




# Council Facilities

## 2021-2031

- Activity Management Plan -

## Quality Assurance Statement

 <p><b>Waikato</b> DISTRICT COUNCIL <i>Te Kaunihera aa Takiwaa o Waikato</i> <b>15 Galileo Street</b> <b>Private Bag 544</b> <b>Ngaruawahia 3742</b> <b>Phone: 0800 492 452</b> <b>Email:</b> <a href="mailto:info@waidc.govt.nz">info@waidc.govt.nz</a></p>	Version:	June 2021
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# Part I: Introduction

The Council Facilities Activity Management Plan is a 10-year Strategic Plan which shows our vision and what steps we will take to get there.

The audience for this plan includes our customers, stakeholders, Council representatives, Council staff, contractors, consultants, ratepayers and residents who will take an interest in current and future levels of service we will be providing in respect of Council Facilities assets.



## I. Background

### I.1 What is our vision and values?

Our **Vision Statement** is:

*'Liveable, Thriving and Connected Communities'*

Our **Values** are:



## I.2 Our District

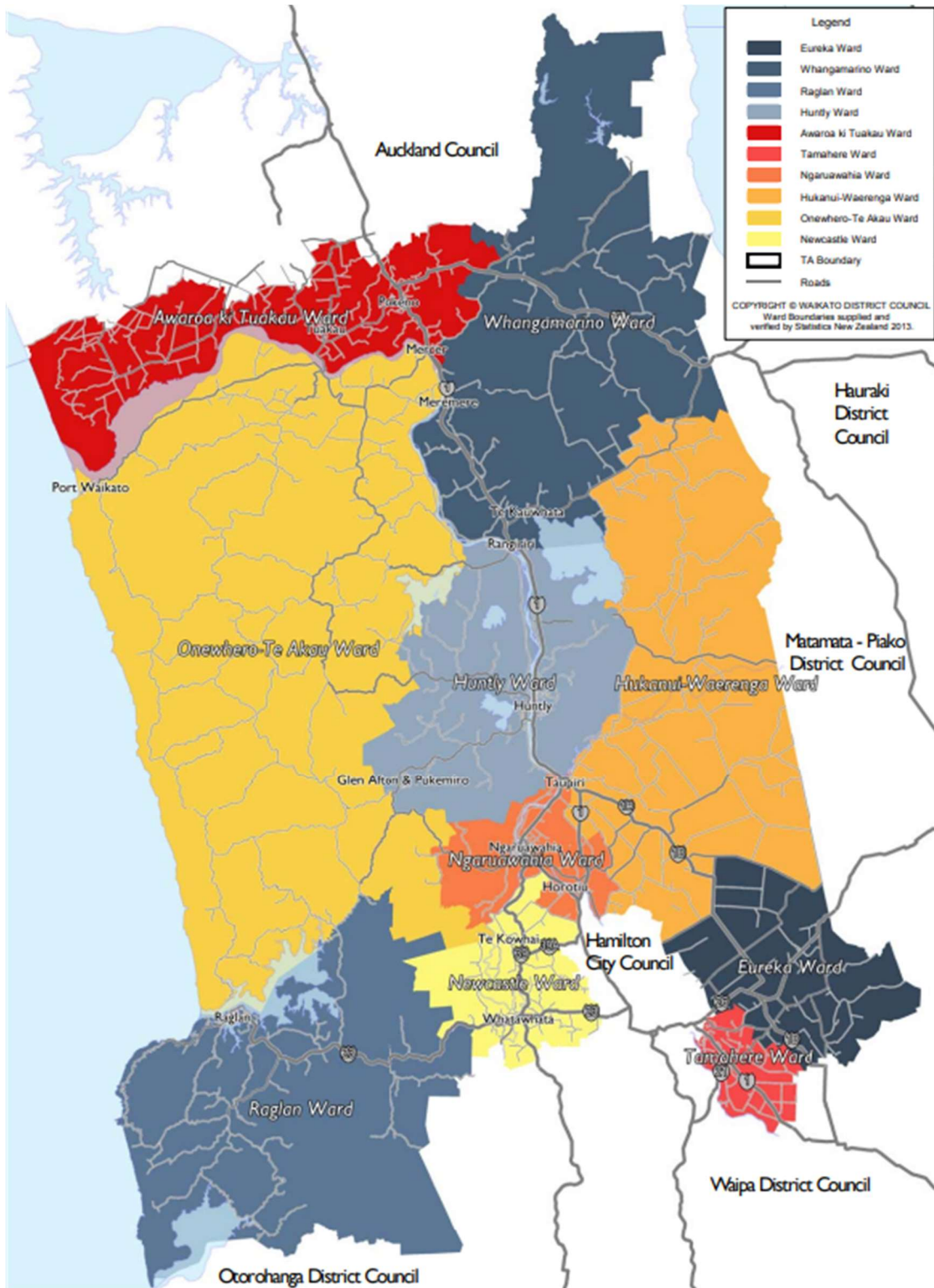


Figure 1 - The Waikato District 2019

### 1.3 How does this plan interact with other Plans and Documents?

Our district has many key internal and external strategic documents in place. These documents govern our Activity. A full list of these relevant documents is provided in Section 3, Part 3 of the AMP. These documents relate to, and will assist, in working towards the achievement of our community outcomes.

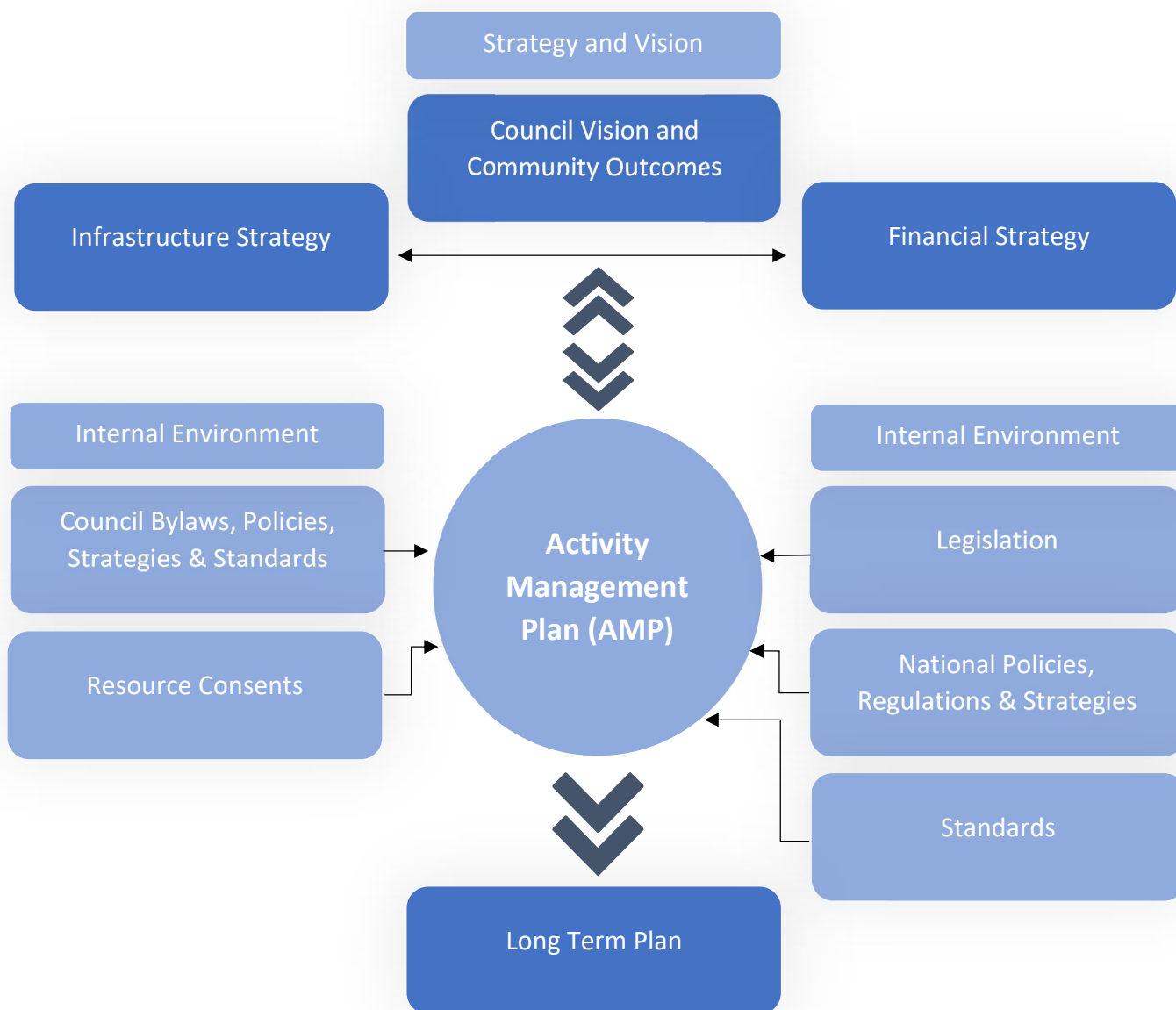


Figure 2 - How the Council Facilities activity relates to other documents










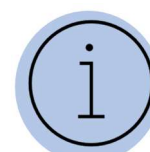

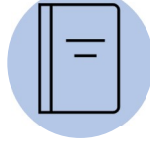


### 1.4 What assets are included in this plan?

Our activity handles the Council Facilities asset portfolio which includes a range of facilities. Some buildings have an historic and/or memorial value that are identified in the District Plan. And those that are protected and need a Resource Consent to do any alterations or additions.

We are directly responsible for the service delivery and management of:

- Council owned property (land)
- Community spaces (halls, civic centres, and community hubs)
- Corporate and general properties
- Corporate plant and office equipment
- Housing for the Elderly
- Library buildings
- Raglan Harbour facilities
- Swimming pools
- Sport Facilities
- Fleet

Corporate property does not include buildings related to delivery of water/wastewater services and Refuse Transfer Stations. These are managed as part of the Three Waters and Solid Waste activity, respectively.

	<p><b>Community Centres</b> Qty: 607 sqm Sites: 4 No. of Bldgs.: 5</p>		<p><b>Council Offices</b> Qty: 5,659 sqm Sites: 2 No. of Bldgs.: 9</p>
	<p><b>Dog Pounds</b> Qty: 239 sqm Sites: 1 No. of Bldgs.: 1</p>		<p><b>Farm</b> Qty: 285 sqm Sites: 1 No. of Bldgs.: 2</p>
	<p><b>Halls</b> Qty: 15,413sqm Sites: 38 No. of Bldgs.: 41</p>		<p><b>Heritage</b> Qty: 1,698 sqm Sites: 4 No. of Bldgs.: 16</p>
	<p><b>Housing for the Elderly</b> Qty: 1,606 sqm Sites: 4 No. of Bldgs.: 16</p>		<p><b>Information Centre</b> Qty: 170 sqm Sites: 1 No. of Bldgs.: 1</p>
	<p><b>Leases</b> Qty: 4,386 sqm Sites: 15 No. of Bldgs.: 22</p>		<p><b>Libraries:</b> Qty: 2,427 sqm Sites: 6 No. of Bldgs.: 6</p>
	<p><b>Museum</b> Qty: 468 sqm Sites: 1 No. of Bldgs.: 1</p>		<p><b>Open Space Amenities</b> Qty: 4,423 sqm Sites: 17 No. of Bldgs.: 25</p>





**Recreation Centre & Pools**

Qty: 2,818 sqm  
Sites: 5  
No. of Bldgs: 8



**Residential Housing**

Qty: 709 sqm  
Sites: 5  
No. of Bldgs: 9

**I.5 Who are our Partners, Customers and Key Stakeholders?**

To enable an efficient level of service we have identified the partners, customers, and stakeholders relevant to our Activity. They are listed in Table I below.

