Management

Risk management is the systematic process of identifying, analysing, evaluating, treating and monitoring risk events so that they are mitigated as far as possible, refer to Figure Q-1.



**Figure Q-1: Risk Management Process**

Risk management involves assessing each risk event and identifying an appropriate treatment. Treatments are identified to try and manage or reduce the risk. There are some risk events for which it is near impossible or not feasible to reduce the likelihood of the event occurring, or to mitigate the effects of the risk event if it occurs eg, extreme natural hazards. In this situation the most appropriate response may be to accept the risk as is, or prepare response plans and consider system resilience.

Well managed risks can help reduce:

- disruption to infrastructure assets and services;
- financial loss;
- damage to the environment;
- injury and harm; and
- legal obligation failures.

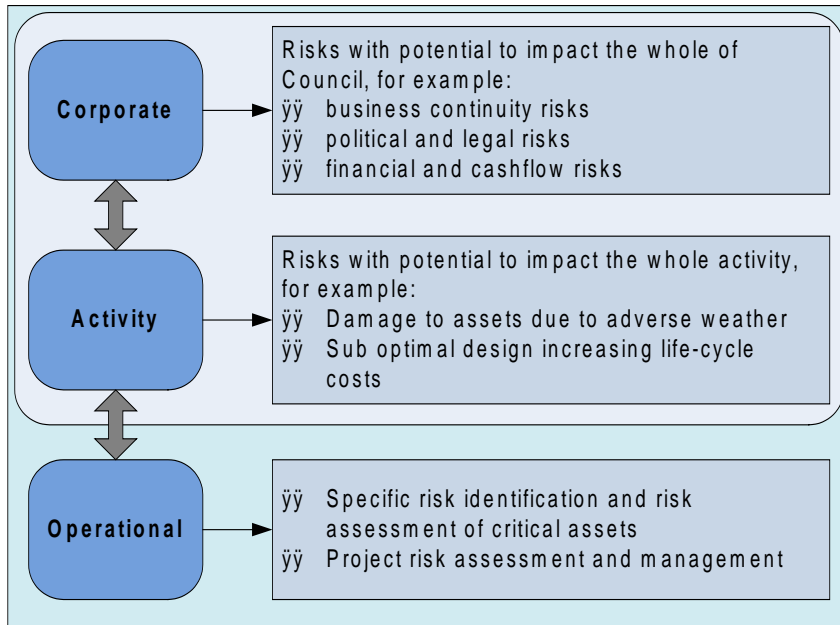
### Q2.2 Our Approach to Risk Management

#### Q.2.2.1 Risk Assessment Framework

The Council's risk assessment framework was developed in 2011 to be consistent with *AS/NZS IS 4360:2004 Risk Management*. It assesses risk exposure by considering the consequence and likelihood of each risk event. Risk exposure is managed at three levels within the Council organisation, refer to Figure Q-2:

- Level 1 – Corporate Risks;
- Level 2 – Activity Risks; and
- Level 3 – Operational Risks.





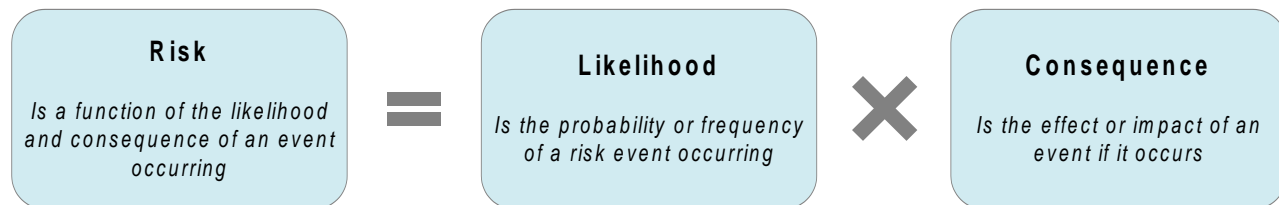
**Figure Q-2: Levels of Risk Assessment**

The risk assessment framework discussed in Section Q.2.2.1 and Q.2.2.2 is applied to Corporate and Activity specific risks. There are some risk events which could be interpreted as either Corporate or Activity level risks. For example, a risk event may have the potential to impact the Council organisation as a whole or many parts of the organisation if it was to occur. In the first instance this type of risk would be classified as a Corporate risk. There is however a secondary consideration that needs to be given, that is, “is the risk best managed in different ways within the separate activities?” For example, a large seismic event will likely impact the Council organisation as a whole however each activity will prepare for and manage these risks differently; eg, water reservoirs may be strengthened to minimise the risk of collapse, or Corporate Services may prepare a business continuity plan.

The Council is yet to implement consistent risk management processes at the operational risk level. Development of the critical asset framework is discussed in Section Q.2.5. The Council plans to develop a framework for assessing maintenance and project risks in 2015.

**Q.2.2.2 Risk Identification and Evaluation**

The risk management framework requires the activity management team to identify activity risks and to then assess the risk, likelihood and consequence for each individual event. The definitions of risk, likelihood and consequence are defined Figure 3.



**Figure Q-3: Risk Assessment Definitions**

The Council has developed objective based scales to assist asset managers when determining the likelihood and consequence scores for all risk events. The consequence of each risk event is assessed on a scale of one to 100 for all of the consequence categories listed in Table Q-2 and the respective consequence rating score (Table Q-3) is selected. The detailed objective scale used to assess the consequence rating of the risk event against the risk is attached to this appendix.

**Table Q-2: Risk Consequence Categories**

Category	Sub Category	Description	
Consequence Categories	Service Delivery	N/A	Asset's compliance with Performance Measures and value in relation to outcomes and resource usage.
	Social / Cultural	Health and Safety	Impact as it relates to death, injury, illness, life expectancy and health.
		Community Safety and Security	Impact on perceived safety and reported levels of crime.
		Community / Social / Cultural	Damage and disruption to community services and structures, and effect on social quality of life and cultural relationships.
		Compliance / Governance	Effect on the Council's governance and statutory compliance.
		Reputation / Perception of Council	Public perception of the Council and media coverage in relation to the Council.
	Environment	Natural Environment	Effect on the physical and ecological environment, open space and productive land.
		Built Environment	Effect on amenity, character, heritage, cultural, and economic aspects of the built environment.
	Economic	Direct Cost	Cost to the Council.
		Indirect Cost	Cost to the wider community.

**Table Q-3: Consequence Ratings**

Consequence Rating					
Description	Extreme	Major	Medium	Minor	Negligible
Rating	100	70	40	10	1

Table Q-4 provides a summary of the likelihood assessment criteria.

**Table Q-4: Likelihood Ratings**

Likelihood Rating			
Description	Frequency	Criteria	Rating
Almost certain	Greater than every 2 years	The threat can be expected to occur <u>or</u> A very poor state of knowledge has been established on the threat	5
Likely	Once per 2-5 years	The threat will quite commonly occur <u>or</u> A poor state of knowledge has been established on the threat	4
Possible	Once per 5-10 years	The threat may occur occasionally <u>or</u> A moderate state of knowledge has been established on the threat	3

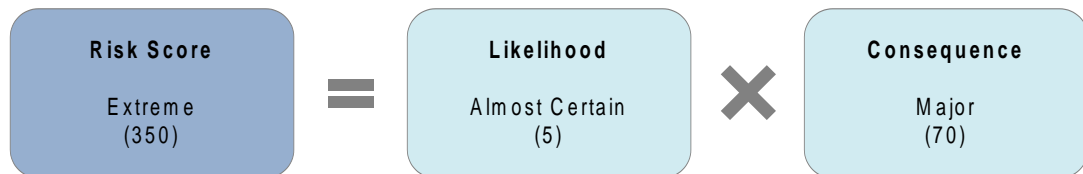
Likelihood Rating			
Unlikely	Once per 10-50 years	The threat could infrequently occur <u>or</u> A good state of knowledge has been established on the threat	2
Very Unlikely	Less than once per 50 years	The threat may occur in exceptional circumstances <u>or</u> A very good state of knowledge has been established on the threat	1

Using the existing risk management framework summarised in Table Q-5, the risk score is calculated by multiplying the likelihood of the risk event with the highest rated individual consequence category for that risk event to generate a risk score, as shown in Figure Q-4.