Table 1 - Customers' Needs and Expectations

Category	Customer Groups		
<b>The Wider Community</b>	<ul style="list-style-type: none"> <li>Residents and Ratepayers</li> <li>Housing for the Elderly</li> <li>Regional Community</li> </ul>		
<b>Associated Service Providers</b>	<p><i>Town Halls</i></p> <ul style="list-style-type: none"> <li>Cleaning and maintenance contractors</li> </ul> <p><i>Libraries</i></p> <ul style="list-style-type: none"> <li>Cleaning and maintenance contractors</li> </ul> <p><i>Community Spaces / Buildings</i></p> <ul style="list-style-type: none"> <li>Management Committees</li> </ul> <p><i>Swimming pools</i></p> <ul style="list-style-type: none"> <li>Operations Contractors</li> </ul> <p><i>Housing for the Elderly</i></p> <ul style="list-style-type: none"> <li>Maintenance Contractors</li> </ul> <p><i>Raglan Harbour Facilities</i></p> <ul style="list-style-type: none"> <li>Maintenance Contractors</li> </ul> <p><i>Corporate Buildings</i></p> <ul style="list-style-type: none"> <li>Cleaning and maintenance contractors</li> </ul>		
<b>Key Partnerships</b>	<ul style="list-style-type: none"> <li>Community spaces (hall) management committees</li> </ul>		
<b>External Stakeholders</b>	<ul style="list-style-type: none"> <li>The community – residents and ratepayers</li> <li>Elderly housing tenants</li> <li>Contractors</li> <li>Professional service providers</li> </ul>		
<b>Internal Stakeholders</b>	<table border="0"> <tr> <td> <ul style="list-style-type: none"> <li>Councillors</li> <li>Community boards</li> <li>Operational staff</li> <li>Development engineers</li> <li>Resource consent planners</li> <li>Economic development advisor</li> </ul> </td> <td> <ul style="list-style-type: none"> <li>Asset managers and AM staff</li> <li>Financial managers</li> <li>Strategic planning managers</li> <li>Information technology managers</li> <li>Customer Services</li> </ul> </td> </tr> </table>	<ul style="list-style-type: none"> <li>Councillors</li> <li>Community boards</li> <li>Operational staff</li> <li>Development engineers</li> <li>Resource consent planners</li> <li>Economic development advisor</li> </ul>	<ul style="list-style-type: none"> <li>Asset managers and AM staff</li> <li>Financial managers</li> <li>Strategic planning managers</li> <li>Information technology managers</li> <li>Customer Services</li> </ul>
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## 1.6 What, how and why we do it?

We are responsible for Council’s property portfolio that is retained, managed, and operated to ensure that local communities have access to venues for recreational, cultural and governance activities.

### Community Centres / Halls and venues



Provide an environment for an extensive range of cultural and community-based social activities including:

- theatre
- arts
- band practice
- indoor sports
- clubs

There are several halls throughout the district which can be hired. They are generally managed by local committees except for two town halls:

- Huntly Civic Centre
- Ngaruawahia Memorial Town Hall

which we manage directly.

### Swimming pools



Provide a safe environment for aquatic-based recreation and sport activities. They also provide opportunities for learn-to-swim and water-safety programmes.

### Housing for the Elderly



Provides well-maintained, affordable, and safe living environments for elderly and disadvantaged tenants. We are currently reviewing the overall look and feel of the elderly units and will consult with the district on this matter.

### Raglan Harbour Facilities



Provide docking facilities and navigation assets for the safe and effective ship and boating use of the Raglan harbour. We have the overall responsibility as the asset manager and for funding. The Waikato Regional Council manages the staff and the activity.

### Corporate property and plant



Provide support services for the council and its staff to deliver its services at convenient and efficient locations throughout the district. Functions include:

- Office buildings
- Office furniture
- Vehicles

### Libraries



Support the library and customer service activities.



### Strategic Property

We also own several property assets that are not presently part of council services but are held for strategic reasons, for example future expansion of the council offices onto adjoining land.

We carry out our duties under the Local Government Act 2002 through two key management teams:

- The *Executive Leadership Team* consists of the senior managers of Council and is headed by the Chief Executive. They set the overall direction for the delivery of the activity and its services.
- The *Service Delivery Team* consists of the operational and maintenance staff who carry out the direction set by the *Executive Leadership*.

We fall under the Service Delivery Group led by the Community Connections Manager who reports to the Service Delivery General Manager. This is shown in the structures outlined in Figure 3.

Our Operations Team handles the day-to-day management of service delivery. Involved with the operations, maintenance and customer service related to Council Facilities. Capital project planning and delivery is a team effort. With involvement from Community Assets and Community Projects.

### Council Facilities and Council Structure

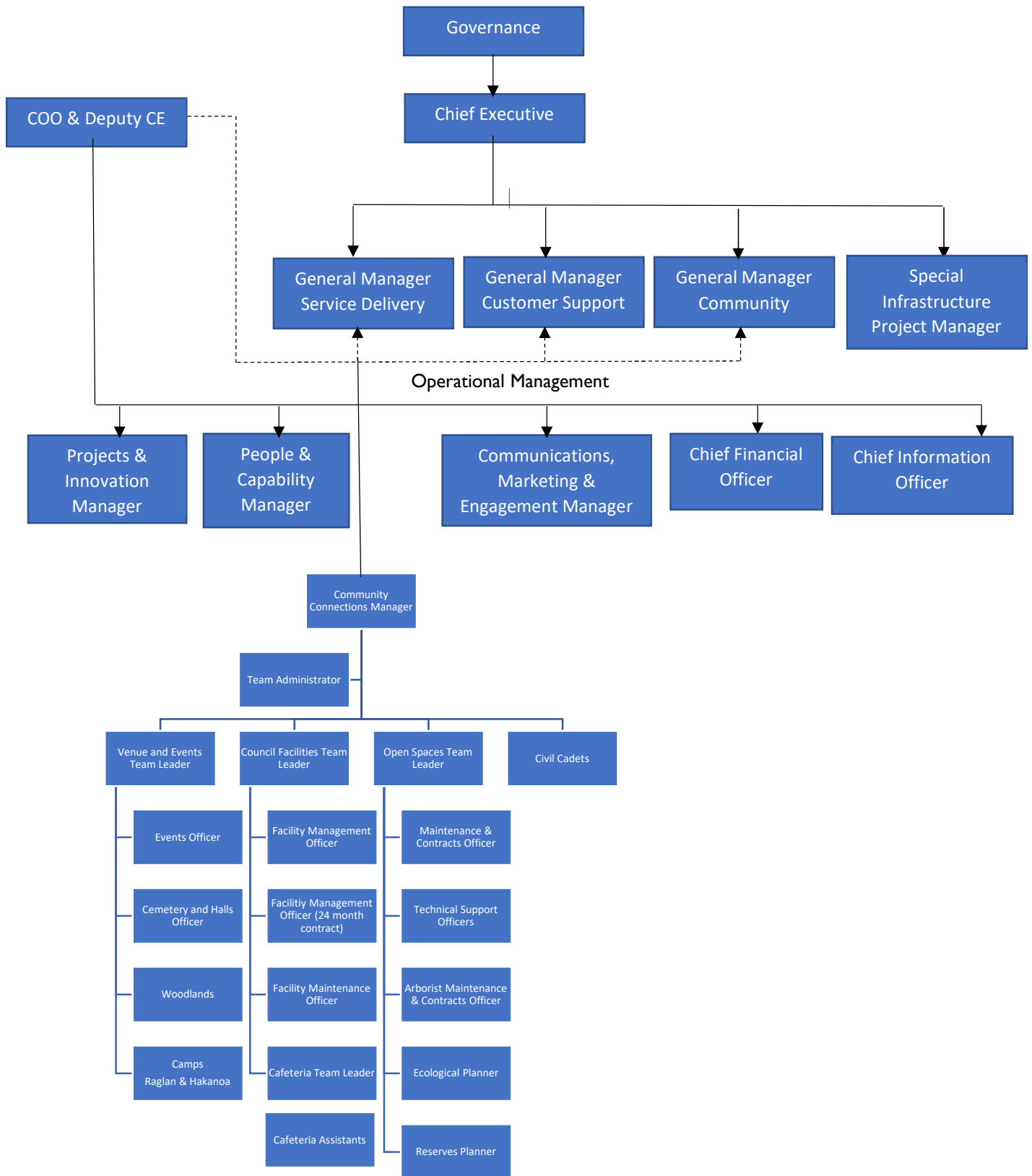


Figure 3 – Council Facilities and Council Structure

## 2. What are the goals and objectives of Asset Management?

### 2.1 Why are we important?

We are essential to the Waikato District community because we provide a sense of belonging and pride through the provision of comprehensive:

- social
- recreational
- cultural facilities that are accessible to all.

### Community Outcomes

Under the Local Government Act 2002 we are required to have community outcomes, they are statements of the measures of success that we are working to achieve for the community. The community outcomes are set out in the 2021-2031 Long-Term Plan and outlined in Table 2.

Table 2 - Community Outcomes relevant to Council Facilities Activity

Community Outcomes	Council Facilities Outcomes
 <p><b>SUPPORTING our COMMUNITIES</b> <i>Kia tautoko ki a taatou Haapori</i></p> <p><b>Supporting our communities</b> <i>We consider the well-being of all our people</i></p>	Council Facilities provide a safe and healthy environment for community and leisure activities.
 <p><b>WORKING TOGETHER with YOU</b> <i>Kia mahi tahi taatou</i></p> <p><b>Working together with you</b> <i>Collectively focussed on the right things</i></p>	Community and leisure facilities contribute to recreational and cultural well-beings.
 <p><b>SUSTAINING our ENVIRONMENT</b> <i>Kia toituu to taatou Taiao</i></p> <p><b>Sustaining our environment</b> <i>We are a community that believes in environmental sustainability</i></p>	Council Facilities are managed sustainably with a focus on reducing the environmental impact of the activity.
 <p><b>BUILDING our ECONOMY</b> <i>Ka hanga a taatou Oahanga</i></p> <p><b>Building our economy</b> <i>We attract diverse business, creating jobs and opportunities</i></p>	Community, leisure, and council facilities provide employment for residents and revenue for local businesses.
 <p><b>PROVIDING VALUE for MONEY</b> <i>Ka whai painga mo te pūtea</i></p> <p><b>Providing value for money</b> <i>Residents and ratepayers get value for money</i></p>	Council facilities are well maintained and managed prudently to ensure long term financial sustainability for current and future generations.

## 3. What are the Successes, Issues, Opportunities and Risks?

The recent engagement of the Facilities Maintenance Services Contract (which started on 1 September 2020) will bring a step change to the way that our Facilities are planned and managed for Council. This Facilities Maintenance Services Contract provides an opportunity to create greater outcomes for our community than simply Facilities Maintenance Services.

Specifically, it seeks to:

- improve the sophistication of its delivery of facilities maintenance services, beyond what is currently a primarily reactive maintenance model, and further towards “FM Maturity”
- adopt a methodology which will allow our Facilities Maintenance Services to better support our goal for “Liveable, Thriving & Connected Communities” to deliver positive and enduring community outcomes
- deliver broader benefits and considerations such as the development of the local workforce and skill base, and consideration of our local and diverse environment, working towards improved sustainable practices.

The objective for this contract is to keep our assets well maintained and functional.

### 3.1 What are our key success factors? (all underway or delivered)

- Effective and consistent delivery across the district of desired level of service by contractors
- Benchmarking of the swimming pool activity
- Measuring Levels of Service through customer surveys
- Development of an aquatic facilities strategy (currently underway)
- New library at Meremere – fit –for-purpose library and health centre behind Meremere Hall, opened August 2019
- Recording of asbestos information into asset management system (Ongoing)
- Increase Planned Preventative Maintenance and reduce Reactive Maintenance issues and associated costs in collaboration with a single Provider
- Port Waikato community facilities now combined into surf club and community centre (due to open end of 2020)
- New volunteer works process is encouraging more volunteer events
- Improved relationships with Hall committees.

### 3.2 What are our Key Strategic Issues?

Strategic Issue	Plan to address issue
<ul style="list-style-type: none"> <li>• Effective implementation of asset management practice and a move from a reliance on reactive building maintenance to a planned approach.</li> </ul>	<ul style="list-style-type: none"> <li>• New FM contract addresses this</li> </ul>
<ul style="list-style-type: none"> <li>• Preparation of a building maintenance plan</li> </ul>	<ul style="list-style-type: none"> <li>• Included in new FM contract</li> </ul>
<ul style="list-style-type: none"> <li>• Improved contract management of the Facilities Maintenance contract</li> </ul>	<ul style="list-style-type: none"> <li>• Review council resource capacity and capability to manage new contract</li> </ul>
<ul style="list-style-type: none"> <li>• Undertake an analysis of the performance of the swimming pools and future district wide needs for aquatic facilities.</li> </ul>	<ul style="list-style-type: none"> <li>• Strategy underway as above, expecting this to recommend improvements to enable better use of Tuakau and Ngaruawahia aquatic centres</li> </ul>
<ul style="list-style-type: none"> <li>• Review and rationalisation of community spaces (halls).</li> </ul>	<ul style="list-style-type: none"> <li>• Last feasibility study completed in September 2016</li> <li>• Hall catchments review underway</li> </ul>

Strategic Issue	Plan to address issue
<ul style="list-style-type: none"> <li>Improved data management through the Property Database and Register to improve lease management</li> </ul>	<ul style="list-style-type: none"> <li>Property database was completed in 2020.</li> <li>Leasing register to improve lease management will be complete in 2020/21.</li> </ul>
<ul style="list-style-type: none"> <li>Seismic Program development – completion of required DSA's</li> </ul>	<ul style="list-style-type: none"> <li>Seismic programme under development</li> </ul>
<ul style="list-style-type: none"> <li>Completion of the asbestos register for affected buildings</li> </ul>	<ul style="list-style-type: none"> <li>Progressing</li> </ul>
<ul style="list-style-type: none"> <li>Conservation Plans for Heritage Buildings</li> </ul>	<ul style="list-style-type: none"> <li>No plans at this stage</li> </ul>
<ul style="list-style-type: none"> <li>Divestment of Housing for the Elderly</li> </ul>	<ul style="list-style-type: none"> <li>Progressing – report presented to Council in December 2020.</li> </ul>
<ul style="list-style-type: none"> <li>Development of facilities for customer service and libraries in the north of the district</li> </ul>	<ul style="list-style-type: none"> <li>Land identified and project underway, however there is an issue with ability to fund operating of a new facility in next 3 years.</li> </ul>
<ul style="list-style-type: none"> <li>Development of Ngaruawahia Arts Centre</li> </ul>	<ul style="list-style-type: none"> <li>Now being managed privately through a community group.</li> </ul>
<ul style="list-style-type: none"> <li>Development of new community centre in Port Waikato</li> </ul>	<ul style="list-style-type: none"> <li>Now combined into surf club and community centre –due to open late 2020 (originally 5<sup>th</sup> September 2020 – delayed because of COVID-19 restrictions)</li> </ul>



*Develop a contract management plan for management of the Facilities Maintenance contract.*

*Complete the Hall Catchment Review*

*Continue to develop the Seismic programme*

*Complete the register for buildings with asbestos*

### 3.3 How do we improve in the future?

These are the future opportunities that we will look at delivering as our resource capacity allows into the following:

- Review implementation of Blueprint outcomes
- Sustainable use of energy
- Delivering outcomes from the aquatic strategy
- Conservation Plans for Heritage Buildings
- Event strategy for open spaces underway
- Improving assessment and management of critical safety risks

### 3.4 Key Strategic Risks to Provision of our Activity

#### Strategic Risk Management

The objective of risk management is to identify realistic possible risks faced by Council, analyse, and evaluate these risks. The outcome of this evaluation is to be used to:

- Emphasize the importance of continuing to provide our core services and manage inherent risks.
- Continually identify improvements required to our services to avoid risk events or minimise their impact or to realise identified opportunities.

The risk management policy also defines the responsibilities of Council managers and staff to form and maintain the framework. And to use it to make sound decisions in alignment with business objectives.

#### Key Strategic Risks

Council policy and operation cannot influence all the factors contributing to these events. However, we have a responsibility to assess the risks to best manage the assets with the resources available. This would avoid and mitigate the effects of any event. This is covered in more detail in Part 4: Risk Management Planning.

## 4. Community Groups Associated with Delivering this Activity

We utilise several volunteer groups for the day-to-day operation of several community halls and facilities listed below which are managed by a Hall Committee. All Hall Committees are signed up to the Council's Halls Terms of Reference agreement.

- |                      |                                    |                              |
|----------------------|------------------------------------|------------------------------|
| • Aka Aka Hall       | • Opuatia Hall                     | • Taupiri War Memorial Hall  |
| • Eureka Hall        | • Orini Hall                       | • Tauwhare War Memorial Hall |
| • Glen Murray Hall   | • Otaua Hall                       | • Te Akau Hall               |
| • Gordonton Hall     | • Pokeno Hall                      | • Te Hoe Memorial Hall       |
| • Horsham Downs Hall | • Pukekawa Hall                    | • Te Kohanga Hall            |
| • Kariotahi Hall     | • Puketaha Hall                    | • Te Kowhai Hall             |
| • Managatangi Hall   | • Raglan Town Hall                 | • Te Mata Hall               |
| • Managatawhiri Hall | • Ruawaro Central Districts Hall   | • Tuakau Memorial Hall       |
| • Maramarua Hall     | • Tamahere Hall & Community Centre | • Tuakau Scout Hall          |
| • Matangi Hall       | • Taupiri Soldiers & Settlers Hall | • Waikaretu Hall             |
| • Meremere Hall      |                                    | • Whangarata Hall            |
| • Naike Hall         |                                    | • Whitikahu Hall             |
| • Ohinewai Hall      |                                    |                              |

### 4.1 Health and Safety of Community Groups

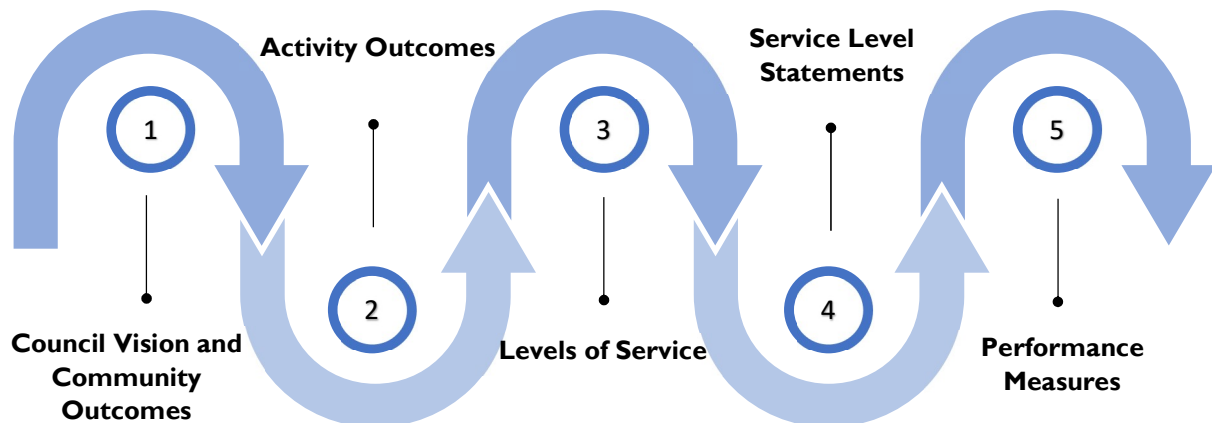
A potential issue with a high reliance on community volunteer groups to operate several of our facilities, is the aging of the personnel on these groups. Many are elderly and the willingness of younger people to “fill their shoes” is considered less likely in the future.

There are risks around volunteers working on and being responsible for maintenance. Under current health and safety legislation this is considered a grey area. Yet, as the owner of these assets, it is us that will be liable in the event of any incident.



The risk that this situation creates, both for the individuals involved and us is also having a negative impact on the future of community volunteer participation in the management and operation of Council facilities. Our Volunteer Framework provides guidance to the Volunteer Team who support Volunteer groups within the District.

## 5. Investment Drivers



### 5.1 How is the asset programme developed?

Part 7: Lifecycle Asset Management provides details of the programme development for maintenance, operation, renewal, and new project work for our activity. Lifecycle Asset Management enables us to:

- identify issues
- determine appropriate response options
- identify strategies and programmes for response to identified issues/opportunities

to deliver Levels of Service and achieve both asset and organisational goals and objectives.

Prioritisation of works is carried out to:

- meet the short- and long-term needs of our community, as driven by our vision and community outcomes
- offer value for money
- deliver Levels of Service in a sustainable manner to the least whole-of-life cost

The prioritisation of planned maintenance, renewals and new capital projects is based on:

- Level of Service requirements
- Criticality and risk assessment associated with investment levels that potentially change the level of service
- Age and condition of the infrastructure
- Budgetary constraints
- Opportunities to introduce cost savings through innovation and improvement to drive efficiency
- Growth – required by and supporting population and economic growth

Part 3: Levels of Service provides a framework which shows the line-of-sight from national, regional, and local strategy through to the levels of service to be achieved. This also shows the link of the proposed level of investment with risk management.

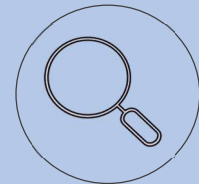
## 6. How is the plan laid out?

SECTION	DESCRIPTION
<i>Part 1 – Introduction</i>	This section provides an overview of all the elements of the assets within the AMP. It also provides sound justification for owning and operating the assets covered, and the reasons for preparing the AMP.
<i>Part 2 – Activity Summary</i>	This section explains how Council manages the activity and detail of the assets required to deliver the activity.
<i>Part 3 – Levels of Service</i>	This section defines the levels of service provided by the activity and the basis for these levels of service and how service performance will be measured, using both customer and technical measures. New works are based on the information outlined in this section.
<i>Part 4 – Risk Management Planning</i>	This section describes how risks are identified and managed, and lists the specific risks identified for the Council Facilities activity.
<i>Part 5 – Managing Growth</i>	This section provides details of growth and demand forecasts that affect the management, provision and utilisation of Council Facilities services and assets. New works will be based on information outlined in this section.
<i>Part 6 – Sustainability</i>	This section focuses on social, cultural, and environmental sustainability, including climate change. It provides detail of initiatives underway and planned.
<i>Part 7 – Lifecycle Management</i>	This section outlines what is planned to manage and operate the assets at the agreed levels of service while optimising lifecycle costs. It includes an asset renewal and replacement plan.
<i>Part 8 – Financial Summary</i>	This section provides a summary of the total value of the activity and the investment that Council has planned to make over the next 10 years. This section captures all the new works and operating needs, providing a prioritisation based on their strategic outcomes.
<i>Part 9 – Continuous Improvement</i>	This section provides details on planning for improvement to activity management practices, which will improve confidence in the activity management plan.