**Table Q-5: Risk Scores**

Risk Scoring Matrix		Consequence					Risk Score
		Negligible	Minor	Medium	Major	Extreme	
Likelihood	Almost Certain	5	50	200	350	500	Extreme
	Likely	4	40	160	280	400	Very High
	Possible	3	30	120	210	300	High
	Unlikely	2	20	80	140	200	Moderate
	Very Unlikely	1	10	40	70	100	Low
							Negligible

An example of how the risk score is calculated is below.



**Figure Q-4: Risk Score Calculation**

Risk scores are generated for inherent risk, current risk and target risk.

- Inherent risk is the raw risk score without taking into consideration any current or future controls.
- Current risk the level of risk to the Council after considering the effect of existing risk management controls.
- Target risk is the level of risk the Council expects and wants to achieve after applying the proposed risk management controls.

In some cases it is not feasible to reduce the inherent risk and in this case the Council would accept the inherent risk level as the current and target risk levels.

#### Q.2.2.3 Limitations

The processes outlined above form a conservative approach to evaluating risk and could be seen as representing the worst case scenario. They also provide limited ability to differentiate the priority of risks due to the potential to score highly in at least one of the consequence categories; this tends to create a smaller range of results. For example two events with a likelihood of "Almost Certain (5)" have been compared below:

**Event A** – scores "Major (70)" for one consequence category and "Negligible (1)" in all the remaining consequence categories, this will generate an inherent risk score of "Extreme (350)".

**Event B** – scores “Medium (40)” in all 10 consequence categories, this will generate an inherent risk score of “Very High (200)”.

**Event C** – scores “Major (70)” in all 10 consequence categories, this will generate an inherent risk score of “Extreme (350)”.

These examples show that there are limitations for the Council when prioritising risk events, especially those that may have a wider impact on the activity eg, Event B or C. Consequently, the Council acknowledges that there are some downfalls in its existing framework and it has proposed to undertake a full review of its risk management framework during 2015.

## Q2.3 *Corporate Risk Mitigation Measures*

### Q.2.3.1 Asset Insurance

Tasman District Council has various mechanisms to insure assets against damage. These include:

- Tasman District Council insures above ground assets, like buildings, through private insurance which is arranged as a shared service with Nelson City and Marlborough District Councils.
- Tasman District Council is a member of the Local Authority Protection Programme (LAPP) which is a mutual pool created by local authorities to cater for the replacement of some types of infrastructure assets following catastrophic damage by natural disasters like earthquake, storms, floods, cyclones, tornados, volcanic eruption, tsunamis. These infrastructure assets are largely stopbanks along rivers and underground assets like water and wastewater pipes and stormwater drainage.
- Tasman District Council has a Classified Rivers Protection Fund, which is a form of self-insurance. The fund is used to pay the excess on the LAPP insurance, when an event occurs that affects rivers and stopbank assets.
- Tasman District Council has a General Disaster Fund, which is also a form of self-insurance. Some assets, like roads and bridges, are very difficult to obtain insurance for or it is prohibitively expensive if it can be obtained. For these reasons the Council has a fund that it can tap into when events occur which damage Council assets that are not covered by other forms of insurance. Some of the cost of damage to these assets is covered by central government, for example the New Zealand Transport Agency covers around half the cost of damage to local roads and bridges (as set out in the co-investment rate/financial assistance rate).

### Q.2.3.2 Civil Defence Emergency Management

The Civil Defence Emergency Management Act 2002 was developed to ensure that the community is in the best possible position to prepare for, deal with, and recover from local, regional and national emergencies. The Act requires that a risk management approach be taken when dealing with hazards including natural hazards. In identifying and analyzing these risks the Act dictates that consideration is given to both the likelihood of the event occurring and its consequences. The Act sets out the responsibilities for Local Authorities. These are:

- ensure you are able to function to the fullest possible extent, even though this may be at a reduced level, during and after an emergency;
- plan and provide for civil defence emergency management within your own district.

Tasman District Council and Nelson City Council jointly deliver civil defence as the Nelson Tasman Civil Defence Emergency Management (CDEM) Group. The vision of the CDEM Group is to build “A resilient Nelson Tasman community”.

Civil Defence services are provided by the Nelson Tasman Emergency Management Office. Other council staff are also heavily involved in preparing for and responding to civil defence events. For example, Council monitors river flows and rainfall, and has a major role in alleviating the effects of flooding.

Nelson Tasman Civil Defence Emergency Management Group developed Regional Plan in 2012. The Plan sets out how Civil Defence is organised in the region and describes how the region prepares for, responds to and recovers from emergency events. It is available online here: <http://www.nelsontasmancivildefence.co.nz/plans-publications/cdem-group-plan/> A review is scheduled in 2016/2017.

#### Q.2.3.3 Engineering Lifelines

The Nelson Tasman Engineering Lifelines (NTEL) project commenced in 2002. The NTEL Group formed in 2003. Its report *Limiting the Impact* was reviewed in 2009. The purpose of the report was:

- to help the Nelson Tasman region reduce its infrastructure vulnerability and improve resilience through working collaboratively;
- to assist Lifeline Utilities with their risk reduction programmes and in their preparedness for response and recovery; and
- to provide a mechanism for information flow during and after an emergency event.

The NTEL Group are in the process of applying for funding to hold a further review to begin in 2015.

The project was supported and funded by the two controlling authorities, Nelson City Council and Tasman District Council. Following the initial start-up forum in 2002, a Project Steering Group was formed and initial project work was completed. The initial work to investigate risks and assess vulnerabilities from natural hazard disaster events was divided amongst five task groups:

- Hazards Task Group;
- Civil Task Group;
- Communications Task Group;
- Energy Task Group; and
- Transportation Task Group.

These groups were then tasked with assessing the risk and vulnerability of segments of their own networks against the impacts of major natural hazard disaster events. These natural hazards included:

- Earthquake;
- Landslide; and
- Coastal / flooding.

The Nelson Tasman region is geotechnically complex with high probabilities of earthquake, river flooding and landslides.

By identifying impacts that these hazards may have on the local communities, the NTEL Group aim to have processes in place to allow the community to return to normal functionality as quickly as possible after a major natural disaster event.

To date the project has identified the impacts of natural hazards and the critical lifelines of the regions service networks including communication, transportation, power and fuel supply, water, sewerage, and stormwater networks.

The initial NTEL assessment work is the first stage of an on-going process to gain a more comprehensive understanding of the impacts of natural hazards in the Nelson Tasman region.

The review date of the NTEL assessments is 2015.

#### Q.2.3.4 Recovery Plans

These plans are designed to come into effect in the aftermath of an event causing widespread damage and guide the restoration of full service.

The Recovery Plan for the Nelson Tasman Civil Defence and Emergency Management Group (June 2008) identifies recovery principles and key tasks, defines recovery organisation, specifies the role of the Recovery Manager, and outlines specific resources and how funds are to be managed.

Information about welfare provision in the Nelson-Tasman region is contained in a Welfare Plan (2013), which gives an overview of how welfare will be delivered during the response and recovery phases of an emergency. The plan is a coordinated approach to welfare services for both people and animals in the Nelson Tasman region following an emergency event.

**Q.2.3.5 Business Continuance**

The Council has a number of processes and procedures in place to ensure minimum impact to community facilities in the event of a major emergency or natural hazard event.

- The Council has limited business continuity plans that were developed around influenza pandemic planning in 2014.
- The Council’s contractors have up to date Health and Safety Plans in place.
- Building warrants of fitness are in place for all buildings used by the public, ensuring emergency evacuation systems and procedures are in place.
- A Council-wide risk assessment exercise was undertaken during 2010/11.