## Part 2: Activity Overview

This section explains how we will manage the activity. The focus is on:

- The day-to-day delivery of the service
- What we are doing now to ensure we can provide the service in the future
- Impact on our natural, community and financial resources
- Overview of the major assets including their condition, capacity, and performance



### I. Our Activity at a Glance

We manage a range of property and facilities across a large varying area. The district is a vastly rural district with several key urban centres distributed predominantly within the Waikato River corridor, with the notable exception of Raglan.

There are over 160 individual buildings and facilities across the district. We provide facilities that enable us to provide a range of services to the community.

#### I.1 Contracts and Agreements Associated with Delivering this Activity

Table 3 - Current Facilities Contracts

Contract	Scope	Contractor	Value	Term Commencing	Term
<b>Facilities Maintenance</b>	Reactive Maintenance, Planned Preventative Maintenance and Additional Works for all Council buildings and facilities including all assets, fixtures and fittings.	Cushman Wakefield	\$15,100,000	1 September 2020	4+3+3 years
<b>Fleet Management</b>	Managing vehicle servicing, WOF renewals and cleaning	FleetSmart		1 May 2020	3 years
<b>GPS Monitoring of Fleet</b>	Provision of ERoad monitors in all vehicles and data monitoring and reporting on driver performance	ERoads		May 2020	2 years
<b>Office Cleaning</b>	Council Office and Library Cleaning	Real Clean		To be retendered 2020/21	SFA

Contract	Scope	Contractor	Value	Term Commencing	Term
<b>Pot Plant Hire</b>	Hire and servicing of Plants in Offices and Libraries				SFA

## 1.2 How do we look after our data?

### SPM Assets

SPM Assets is the asset management tool we use to manage our fixed assets. It provides an end-to-end system that simplifies best practice asset management.

Beginning with the collection of condition and building performance data, the tool then:

- Provides a detailed analysis of asset performance
- Provides for the allocation and prioritisation of asset related projects

Using SPM assets, our activity can see and understand performance shortfalls. And the different cost scenarios to remedy them.

Having accurate and confident forecasting of costs of ownership helps manage the activity in a proactive manner. An analysis of renewals can be used to consider different expenditure drivers, apart from deteriorating condition.

### How reliable is our data?

The following grading guidelines, shown in Table 4, have been used to assess the data reliability for our assets. An assessment of the data reliability is shown in Table 5.

Table 4 - Data Reliability Grading Scale

Grade	General Meaning
<b>A Very High</b>	<b>Highly Reliable &lt;2% uncertainty</b> Data based on sound records, procedure, investigations and analysis which is properly documented and recognised as the best method of assessment.
<b>B High</b>	<b>Reliable ± 2-10% uncertainty</b> Data based on sound records, procedures, investigations, and analysis which is properly documented but has minor shortcomings for example the data is old, some documentation is missing and reliance is placed on unconfirmed reports or some extrapolation.
<b>C Medium</b>	<b>Reasonably Reliable ± 10-25% uncertainty</b> Data based on sound records, procedures, investigations and analysis which is properly documented but has minor shortcomings for example the data is old, some documentation is missing and reliance is placed on unconfirmed reports or significant extrapolation
<b>D Low</b>	<b>Uncertain ± 25-50% uncertainty</b>

	Data based on uncertain records, procedures, investigations and analysis which is incomplete or unsupported, or extrapolation from a limited sample for which grade A or B is available
<b>E Very Low</b>	<b>Very Uncertain &gt;50% uncertainty</b> Data based on unconfirmed verbal reports and / or cursory inspection and analysis

Table 5 - Data Confidence on Council Facilities Assets

Data Classification	Attribute	Rating	Comment
<b>Portfolio</b>	Hierarchy	B	Based on type of facility that a building is
<b>Asset Inventory</b>	Quantity	B	Quantity derived from on-site surveys and as-builts
	Location	B	GPS coordinates are available for most assets
	Date of Construction	C	Assets that were inherited from Franklin District Council have unknown construction dates so only a standard date of 2008 has been utilised.
	Unit Rates	B	Unit rates are based on industry costs and past renewal costs and reviewed by SPM Assets on an annual basis
	Base Life	B	Base lives are based on industry standards and supplied by SPM and suppliers
<b>Condition</b>	Condition Rating	C	Condition assessments were carried out by SPM Assets in 2016-17.
	Comments & Photos	B	Photos are added at the time of the condition assessment and as required
<b>Maintenance</b>	Details	D	Maintenance data is limited and is based on reports received from external contractor
<b>Demand / Use</b>	N/A	E	Not currently captured within SPM Assets
<b>Risk</b>	Criticality Ratings (Appearance, Consequence, Safety)	C	Analysis of the criticality ratings has not recently been undertaken. Default ratings of componentry have been used,
	Property Importance	C	Importance levels have been reviewed for sites which have been noted as having critical assets. The remainder of the sites have the standard importance level of medium. No formal review has been undertaken.

### 1.3 What is the reporting structure?

#### Business Plans

In August 2019, People Leaders from across the business came together for a sharing session at Waikato-Tainui College. They each had two minutes to share the key focus areas of their plans and

celebrate the work their teams had invested in putting a plan in place to support Gearing for Growth & Greatness.

This coming together of our leaders provided the space for them to network, to connect and to get a greater understanding of what is being focussed on across our vast and varied business. It was evident how much commitment is being given to bring our vision of Liveable, Thriving & Connected Communities to life.

The Council Facilities business plan sets out internal operational objectives and tasks, it also identifies the business strengths, weaknesses, opportunities, and threats for the Activity.

Each team within the activity identified the following information to drive their tasks and measure performance:

- What the team does and why
- Current approach
- Future approach
- Proposed actions; and
- Proposed KPI's

The team plan for our activity was undertaken and completed in 2019.

### Reporting to Council, Community Boards and Committees

Regular reporting of our activity is provided to Council via the Infrastructure Committee. Monthly dashboard reports tracking budgets are reported as well as planning and strategy documents, and capital projects progress.

Community Board and Committee meetings are attended by a member of the executive team and our staff as required. Often the committees request reports that are relevant to our activity or our staff update the committees on operational matters as they arise. An annual report is received from each Community Board and Committee following their AGM.

Our operational staff provide support at the Lake Kainui, Lake Rotokauri, Lake Puketirini and Raglan Coastal Reserves Committees. They are also on hand to discuss the day-to-day operations of these reserves.

### What are our external reporting requirements?

There is no external reporting required for our activity.

## 2. What assets do we have?

We own and operates several facilities throughout the District. Many of these properties are required for the day-to-day operation of the Council and others are provided for the community. The property types are:



Housing for the Elderly



Recreation Centres and Pools



Halls / Community Centres



Heritage Buildings



Residential Housing



Corporate Buildings



Open Space Amenities



Libraries



Raglan Wharf / Beacons

Buildings owned by Council which are:

- built on parks or reserves
- cemeteries
- public toilets
- Campgrounds

are included in the Open Spaces AMP.

Alongside the management of Council-Owned buildings, we are also responsible for the management of the Council Fleet. An overview of the fleet is provided below in Section 3 (page 43) following the Portfolio Snapshots.

### Raglan Wharf

In November 2020, an engineering structural report was undertaken on the Raglan Wharf. This identified significant structural issues with the wharf. The structural repairs to the wharf are planned to be undertaken over a 3-year period commencing 2021/22.

### 2.1 Our Assets

Delivering our activity in an effective and sustainable manner requires us to own, manage and maintain a range of properties, buildings, and community facilities.

Portfolio snapshots providing information on our assets is provided below. A componentry breakdown is available in Appendix C.

Appendices A-B provide detailed information on all our Assets.

- Appendix A – Community Facilities Overview
- Appendix B – Corporate Buildings Overview



### What is the Condition Grade Index (CGI)?

The CGI is the average condition grade of assessed components weighted by their gross replacement cost.

CGI Range	Colour	Description
1-1.19	Dark Green <i>Very Good</i>	A CGI of less than 1.5 suggests that the site is in a very good condition without any component in poorer condition.
1.2-1.49	Light Green <i>Good</i>	
1.5-1.99	Yellow <i>Moderate</i>	If less than 2.0 it is likely that the site is in good to very good condition with only a few components in a poorer condition.
2-2.99	Orange <i>Poor</i>	If greater than 2.5, then there is a high proportion of components in a poorer condition.
3-5	Red <i>Very Poor</i>	Majority of components are in a poorer condition.

Each of the facility categories are designated a colour and grading based on the overall condition of the componentry that make up each of the facilities.



**Condition Grade Index: 1.53 (Moderate)**  
 % Components Poor or Very Poor: 2.84%  
 Average Capex Renewal Cost pa: \$2,027,828  
 Average Capex New Capital Cost pa: \$1,774,450

**KPIs**



Land: \$34,280,000  
 Improvements: \$46,828,100

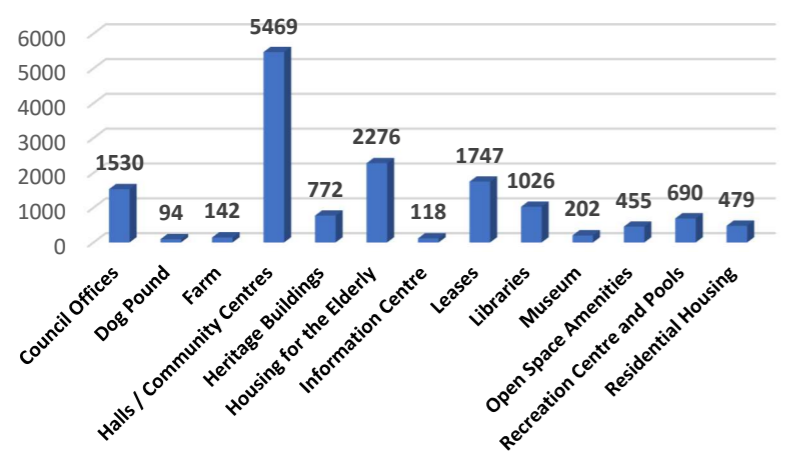
**Value**



**Wards**

Awaroa ki Tuakau	Ngaruawahia
Eureka	Onewhero Te Akau
Hukanui-Waerenga	Raglan
Huntly	Tamahere
Newcastle	Whangamarino

**Asset Count**



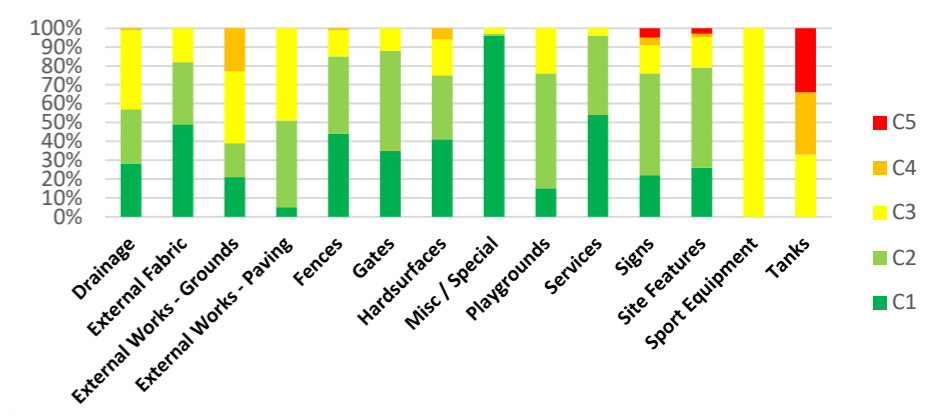
**Description**

Council Facilities Assets are predominantly Halls / Community Centres making up 36% of the asset class, 22% are Corporate Buildings with remaining 42% spread between the other building types.