**Q2.4 Property Risks**

In order to identify the key activity risks the asset management team has applied a secondary filter to the outcomes of the risk management framework. This is necessary to overcome the limitations of the framework. To apply this secondary filter the asset management team have used their professional knowledge and judgement to identify the key activity risks. The key risks relevant to the activity are summarised in Table Q-6.

**Table Q-6: Key Risks**

Risk Event	Mitigation Measures
Long term unavailability of replacement equipment / spares for Aquatic Centre.	<p><i>Current</i></p> <ul style="list-style-type: none"> <li>· Redundancy.</li> <li>· Contract conditions.</li> <li>· Monitoring.</li> <li>· Benchmarking</li> <li>· External auditing.</li> <li>· Condition assessments</li> </ul> <p><i>Proposed</i></p> <ul style="list-style-type: none"> <li>· Extend condition assessments to 20 years</li> </ul>
Earthquake (1:400) causes significant damage	<p><i>Current</i></p> <ul style="list-style-type: none"> <li>· Design Standards.</li> <li>· Seismic testing and strengthening.</li> <li>· Business Continuity Planning (BCP).</li> <li>· Evacuation plans.</li> </ul> <p><i>Proposed</i></p> <ul style="list-style-type: none"> <li>· Review BCP</li> </ul>
Failure of utilities.	<p><i>Current</i></p> <ul style="list-style-type: none"> <li>· Loss of power</li> <li>· Loss of water</li> <li>· Loss of sewage disposal</li> </ul> <p><i>Proposed</i></p> <ul style="list-style-type: none"> <li>· Could retrofit some facilities to allow for a standby generator.</li> </ul>

An asset management improvement item included in Appendix V is to review all inherent, current and target risk scores following the adoption of the amended framework.

## Q2.5 *Projects to address Risk shortfalls*

The specific risk mitigation measures that have been planned within the 20 year ASB Aquatic Centre programme include:

- an allowance for emergency funds
- a preventative maintenance programme
- an allowance for routine maintenance of structures
- routine structural inspections.
- maintain and ensure compliance with up to date Health and Safety Plans for all staff and contractors and manage the contractors' response to new Health & Safety issues
- ensure compliance with NZS 5826:2010 Pool Water Quality
- monitor structures so that they are maintained in a safe and sound condition that complies with the Building Act, where required

Other projects to address risk shortfalls include the following:

### Health and Safety

- A Health and Safety plan is in place for the Council, which details the requirements for staff and the management of contractors working for the Council.
- Building warrants of fitness are in place for all buildings used by the public, ensuring emergency evacuation systems and procedures are in place.

### Service Standards

- The specifications for all regular maintenance and operation activities have been defined and documented in the maintenance contracts.

### Contracts Supervision

- Maintenance contractors are supervised directly by staff from Property Services. In some cases the Architect or other specialist consultant may supervise contractors on development projects.

### Resources

- Sufficient staff resources of a suitably skilled nature are in place to manage and operate this activity.

### Unforeseen Events

- The current Council approach is to deal with events as or if they arise. For minor events the costs will be accommodated within existing budgets if possible. If additional costs over budget are incurred, this will be reported to Council.

### Attention to Repairs

- Faults or request for service reported by the public are dealt with by the customer services staff and referred to Property Services or the contractor for action if required, for action. Inspection and remedial work is carried out within a response time that is considered appropriate to the issue within the following response times:
  - Urgent (public safety issues) – 2 hours
  - Priority – 24 hours
  - Standard – 5 working days
  - Non urgent – 15 working days
- Minor faults or request for service received after hours are referred direct to the appropriate contractor, who has authority to take the appropriate action required (within limits specified in their contract).

### Delegations

- Financial authority delegations are in place for all staff with purchasing authority.

### Responsibility Allocated to Ensure Completion of Work

- Individual responsibilities are defined in their job description and annual work programmes
- Progress against annual work programmes are monitored on a quarterly basis through staff meetings and other communication.
- A formal review of performance is undertaken at the end of each financial year, areas for improvement (if any) identified, and the work programme for the coming year is agreed.

#### Council Policies

- The Council has a Corporate Policy manual in which are recorded all council policies.

#### Monitoring and Reporting

- The Community Services Manager formally reports to the Community Services Committee every month on progress towards achieving the outcomes identified in the LTP.

#### Cost 'Blowouts'

- Operational and capital expenditure is monitored monthly to ensure expenditure is achieved within budget targets.

### **Q.3 Critical Assets**

The Main Office at 189 Queen Street is a critical property asset. The complex supports the majority of the council's staffing compliment with the exception of Libraries. The Council's risk management strategy in relation to this asset is:

- to maintain and ensure compliance with up to date Health and Safety Plans for all staff and contractors and manage the contractors response to new Health & Safety issues.
- to monitor the condition of the plant on a regular basis and maintain compliance with water quality standards.
- that a regular maintenance programme is maintained.
- to monitor potential hazards on a regular basis, and to take appropriate action to reduce possible risks by eliminating, mitigating or isolating the hazard as soon as any potential hazard is identified.
- to monitor the structural aspects of the complex and ensure that it is maintained in a safe and sound condition that complies with the Building Act where required.
- to ensure back up electrical generating capacity is available during power outages and that regular generator tests are carried out.



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## APPENDIX R. LEVELS OF SERVICE, PERFORMANCE MEASURES, AND RELATIONSHIP TO COMMUNITY OUTCOMES

### R.1 Introduction

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

The levels of service for Property been developed to contribute to the achievement of the Council's Community Outcomes, but taking into account:

- the Council's statutory and legal obligations
- the Council's policies and objectives
- the Council's understanding of what the community is able to fund.

### R.2 Levels of Service

Levels of service are attributes that Council expects of its assets to deliver the required services to stakeholders (e.g. other Council departments lessees, and property owners).

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

Levels of service can be strategic, tactical or operational, should reflect the current industry standards, and should 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 by-laws that impact on the way assets are managed (ie. 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 that 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.

#### R.2.1 Defining Levels of Services

Levels of service are defined by identifying the needs of stakeholders and the aspects of asset service that contribute to the Council in meeting its objectives under the Long Term Plan. These can be split into condition factors, design factors or operational factors as outlined in Figure R-1.

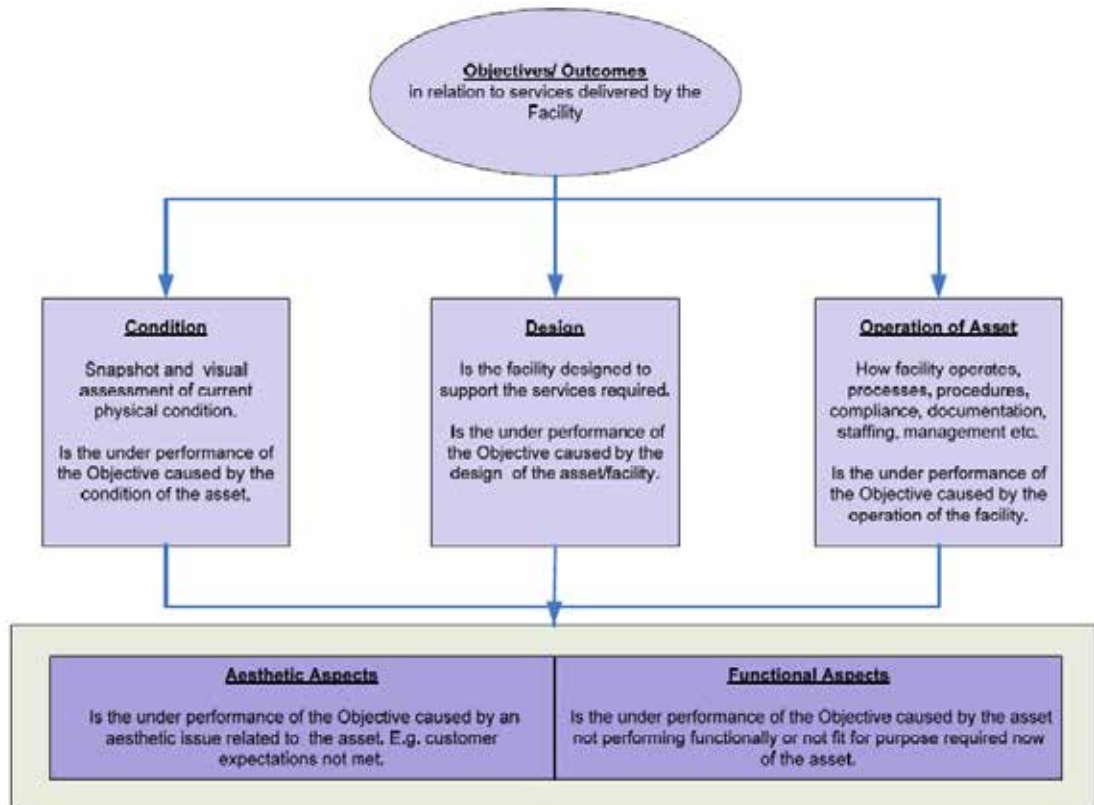


Figure R-1: Levels of Service

Critical success factors define the important areas for achieving the levels of service within a Key Performance Area. Performance measures are then developed to assess the performance of the activity against the service levels.

The asset management process requires that Council:

- clearly defines the levels of service for each activity
- assess stakeholders input into the levels of service
- assess information on users expectations of service level and service cost
- reviews the levels of service regularly.

Levels of service and performance measures are established from:

- users expectations of service levels and service costs
- Council and Community direction
- industry standards and best practice
- legislative requirements including resource consents
- prioritisation related to available resources.

Some levels of service identified will be contiguous across all asset groups.

### R.2.2 Industry Standards and Best Practice

The AMP acknowledges Council’s responsibility to act in accordance with the legislative requirements that impact on Council’s Property assets. A variety of legislation affects the operation of these assets, as detailed in Appendix A.

### R.2.3 Prioritisation related to available resources

With Property assets, there are often higher levels of maintenance and renewal requirements proposed (increased levels of service etc) than the resources allow for. This primarily relates to issues around the aesthetics of a property. Tradeoffs then have to be made as to what impacts on the ability of an asset to provide a service against the nice to have aspects.

### **R.3 What Level of Service do we seek to achieve?**

The operational service level framework presents the fundamentals required to meet customer satisfaction levels relating to operation of the Property activity.

The Levels of Service are intended:

- to inform Council departments and lessees using buildings and property of the proposed type and level of service offered (now and into the future).
- as a focus for the work required to deliver an agreed level of service
- to enable building and property users to assess suitability, affordability and equity of services offered.

There are many factors that need to be considered when deciding what level of service the Council will aim to provide. These factors include:

- Council needs to aim to understand and meet the aims and needs of the Council departments and lessees using its buildings and property assets and services;
- Council must meet its statutory obligations;
- the services must be operated within Council policy and objectives; and
- the community must be able to fund the level of service provided.

Two tiers of levels of service are outlined: Customer-focused and Operational.

#### *R.3.1. Customer-focused LOS*

Only customer focused levels of service and performance measures are reported in the LTP; they are consulted on and adopted as part of the LTP consultation process. The AMP extends the levels of service and performance measures to include the more technical measures associated with the management of the activity (refer section R.3.2).

Table R-1 details the customer-focused levels of service and associated performance measures for the Property activity. The table sets out Councils' current performance and the targets they aim to achieve within the next three years and by the end of the next 10 year period.

**Table R-1: Assessment of Current Performance against Levels of Service and Intended Future Performance**

Table R-1 summarises the levels of service and performance measures for the Property activity. Shaded rows are the levels of service and performance measures to be included in the LTP.

ID	Levels of Service (We provide ...)	Performance Measure (We will know we are meeting the level of service if...)	Current Performance (as at end Yr 2 2013/14)	Future Performance			
				Year 1	Year 2	Year 3	Years 4 - 10
<b>Community Outcome: Our urban and rural environments are pleasant, safe and sustainably managed.</b>							
1	Buildings and property services that comply with legislative and resource and building consent requirements.	All operational buildings (offices and libraries) and commercial buildings comply with resource, building consent and any other legislative requirements.	<b>Actual</b> = Current Building Warrant of fitness is displayed, compliance schedules are maintained and resource consents complied with.	100% compliance	100% compliance	100% compliance	100% compliance
<b>Community Outcome: Our infrastructure is safe, efficient and sustainably managed.</b>							
2	Property and building assets that are functionally appropriate and meet the needs of users and customers.	Customers and users are satisfied with the buildings they occupy and the level of service provided. As measured by a three-yearly survey of selected customers.	<b>Actual</b> = Staff survey results in 2014: 75% of occupants were satisfied or very satisfied.	Not measured	Not measured	75% of customers surveyed are satisfied or very satisfied.	75% of customers surveyed are satisfied or very satisfied (only measured in Years 6 and 9)

### R.3.2. Operational LOS

The operational levels of service and performance measures are used to ensure the service and facilities are able to achieve the customer-focused levels of service and Councils objectives.

Table R-2 details the outcomes that are required for certain areas of performance criteria. The operational levels of service have been developed to address one or more of these areas. The performance measures are linked to the following areas:

Table R-2: Operational Performance Criteria

	Performance Criteria Area	Description of Required Outcome
Asset based	Availability	To provide a reliable, regular service to meet the needs of stakeholders.
	Management Systems and Strategic Planning	Internal planning and systems to maintain current performance levels, and identify opportunities for improvement.
	Information Knowledge and Management	To provide reference for management and evidence of internal and external compliance and record keeping.
	Compliance	To at all times comply with internal policy and procedures and external legislation and regulations.
	Demand	To forecast and respond to stakeholder demand and risk.
	Design	To provide a visually appealing facility for end users. Design appropriate to allow the facility to function to required standards. Design should allow all activities to be undertaken in structurally adequate environment.
	Condition	Maintain conditions to an acceptable standard for stakeholders, and in accordance with best practice.
Service Based	Customer Service	To provide services to a level where most stakeholders are satisfied with the service.
	Operations	To operate the facility to provide end users with a safe environment and enjoyable experience.
	Education	To provide appropriate information to enable the community to effectively use the facilities.

Table R-3 identifies the operational levels of service linked with the criteria from Table R-3 and shows current performance against the performance measures.

Level of services need to be reviewed and upgraded on a continuous basis in line with legislative and regulatory changes and feedback from customers, consultation, internal assessments, audits and strategic objectives.

Performance measurement of property assets and property services will be assessed through surveys of users, financial performance, timeliness, and condition assessment reviews as follows:

- Surveys of users of Council buildings and property services will establish a satisfaction rating which can be compared against previous surveys.
- Financial performance will compare projected expenditure against budgeted expenditure but is dependent on an acceptable level of condition assessment data being held.
- The ability to bring projects in on time and to complete work requests within acceptable time frames.
- Completion of condition assessments and regular reviews of conditional assessment data held in a format that assists with good budgeting processes.

### R.3.3. *Desired LOS*

Further work (including data collection on assets) is required to better define and understand the current LOS provided for users of Council property and property services and how they meet or do not meet the current target levels of service. Staff surveys have established that 75% of internal users of property services are happy, or very happy, with the services provided.

To ensure user needs are being effectively addressed, an assessment of desired levels of service is also required. This encompasses where an asset is under or over delivering on the standard service criteria. Then the gaps between current and desired service can be identified and addressed using the “gap grid analysis”.

The operational levels of service and performance measures are used to ensure the service and facilities are able to achieve the strategic levels of service and Councils objectives.

Level of services need to be reviewed and upgraded on a continuous basis in line with legislative and regulatory changes and feedback from customers, consultation, internal assessments, audit and strategic objectives.

The levels of service that the Council has adopted for this AMP have been developed from the levels of service prepared in previous AMP’s. They take in account feedback from various parties, including Audit New Zealand, industry best practice and ease of measuring and reporting of performance measures.