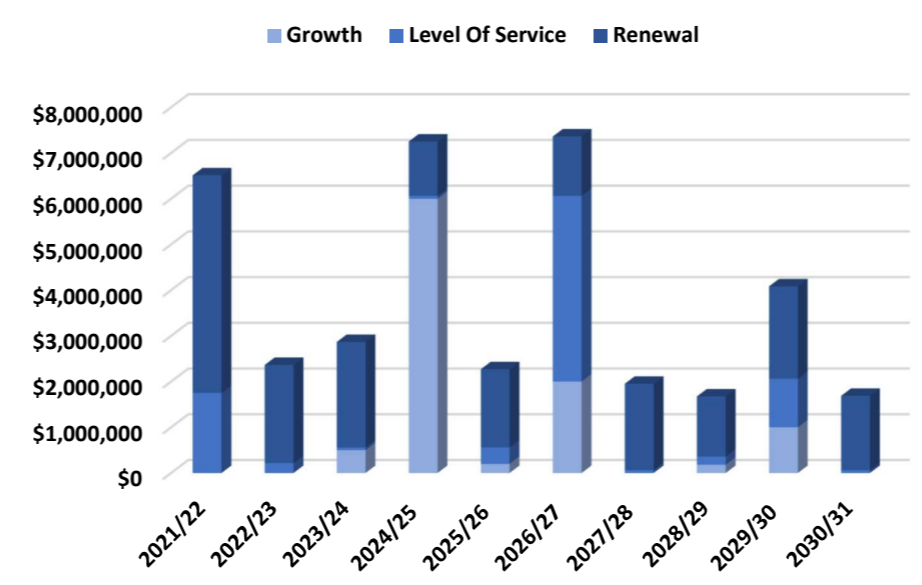
Overall, there are 426 assets in a very poor condition with an approximate value of \$1,002,421.

The average capex spend over the 10-year period is \$3,802,278 including renewals and new capital works to improve levels of service and allow for growth

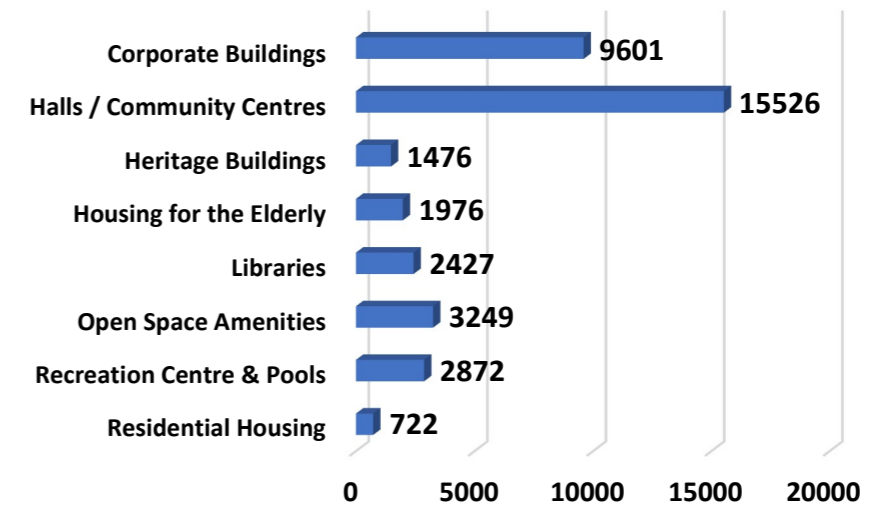
**Condition of Components**



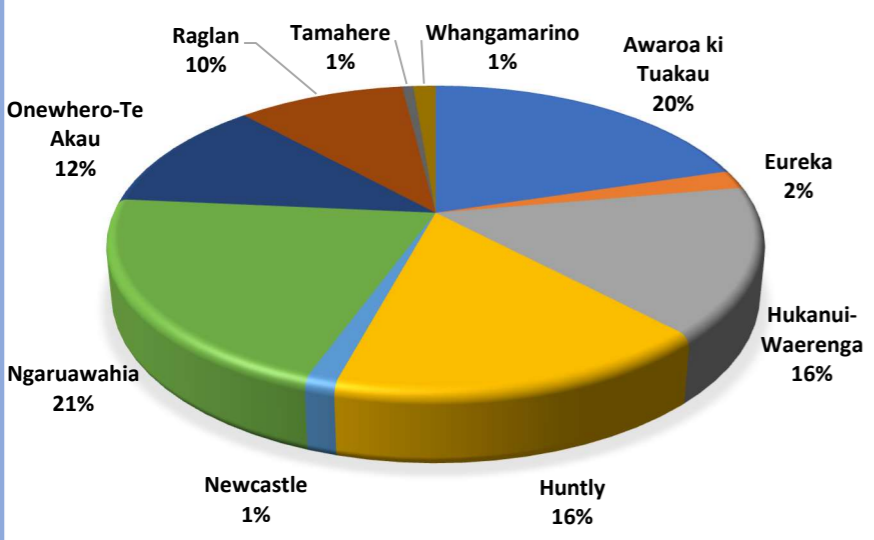
**Capital Expenditure Forecast**



**No. of Sqm**



Number of Buildings: 163  
 Number of Components: 15,000



# Corporate Buildings – Council Facilities Snapshot



**Condition Grade Index: 1.36 (Good)**  
 % Components Poor or Very Poor: 3.00%  
 Average Capex Renewal Cost pa: \$383,923  
 Average Capex New Capital Cost pa: \$244,450

**KPIs**



**Land: \$11,548,000**  
**Improvements: \$15,186,700\***

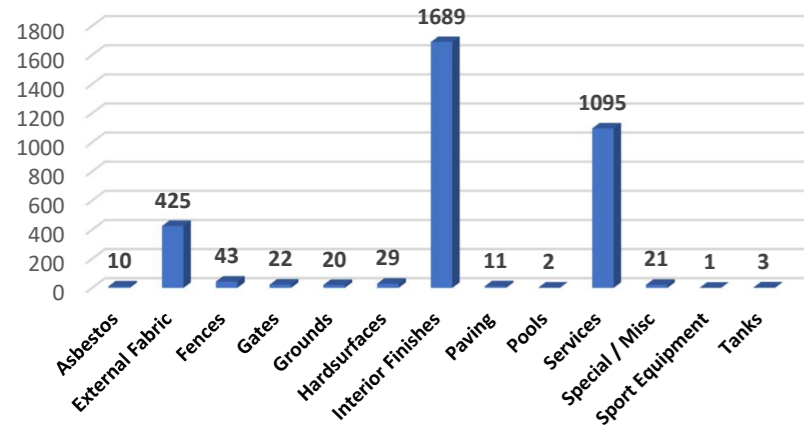
**Value**



**Wards**

Awaroa ki Tuakau	Onewhero Te Akau
Hukanui-Waerenga	Raglan
Huntly	Whangamarino
Ngaruawahia	

**Asset Count**



**Description**

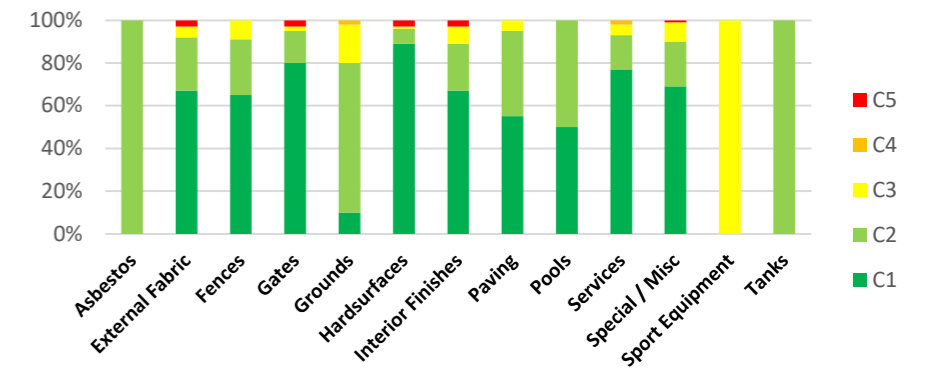
Corporate Buildings are predominantly a combination of Interior Finishes and Services, making up 83% of this category.

Overall, there are 86 assets in a very poor condition with an approximate value of \$207,303.

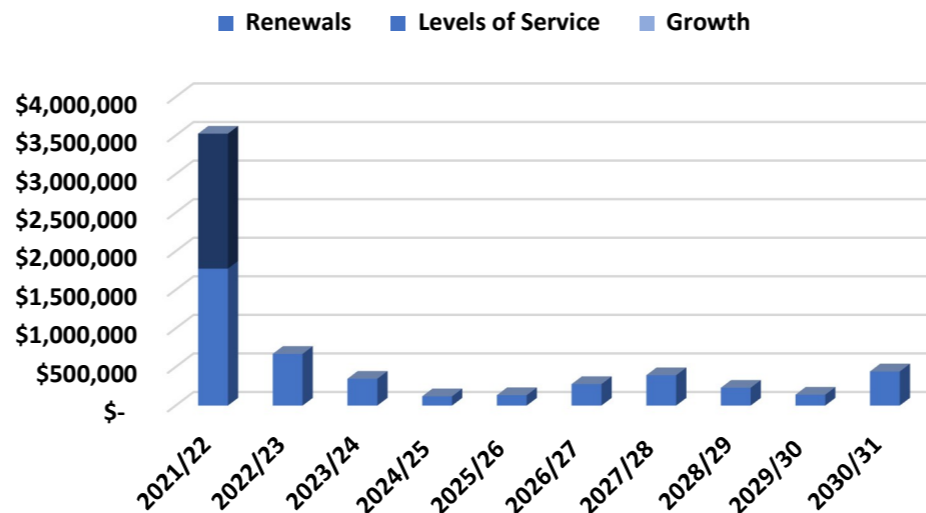
The average capex spend over the 10-year period is \$628,373 including renewals and new capital works to improve levels of service and allow for growth.

\*Not all buildings were captured in the last revaluation – 1020B Gordonton Road, is not included in the value.