## **R.4 What plans has the Council made to meet the Levels of Service?**

In preparing the future financial forecasts, the Council has included specific initiatives to meet the current or intended future levels of service.

Council is making a capital works investment of \$1 million over the next 20 year period to maintain existing Property assets and improve levels of service. This includes the following projects:

- installation of a replacement standby generator at the Main Office
- various improvements to lighting, office layout and lighting systems
- Replacement of heating, ventilation and air conditioning systems
- Minor building improvements.

Meets LoS standard	✓	Does not meet target LoS	x	Unknown or not measured	?
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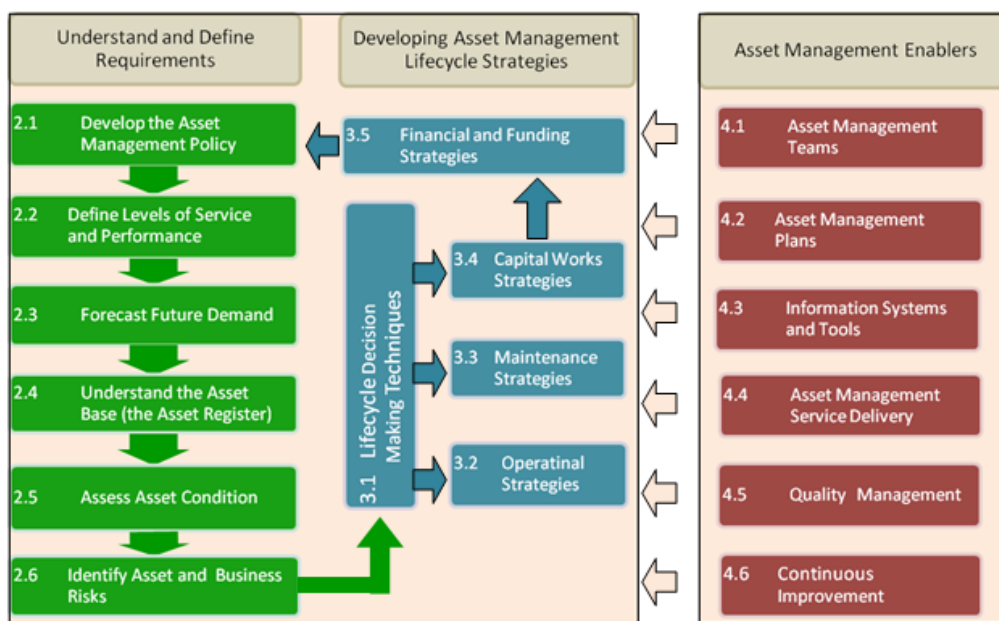
Table R-3: Operational LOS and Performance Measures

Performance criteria area	Criteria success factor detail	Current target LOS	Current Performance	Status	Performance Measure
Management systems and strategic planning	Activity Management Plan	100% compliance – all building facilities are encompassed in an AMP	Most buildings managed by an AMP	P	100% of buildings are managed by an AMP, with the exception of any new buildings which will be added to the AMP in the following year.
Financial management	Operating expenses/income in accordance with funding policy and budgets	Costs vs budget on capital projects 100% of projects within budget	Costs vs budget on target most projects within budget	P	Financial performance monitoring
		Building maintenance and facilities management costs within budget		P	
Compliance	Compliance with Building Act requirements.	100% compliance: - All facilities have a Building Warrant of Fitness that require them. - All buildings comply with Building Act.	0 buildings without a current Building Warrant of Fitness (100% compliance). Number of buildings not complying with Building Act – <i>Not measured for all buildings</i>	P ?	Number of buildings without current Building WoF. Number of buildings not complying with Building Act.
	Accident prevention, monitoring and management.	100% of site safety issues responded to within required timeframes.	100% compliance	P	Safety records audit
	Development and management of Fire Safety Processes.	All facilities that require them have a fire safety plan, including evacuation. Trial evacuation for each facility with a fire plan held six monthly.	Number of facilities not having a fire safety plan –  Number of facilities not having an evacuation plan –	P ?	Fire safety process records
Customer Service	Customer satisfaction with facilities and services provided.	75% of customers satisfied with services provided by the facility (where measured)	75% of customers satisfied with service.	P	Results from internal staff survey conducted every three years. Follow up from correspondence / complaints tracking and individual surveys.
	Customer satisfaction with property services delivery to other departments	75% of customers are satisfied with the property services provided	75% of customers satisfied with service	P	Results from internal staff survey conducted every three years.
	Timeliness of response to customer enquiries / complaints / work requests.	80% of enquiries are responded to within prioritised timeframes. 80% of works are completed / resolved within prioritised timeframes.	Not measured in 2014. % of enquiries responded to within prioritised timeframes. % of works completed / resolved within prioritised timeframes.	?	Number of and record of correspondence / complaints tracking.
Health and Safety	Number of injury accidents as a result of reported hazards	< 1 injury accident as the result of a reported hazard	Not measured in 2014	?	Number of accidents reported

## APPENDIX S. COUNCIL'S DATA MANAGEMENT, ASSET MANAGEMENT PROCESSES AND SYSTEMS

### S.1 Introduction

This AMP has been developed as a tool for Council to describe how they intend to manage their assets, meet the levels of service agreed with the community and to explain the expenditure and funding requirement. It forms part of Council's Asset Management Process which is in general alignment with the International Infrastructure Management manual (IIMM) as shown below in figure S-1.



**Figure S-1: The Asset Management Process**

### S.2 Asset Data

#### S2.1 Understand the Asset Base

Council has a wealth of information on their assets which is collected, recorded and stored through a number of different systems. Data is graded for accuracy and completeness as shown in Table S-1.

**Table S-1: Asset Data Accuracy and Completeness Grades**

Grade	Description	Accuracy	Grade	Description	Completeness
1	Accurate	100%	1	Complete	100%
2	Minor inaccuracies	± 5%	2	Minor Gaps	90 – 99%
3	50% estimated	± 20%	3	Major Gaps	60 – 90%
4	Significant Data estimated	± 30%	4	Significant Gaps	20 – 60%
5	All data estimated	± 40%	5	Limited Data Available	20% or less



### S.3 Asset Management Processes and Systems

#### S.3.1 Asset Management Systems

Council’s corporate Asset Management System (AMS) is Confirm Enterprise. Building and property asset information and condition is maintained in this system. Napier Computer System (NCS) property module contains property legal, rating, occupancy, lease, rating and financial information, and links to the asset register.

The Council property register is maintained on an as required basis. There is a high level of expectation of the accuracy of this database.

The inability to link Confirm to NCS makes for a cumbersome process. The Confirm database is a good system for managing and planning maintenance of council properties. The Napier Computer System database is very basic as far as property management is concerned and provides the bare minimum of a property management system. The strength of this system is its links to Council’s other databases.

Council uses both paper and electronic based management systems for its properties. Paper based systems are contained in a “Council Property” filing system identified by property type and ward locality. These files contain information about a property including building plans, details of services and occupancy agreements.

**Table S-3 Asset Management Strategies Summary**

Process Step	Processes and Systems
Identify Levels of Service	Levels of Service identified taking account of Community Outcomes, Legislative Requirements, Financial constraints, (affordability) and knowledge of asset performance.  Reviewed and updated on a three yearly basis – when the AMP and Long Term Plan are updated
Predict Demand	Population forecasting undertaken as described in Appendix F  Demand forecasting undertaken as described in Appendix F  Demand Management as described in Appendix N
Asset Condition, Measure Performance	Opus International Consultants were engaged in 2006 / 2007 to collect and analyse the data which was subsequently imported into Confirm Asset Management System. This was assessed using guidelines developed from the National Asset Management (NAMS) group. Each building element was assessed on a 1 – 5 condition rating scale with:  <ol style="list-style-type: none"> <li>1. Excellent</li> <li>2. Very good</li> <li>3. Satisfactory</li> <li>4. Poor</li> <li>5. Very poor</li> </ol> In 2015 these assessments will be reviewed and future condition assessments will be undertaken on a rolling basis to ensure that all properties are reviewed at three yearly intervals.
Renewals Management	Asset condition is a key indicator of the amount of renewal expenditure required to maintain the asset at an acceptable level to ensure the full life of the asset is gained.
Asset Creation	The need for the new work is based on the following drivers: growth, consultation with property users, consultant advice and

	<p>Council's Senior management.</p> <p>In the first instance it will be the council's intention to adapt existing facilities or extend existing facilities but where this is not possible or appropriate, consideration will be given to the construction of new property assets.</p> <p>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. Some projects may also be driven fully or partly by needs for renewal.</p>
Risk and Asset Management	Council have developed an Integrated Risk Management framework to manage risks as described in Appendix Q.