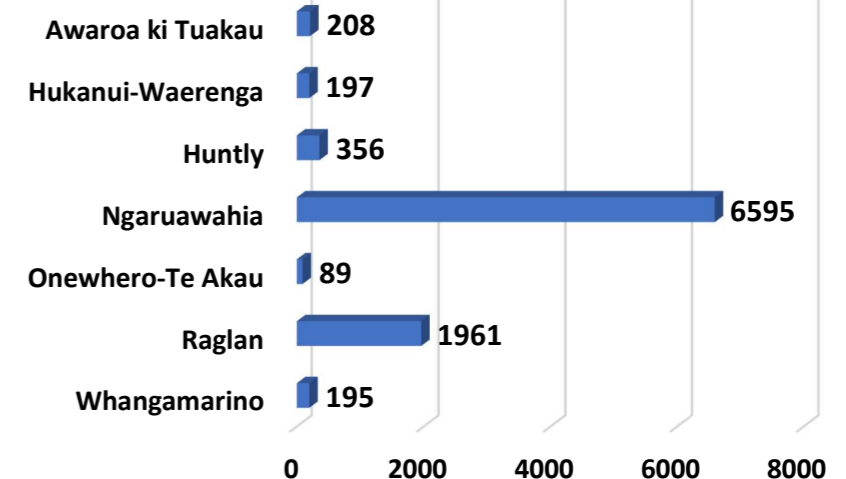
**Condition of Components**



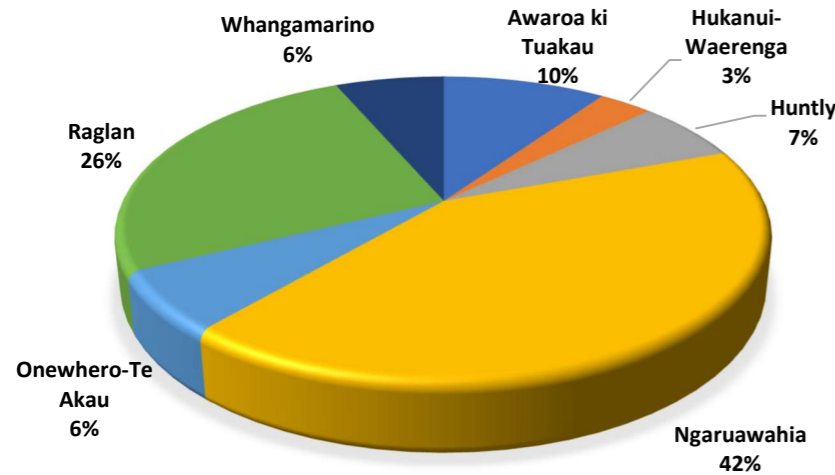
**Capital Expenditure Forecast**



**No. of Sqm**



Number of Buildings: 39  
 Number of Components: 3,371



# Halls / Community Centres – Council Facilities Snapshot



Condition Grade Index: **1.56 (Moderate)**  
 % Components Poor or Very Poor: 2.92%  
 Average Capex Renewal Cost pa: \$681,143  
 Average Capex New Capital Cost pa: \$0

**KPIs**



Land: \$10,046,000  
 Improvements: \$13,790,100

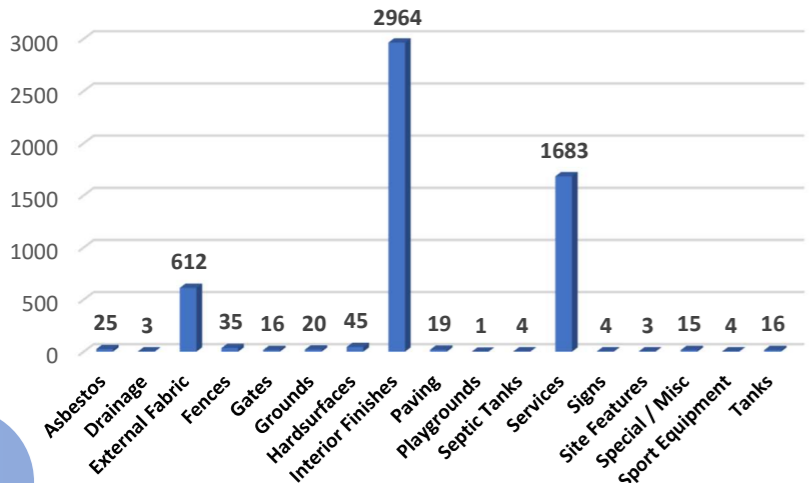
**Value**



**Wards**

Awaroa ki Tuakau	Ngaruawahia
Eureka	Onewhero Te Akau
Hukanui-Waerenga	Raglan
Huntly	Tamahere
Newcastle	Whangamarino

**Asset Count**



**Description**

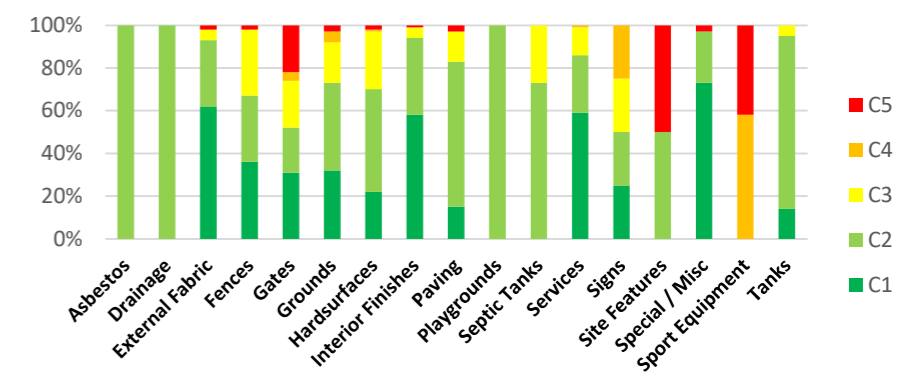
Corporate Buildings are predominantly a combination of Interior Finishes and Services, making up 83% of this category.

Overall, there are 86 assets in a very poor condition with an approximate value of \$207,303.

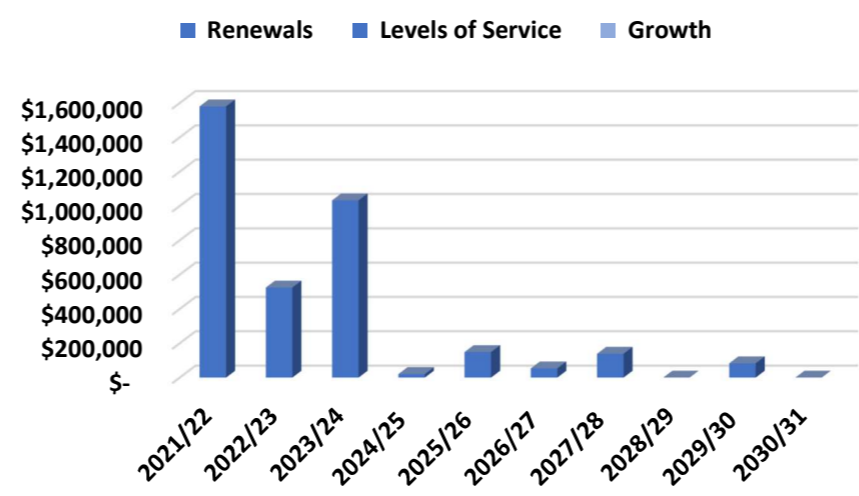
The average capex spend over the 10-year period is \$1,718,554 including renewals and new capital works to improve levels of service and allow for growth.

\*Not all buildings were captured in the last revaluation – 1020B Gordonton Road, is not included in the value.

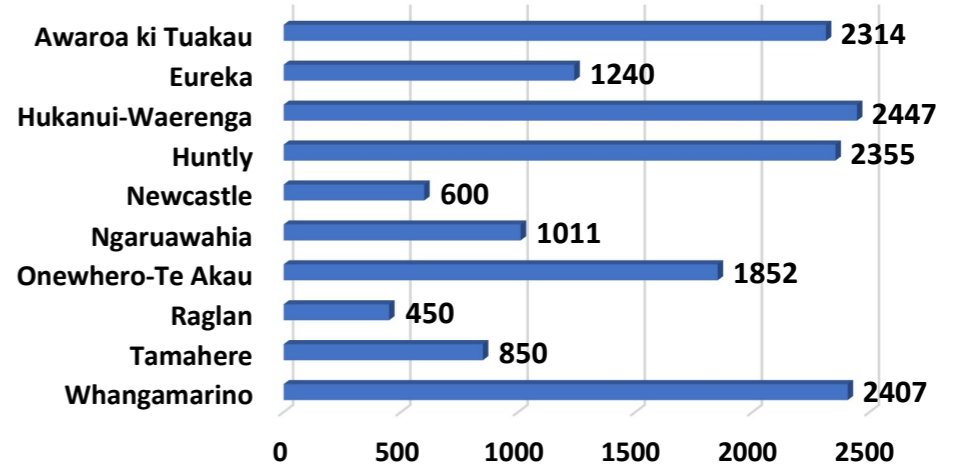
**Condition of Components**



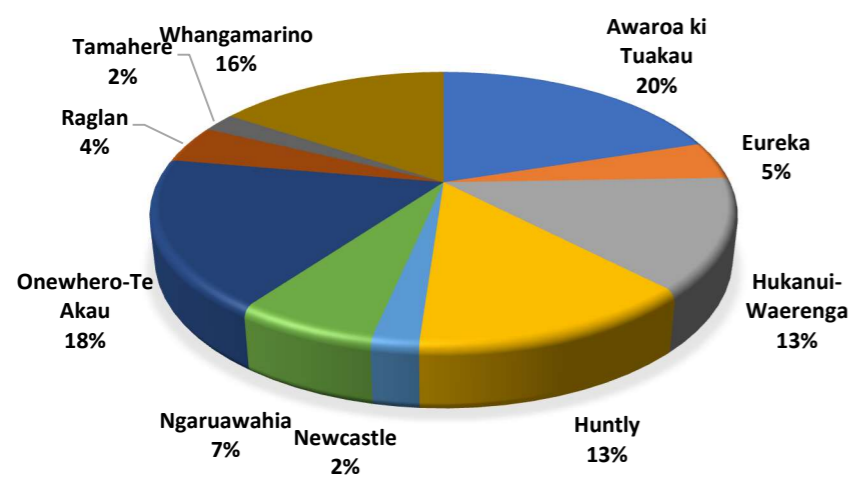
**Capital Expenditure Forecast**



**No. of Sqm**



Number of Buildings: 46  
 Number of Components: 5,469





# Heritage Buildings – Council Facilities Snapshot



**Condition Grade Index: 1.47 (Good)**  
 % Components Poor or Very Poor: 2.59%  
 Average Capex Renewal Cost pa: \$19,691  
 Average Capex New Capital Cost pa: \$0

**KPIs**



**Land: \$1,595,000**  
**Improvements: \$1,698,200**

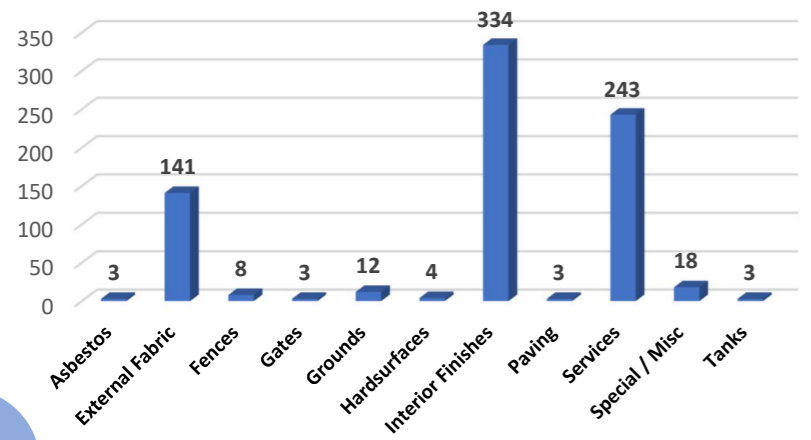
**Value**



**Wards**

Hukanui-Waerenga	Onewhero Te Akau
Ngaruawahia	

## Asset Count



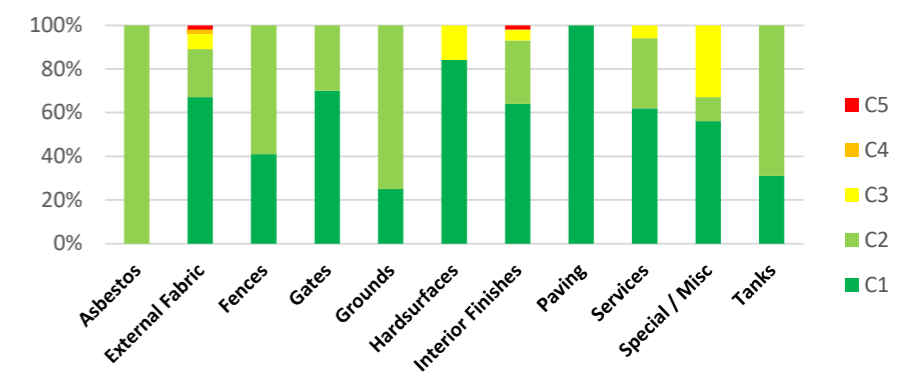
## Description

Heritage Buildings are predominantly a combination of Interior Finishes and Services making up 75% of this facility category.

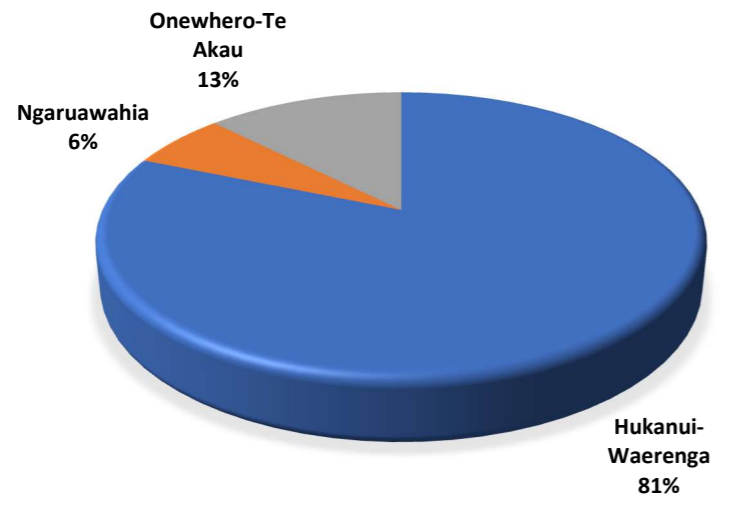
Overall, there are 19 assets in a very poor condition with an approximate value of \$32,918. These assets would be considered a priority as part of the renewal program.

The average capex spend over the 10-year period is \$19,691 including renewals and new capital works to improve levels of service and allow for growth.

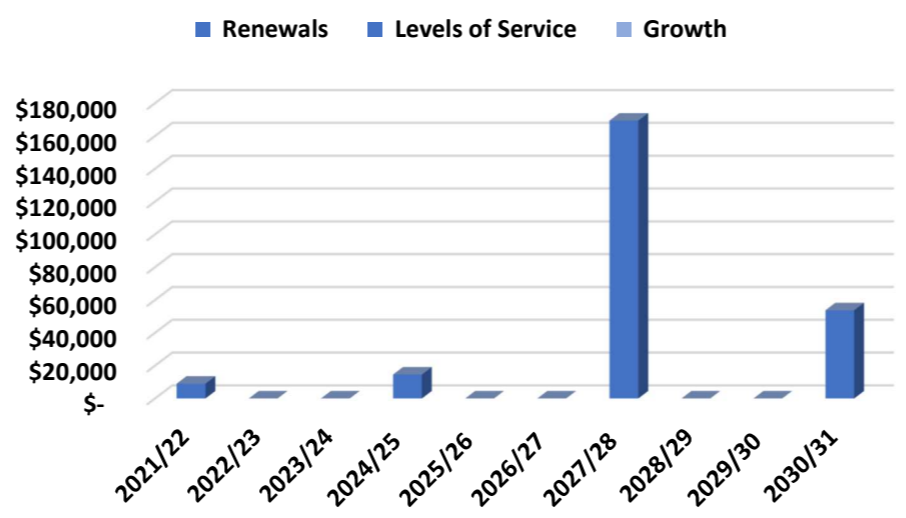
## Condition of Components



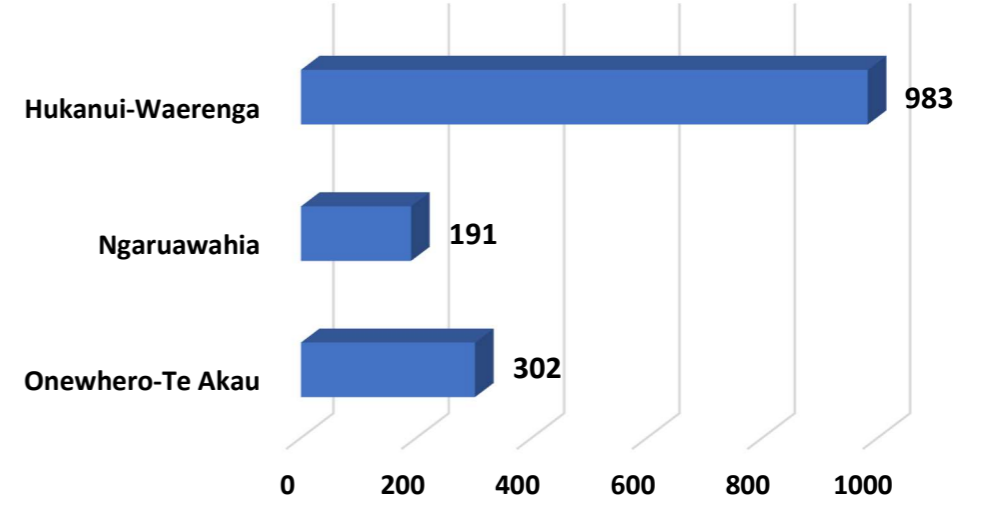
Number of Buildings: 16  
Number of Components: 772



## Capital Expenditure Forecast



## No. of Sqm



# Housing for the Elderly – Council Facilities Snapshot



**Condition Grade Index: 1.43 (Good)**  
 % Components Poor or Very Poor: 4.13%  
 Average Capex Renewal Cost pa: \$128,360  
 Average Capex New Capital Cost pa: \$0

**KPIs**



Land: \$1,350,000  
 Improvements: \$2,964,000

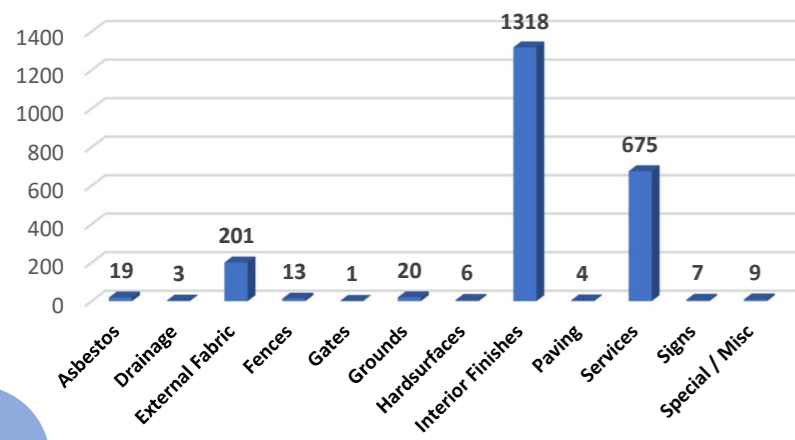
**Value**



**Wards**

Awaroa ki Tuakau	Ngaruawahia
Huntly	

## Asset Count



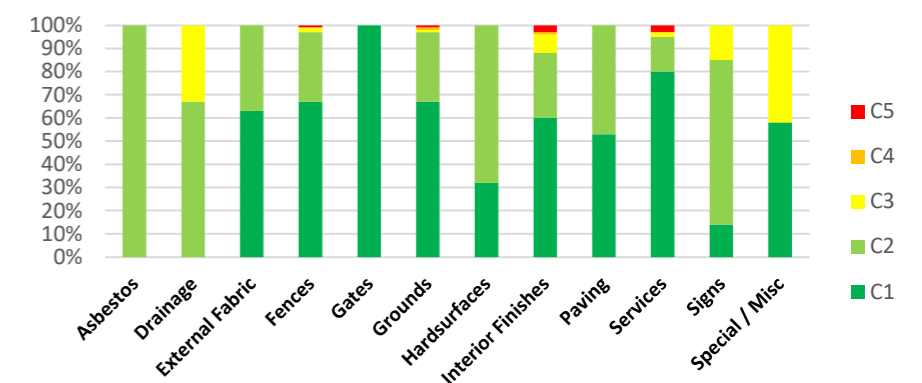
## Description

Housing for the Elderly are predominantly a combination of Interior Finishes and Services making up 88% of this facility category.

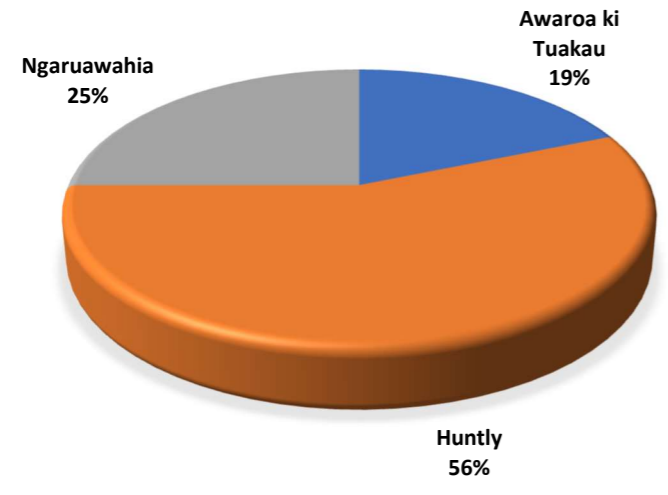
Overall, there are 89 assets in a very poor condition with an approximate value of \$73,893.