### S.3.2. Asset Condition

Opus International Consultants were engaged in 2006 / 2007 to collect and analyse the data which was subsequently imported into Confirm Asset Management System. In 2015 this work will be reviewed and extended to include other building assets. In future condition assessments will be reviewed on a three yearly basis.

### S.3.3 Identify Asset and Business Risks

Council have adopted an Integrated Risk Management framework to manage risks, both at corporate and activity level. This is further detailed in appendix Q.

## APPENDIX T. BYLAWS

The Tasman District Council Consolidated Bylaw was made in accordance with the requirements of the Local Government Act 2002, and contains the following bylaws:

- Introductory Bylaw 2013\*
- Control of Liquor in Public Places 2012\*
- Dog Control Bylaw 2009\*
- Freedom Camping Bylaw 2011 (Amended December 2013)\*
- Freedom Camping (Motueka Beach Reserve) Bylaw 2013
- Navigation Safety Bylaw 2006\*
- Speed Limits Bylaw 2013\*
- Stock Control and Droving Bylaw 2005
- Trade Waste Bylaw 2005\*
- Trading in Public Places Bylaw 2010\*
- Traffic Control Bylaw 2013\*
- Details of the Traffic Control Bylaw 2013\*
- Water Supply Bylaw 2009
- Tasman's Great Taste Trail Bylaw 2012

\* Bylaws of relevance to the Property activity.

These bylaws will be reviewed no later than 10 years after they were last reviewed.

## APPENDIX U. STAKEHOLDERS AND CONSULTATION

### U.1 Stakeholders

There are many individuals and organisations that have an interest in the management and/or operation of Council's Property assets. The AMP recognises stakeholder interest in ensuring legislative requirements are met and sound management and operational practices are in place. Key stakeholders include:

- customers/users of Property assets
- lessees and tenants of the Property assets
- District residents and ratepayers

### U.2 Consultation

#### U.2.1 Purpose of Consultation and Types of Consultation

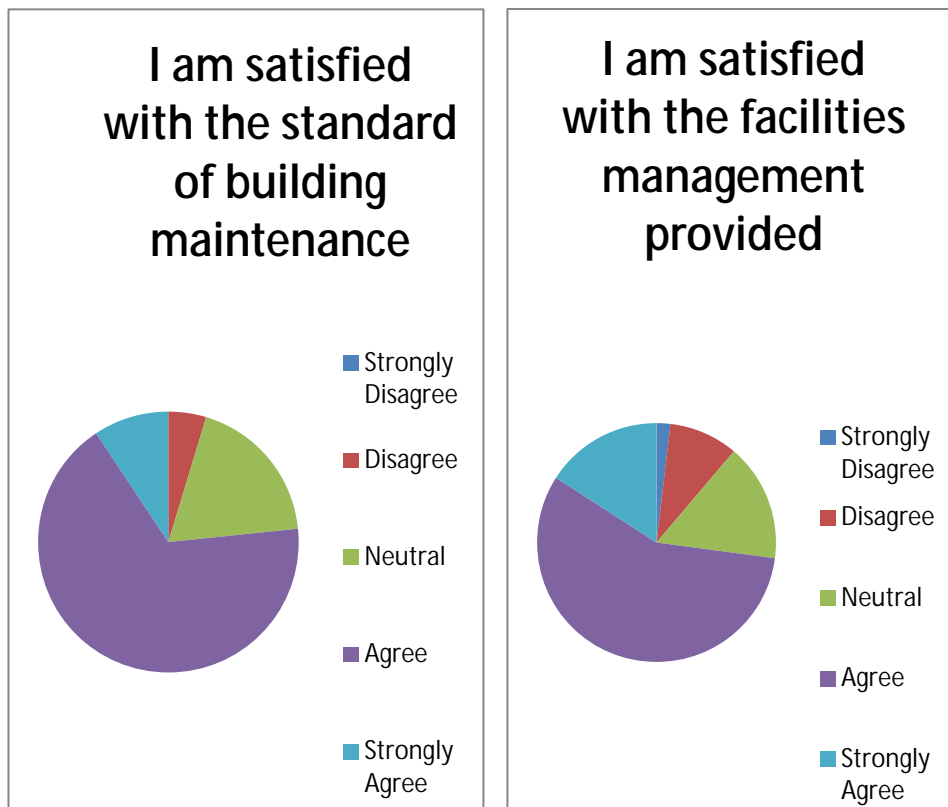
Council consults with the public to gain an understanding of customer expectations and preferences. This enables Council to provide a level of service that better meets the community's needs.

The Council's knowledge of customer expectations and preferences is based on:

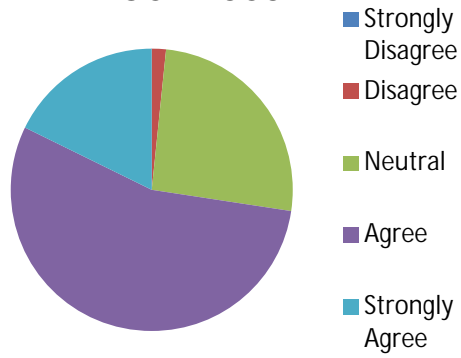
- customer/user surveys, such as annual residents' survey and staff surveys
- feedback from staff/customer contact
- feedback from elected members, advisory groups and working parties
- consultation via the Annual Plan and Long Term Plan processes

#### U.2.2 Consultation Outcomes

##### Results from 2014 Customer Survey



### I receive good property service from Property Services.



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## **APPENDIX V. IMPROVEMENT PROGRAMME**

### **V.1 Process Overview**

The AMPs have been developed as a tool to help Council manage their assets, deliver the 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 (and desired) level of activity management practice; delivering services in the most sustainable way while meeting the community's needs.

Establishment of a robust, continuous improvement process ensures Council is making the most effective use of resources to achieve an 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; and
- ongoing review and monitoring of the programme.

The development of this AMP has been based on existing levels of service and asset management practices, the best available information and knowledge of Community Development staff. The AMP is a living document that is relevant and integral to daily asset management practice. To ensure the plan remains useful and relevant, it will be subject to ongoing monitoring, review and updating to improve its quality and the accuracy of the asset information and financial projections.

### **V.2 Strategic Improvements**

Council identified the key cross activity improvement actions for implementation prior to development of the AMPs for the 2015 to 2025 LTP period. These were:

- update the growth strategy for the changed economic climate;
- review levels of service to ensure they adequately cover core customer values; and
- review and update Council's risk register for each activity.

These actions were all completed and have fed into the development of the current AMP.

Ongoing improvement actions that apply to all AMPs include:

- operations and maintenance: an ongoing review of contracting and internal service agreement strategies will be carried out, to achieve the best balance of risk transfer, cost and performance based focus;
- risk assessments will be periodically reviewed, to enhance optimised decision-making capability;
- changes in Council direction, legislation and Government policy will be taken into account during AMP reviews; and
- recruitment, retention and development of sufficient and suitably qualified staff.

### **V.3 Training**

Council does not have a formal schedule of required training, however Council staff participate in training on a regular basis to ensure that best practice is maintained. This also helps to maintain a good asset management culture.

Council is structured in a way that encompasses succession planning to prevent the loss of knowledge in the event of staff turnover. This AMP document also prevents loss of knowledge by documenting practices and process associated with this activity.

#### **V.4 Peer Review**

This AMP document was subject to a peer review in its draft format by Waugh Infrastructure Management Ltd in February 2015. The document was reviewed for compliance with the requirements of the LGA 2002. The findings from the review indicated [insert comment].

The findings and suggestions were assessed and prioritised by the asset management team. Those items that proved to be of sufficiently high value and efficiency to address were included in the Draft for Consultation (Version x) of this document. The remainder were added to the Improvement Plan where necessary.

Version x of this document was then reviewed a final time by Waugh Infrastructure Management Ltd in ? 2015. The report produced has been included at the end of this Appendix.

#### **V.5 Improvement Programme Status**

The status of all improvement items related to this activity are shown in Table V-1 below.

The Improvement Programme will be adopted in line with the adoption of the LTP and this AMP. It will be continuously monitored with a full review on an annual basis and the status of the improvement items assessed and reported.

The improvement tasks identified in the improvement programme below are considered to be the most important to improve the management of the assets. The main drivers of the improvements are to:

- Establish long term strategic planning for the Property
- Ensure property and building maintenance plans are in place and being implemented for all facilities.

## V.6 Current Improvement Actions

Table V-1: Current Improvement Actions

Improvement Action	Further Information	Priority (High, Med, Low)	Status	Year that improvement action was identified	Forecast completion date	Procurement / delivery strategy	Staff member responsible for managing to close	Cost estimate for Years 1-3
Asset condition	Collect condition data for new assets	Med	Not started	2012	Ongoing	Out source	Property Services Manager	Part of build contract
Asset condition	Ensure condition assessments are reviewed on a three yearly, rolling basis	High	Not started	2012	2018	Out source	Property Services Manager	\$20,000
Asset condition	Ensure all aspects of the activity are covered by the Amp, eg. Generators. And car parks	Med	Not started	2012	2018	In house and out source	Property Services Manager	\$5000
Asset Maintenance	Develop scheduled maintenance programmes using condition assessment data	med	Not started	2012	2018	In house and out source	Property Services Manager	\$5,000
Funding strategy	Provide analysis of the funding sources for each category of properties	Med	Not started	2012	2018	In house	Property Services Manager	\$0
Performance measures	Measure all performance measures	Med	Not started	2012	2018	In house	Property Services Manager	\$0

## APPENDIX W. DISPOSALS

Disposal of Council assets is managed at two levels:

1. Disposal of buildings and structures.  
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:
  - a. removal from site
  - b. demolition
  - c. revocation of reserve status and sale of land and building/s.
  - d. Subdivision and subsequent sale.
  - e. Sale
  
2. Disposal of building elements  
Where assets within buildings (i.e. appliances, fittings etc.) are identified as surplus to requirements or at end of life, the Council may explore the following disposal options:
  - a. sale of asset
  - b. reuse or recycling of asset component
  - c. destruction of asset component.

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 signalled 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..

## APPENDIX X. GLOSSARY OF ASSET MANAGEMENT TERMS

The following acronyms and terms are used in this AMP:

Acronyms	Name
AMP	Activity Management Plan
AMS	Asset Management System
AR	Asset Register
BMP	Building Maintenance Plan
Confirm	Software programme on which Council holds its reserves and property asset information
DSA	Detailed Seismic Assessment
DoC	Department of Conservation
DRV	Depreciated Replacement Value
IEP	Initial Evaluation Assessment
IL	Importance Level
TDC	Tasman District Council
LOS	Level of Service
LTP	Long Term Plan
LV/CV	Land Value / Capital Value
NBS	New Building Standards
ODM	Optimised Decision Making



OSH	Occupational Safety and Health
PRAMS	Parks and Recreation Asset Management System
RMP	Reserve Management Plan
TRMP	Tasman Resource Management Plan
Building WoF	Building Warrant of Fitness

<b>Term</b>	<b>Meaning</b>
Activity	An activity is the work undertaken on an asset or group of assets to achieve a desired outcome.
Activity Management Plan (AMP)	Activity Management Plans are key strategic documents that describe all aspects of the management of assets and services for an activity. The documents feed information directly in the Council's LTP, and place an emphasis on long term financial planning, community consultation, and a clear definition of service levels and performance standards.
Annual Plan	The Annual Plan provides a statement of the direction of Council and ensures consistency and co-ordination in both making policies and decisions concerning the use of Council resources. It is a reference document for monitoring and measuring performance for the community as well as the Council itself.
Asset	A physical component of a facility which has value, enables services to be provided and has an economic life of greater than 12 months.
Asset Management (AM)	The combination of management, financial, economic, engineering and other practices applied to physical assets with the objective of providing the required level of service in the most cost effective manner.
Asset Management System (AMS)	A system (usually computerised) for collecting analysing and reporting data on the utilisation, performance, lifecycle management and funding of existing assets.
Asset Management Strategy	A strategy for asset management covering, the development and implementation of plans and programmes for asset creation, operation, maintenance, renewal, disposal and performance monitoring to ensure that the desired levels of service and other operational objectives are achieved at optimum cost.
Asset Register	A record of asset information considered worthy of separate identification including inventory, historical, financial, condition, construction, technical and financial information about each.
Basic Asset Management	Asset management which relies primarily on the use of an asset register, maintenance management systems, job/resource management, inventory control, condition assessment and defined levels of service, in order to establish alternative treatment options and long term cashflow predictions. Priorities are usually established on the basis of financial return gained by carrying out the work (rather than risk analysis and optimised renewal decision making).
Benefit Cost Ratio (B/C)	The sum of the present values of all benefits (including residual value, if any) over a specified period, or the life cycle of the asset or facility, divided by the sum of the present value of all costs.
Business Plan	A plan produced by an organisation (or business units within it) which translate the objectives contained in an Annual Plan into detailed work plans for a particular, or range of, business activities. Activities may include marketing, development, operations, management, personnel, technology and financial planning
Capital Expenditure (CAPEX)	Expenditure used to create new assets or to increase the capacity of existing assets beyond their original design capacity or service potential. CAPEX increases the value of an asset.
Condition Monitoring	Continuous or periodic inspection, assessment, measurement and interpretation of resulting data, to indicate the condition of a specific component so as to determine the need for some preventive or remedial action.
Critical Assets	Assets for which the financial, business or service level consequences of failure are sufficiently severe to justify proactive inspection and rehabilitation. Critical assets have a lower threshold for action than non-critical assets.
Current Replacement	The cost of replacing the service potential of an existing asset, by reference to some measure of capacity, with an appropriate modern equivalent asset.

Cost	
Deferred Maintenance	The shortfall in rehabilitation work required to maintain the service potential of an asset.
Demand Management	The active intervention in the market to influence demand for services and assets with forecast consequences, usually to avoid or defer CAPEX expenditure. Demand management is based on the notion that as needs are satisfied expectations rise automatically and almost every action taken to satisfy demand will stimulate further demand.
Depreciated Replacement Cost (DRC)	The replacement cost of an existing asset after deducting an allowance for wear or consumption to reflect the remaining economic life of the existing asset.
Depreciation	The wearing out, consumption or other loss of value of an asset whether arising from use, passing of time or obsolescence through technological and market changes. It is accounted for by the allocation of the historical cost (or revalued amount) of the asset less its residual value over its useful life. Disposal Activities necessary to dispose of decommissioned assets.
Economic Life	The period from the acquisition of the asset to the time when the asset, while physically able to provide a service, ceases to be the lowest cost alternative to satisfy a particular level of service. The economic life is at the maximum when equal to the physical life however obsolescence will often ensure that the economic life is less than the physical life.
Facility	A complex comprising many assets (e.g. swimming pool complex, etc.) which represents a single management unit for financial, operational, maintenance or other purposes.
Geographic Information System (GIS)	Software which provides a means of spatially viewing, searching, manipulating, and analysing an electronic database.
Infrastructure Assets	Stationary systems forming a network and serving whole communities, where the system as a whole is intended to be maintained indefinitely at a particular level of service potential by the continuing replacement and refurbishment of its components. The network may include normally recognised 'ordinary' assets as components.
I.M.S.	Infrastructure Management System - Computer Database
Level of Service	The defined service quality for a particular activity (ie. water) or service area (i.e. water quality) against which service performance may be measured. Service levels usually relate to quality, quantity, reliability, responsiveness, environmental acceptability and cost.
Life	A measure of the anticipated life of an asset or component; such as time, number of cycles, distance intervals etc.
Life Cycle	Life cycle has two meanings: <ul style="list-style-type: none"> <li>· the cycle of activities that an asset (or facility) goes through while it retains an identity as a particular asset ie. from planning and design to decommissioning or disposal</li> <li>· the period of time between a selected date and the last year over which the criteria (e.g. costs) relating to a decision or alternative under study will be assessed.</li> </ul>
Life Cycle Cost	The total cost of an asset throughout its life including planning, design, construction, acquisition, operation, maintenance, rehabilitation and disposal costs.
Life Cycle Maintenance	All actions necessary for retaining an asset as near as practicable to its original condition, but excluding rehabilitation or renewal.
Long Term Plan	The Long Term Plan (LTP) is the primary strategic document through which Council communicates its intentions over the next 10 years for meeting the community service expectations and how it intends to fund this work. The LTP is a key output required of Local Authorities under the Local Government Act 2002.
Maintenance Plan	Collated information, policies and procedures for the optimum maintenance of an asset, or group of assets.
Net Present Value (NPV)	Net Present Value – Standard method for evaluating long-term projects in capital budgeting.
Objective	An objective is a general statement of intention relating to a specific output or activity.

	They are generally longer-term aims and are not necessarily outcomes that managers can control.
Operation	The active process of utilising an asset which will consume resources such as manpower, energy, chemicals and materials. Operation costs are part of the life cycle costs of an asset.
Decision Making (ORDM)	An optimisation process for considering and prioritising all options to rectify performance failures of assets. The process encompasses NPV analysis and risk assessment.
Performance Indicator (PI)	A qualitative or quantitative measure of a service or activity used to compare actual performance against a standard or other target. Performance indicators commonly relate to statutory limits, safety, responsiveness, cost, comfort, asset performance, reliability, efficiency, environmental protection and customer satisfaction.
Performance Monitoring	Continuous or periodic quantitative and qualitative assessments of the actual performance compared with specific objectives, targets or standards.
Planned Maintenance	Planned maintenance activities fall into three categories: <ul style="list-style-type: none"> <li>· Periodic – necessary to ensure the reliability or sustain the design life of an asset.</li> <li>· Predictive – condition monitoring activities used to predict failure.</li> <li>· Preventive – maintenance that can be initiated without routine or continuous checking (e.g. using information contained in maintenance manuals or manufacturers' recommendations) and is not condition-based.</li> </ul>
Recreation	Means voluntary non-work activities for the attainment of personal and social benefits, including restoration (recreation) and social cohesion.
Rehabilitation	Works to rebuild or replace parts or components of an asset, to restore it to a required functional condition and extend its life, which may incorporate some modification. Generally involves repairing the asset using available techniques and standards to deliver its original level of service without resorting to significant upgrading or replacement.
Renewal	Works to upgrade, refurbish, rehabilitate or replace existing facilities with facilities of equivalent capacity or performance capability.
Renewal Accounting	A method of infrastructure asset accounting which recognises that infrastructure assets are maintained at an agreed service level through regular planned maintenance, rehabilitation and renewal programmes contained in an AMP. The system as a whole is maintained in perpetuity and therefore does not need to be depreciated. The relevant rehabilitation and renewal costs are treated as operational rather than capital expenditure and any loss in service potential is recognised as deferred maintenance.
Repair	Action to restore an item to its previous condition after failure or damage.
Replacement	The complete replacement of an asset that has reached the end of its life, so as to provide a similar, or agreed alternative, level of service.
Remaining Economic Life	The time remaining until an asset ceases to provide service level or economic usefulness.
Risk Cost	The assessed annual cost or benefit relating to the consequence of an event. Risk cost equals the costs relating to the event multiplied by the probability of the event occurring.
Risk Management	The application of a formal process to the range of possible values relating to key factors associated with a risk in order to determine the resultant ranges of outcomes and their probability of occurrence.
Routine Maintenance	Day to day operational activities to keep the asset operating (replacement of light bulbs, cleaning of drains, repairing leaks, etc.) and which form part of the annual operating budget, including preventative maintenance.
Service Potential	The total future service capacity of an asset. It is normally determined by reference to the operating capacity and economic life of an asset.
Strategic Plan	Strategic planning involves making decisions about the long term goals and strategies of an organisation. Strategic plans have a strong external focus, cover major portions of the organisation and identify major targets, actions and resource allocations relating to the long term survival, value and growth of the organisation.
Unplanned Maintenance	Corrective work required in the short term to restore an asset to working condition so it can continue to deliver the required service or to maintain its level of security and integrity.

Upgrading	The replacement of an asset or addition/ replacement of an asset component which materially improves the original service potential of the asset.
Valuation	Estimated asset value that may depend on the purpose for which the valuation is required, i.e. replacement value for determining maintenance levels or market value for life cycle costing.

**APPENDIX Y. Not applicable to this activity**

**APPENDIX Z. AMP STATUS AND DEVELOPMENT PROCESS – PROPERTY**

**Z.1 Quality Assurance**

Quality Assurance Statement		
<b>Tasman District Council</b> 189 Queen Street Private Bag 4 Richmond 7050 Telephone: (03) 543 8400 Fax: (03) 543 9524	<b>Version:</b>	Draft – February 2015
	<b>Status:</b>	Draft
	<b>Prepared by:</b>	
	<b>AMP Author</b> Jim Frater	
<b>Approved for issue by:</b>		<b>Corporate Services Manager</b> Mike Drummond

**Z.2 Quality Requirements and Issues**

	Issues and Requirements	Description
1	Fitness for Purpose	The AMP has to be “fit for purpose”. It has to comply with Audit NZ expectations of what an AMP should be to provide them the confidence that the Council is adequately managing the Council activities.
2	AMP Document Consistency	Council want a high level of consistency between AMPs so that a reader can comfortably switch between plans.
3	AMP Document Format	The documents need to be prepared to a consistent and robust format so that the electronic documents are not corrupted (as happens to large documents that have been put together with a lot of cutting and pasting) and can be made available digitally over the internet.
4	AMP Text Accuracy and Currency	The AMPs are large and include a lot of detail. Errors or outdated statements reduce confidence in the document. The AMPs need to be updated to current information and statistics.
5	AMP Readability	The AMPs in their current form have duplication – where text is repeated in the “front” section and the Appendices. This needs to be rationalised so that the front section is slim and readable and the Appendix contains the detail without unnecessary duplication.
6	Completeness of Required Upgrades/Expenditure Elements	The capital expenditure forecasts and the operations and maintenance forecasts need to be complete. All projects and cost elements need to be included.

	<b>Issues and Requirements</b>	<b>Description</b>
7	Accuracy of Cost Estimates	Cost estimates need to be as accurate as the data and present knowledge allows, consistently prepared and decisions made about timing of implementation, drivers for the project and level of accuracy the estimate is prepared to.
8	Correctness of Spreadsheet Templates	The templates prepared for use need to be correct and fit for purpose.
9	Assumptions and Uncertainties	Assumptions and uncertainties need to be explicitly stated on the estimates.
10	Changes Made After Submission to Financial Model	If Council makes decisions on expenditure after they have been submitted into the financial model, the implications of the decisions must be reflected in the financial information and other relevant places in the AMP – eg. Levels of service and performance measures, improvement plans etc.
11	Improvement Plan Adequate	Improvements identified, costed, planned and financially provided for in financial forecasts.