Due to the potential divestment of the portfolio no renewal or capex works is planned to be undertaken from Year 2 (2022-2031). The average capex spend for year 1 \$128,360 including renewals and new capital works to improve levels of service and allow for growth

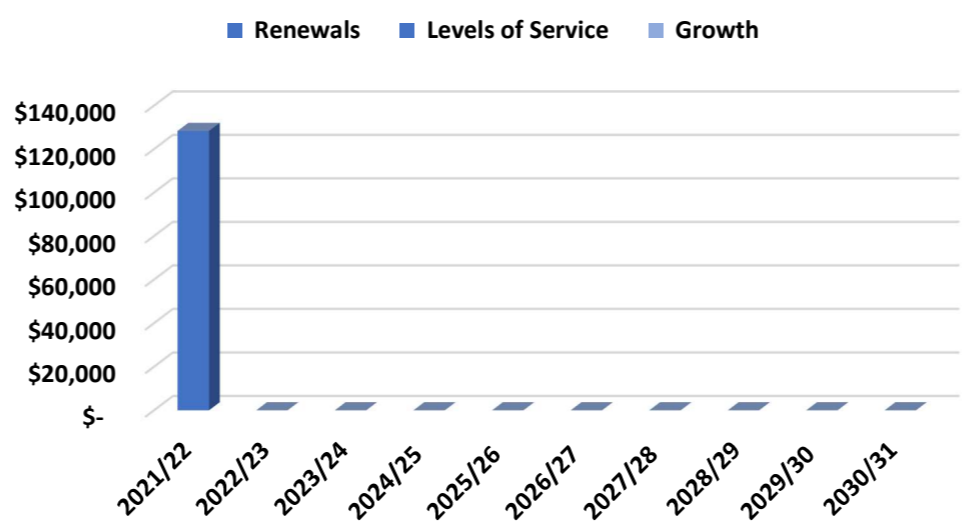
## Condition of Components



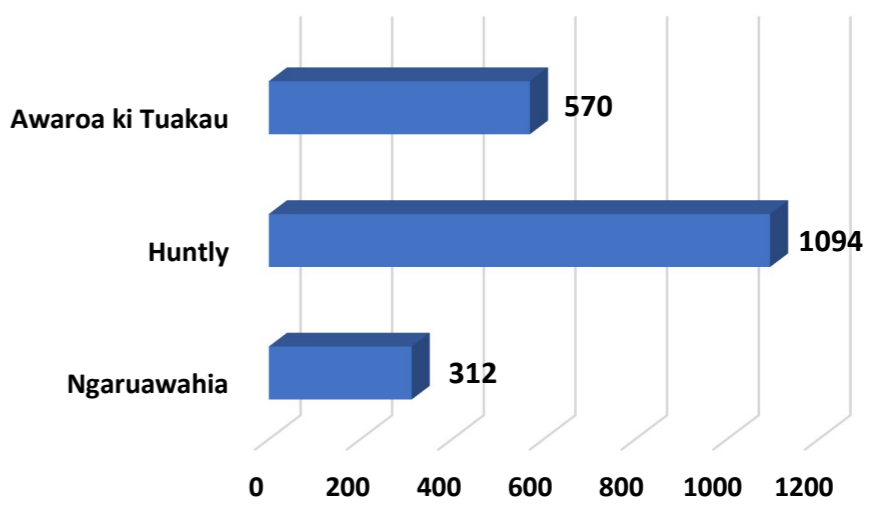
Number of Buildings: 16  
 Number of Components: 2,276



## Capital Expenditure Forecast



## No. of Sqm



# Information Centre / Museum – Council Facilities Snapshot



Condition Grade Index: **1.21 (Good)**  
 % Components Poor or Very Poor: 0.62%  
 Average Capex Renewal Cost pa: \$45,189  
 Average Capex New Capital Cost pa: \$0

## KPIs



Land: \$1,240,000  
 Improvements: \$1,785,500

## Value

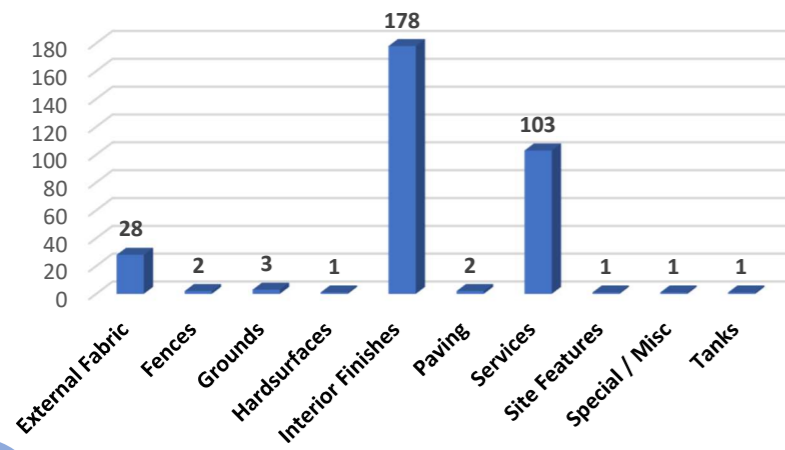


## Wards

Huntly

Raglan

## Asset Count



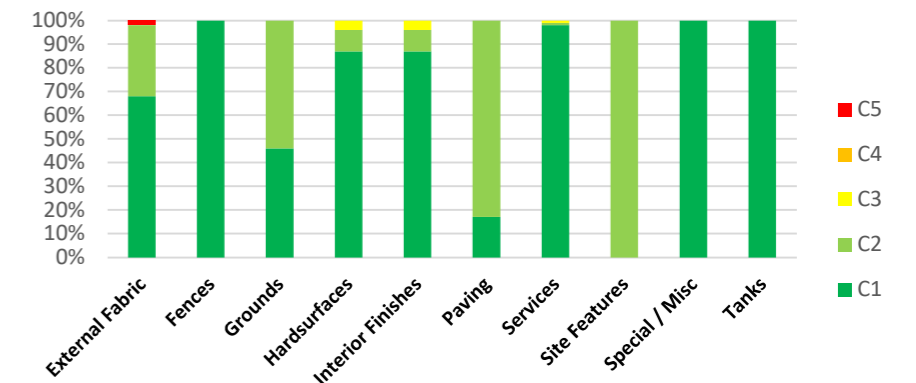
## Description

Information Centre / Museum are predominantly Interior Finishes making up 88% of this facility category.

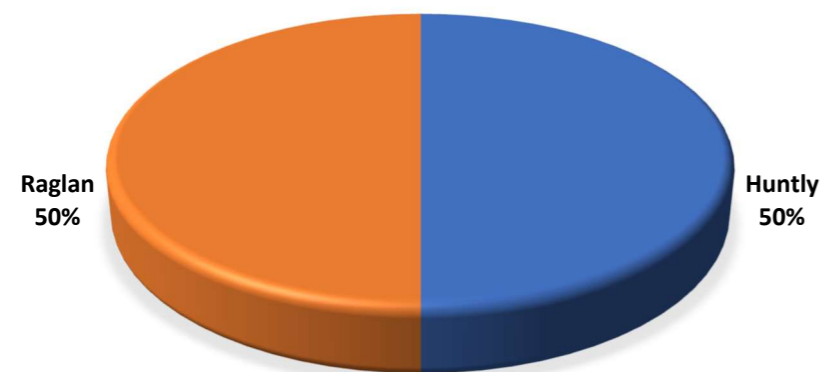
Overall, there are 2 assets in a very poor condition with an approximate value of \$8,860. These assets would be considered a priority as part of the renewal program.

The average capex spend over the 10-year period is \$45,189 including renewals and new capital works to improve levels of service and allow for growth.

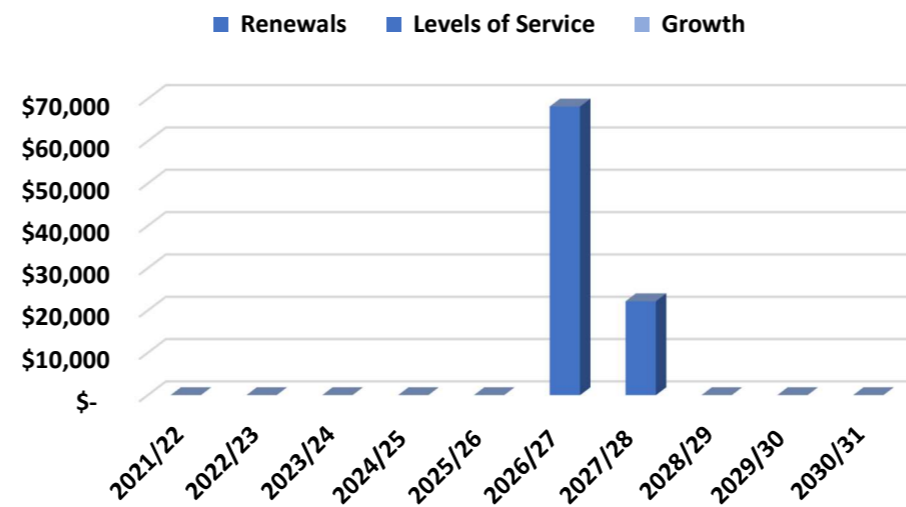
## Condition of Components



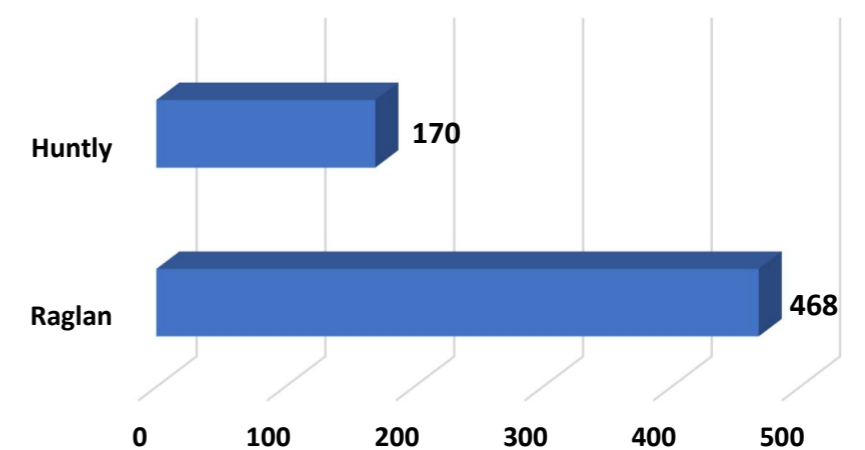
Number of Buildings: 2  
 Number of Components: 320



## Capital Expenditure Forecast



## No. of Sqm



# Libraries – Council Facilities Snapshot



**Condition Grade Index: 1.13 (Very Good)**  
 % Components Poor or Very Poor: 1.36%  
 Average Capex Renewal Cost pa: \$78,394  
 Average Capex New Capital Cost pa: \$1,530,000

**KPIs**



**Land: \$1,331,000**  
**Improvements: \$3,725,500**

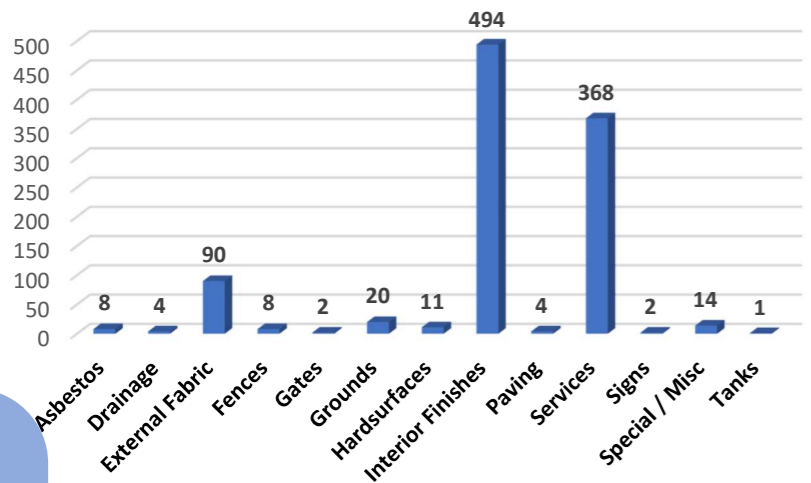
**Value**



**Wards**

Awaroa ki Tuakau	Raglan
Huntly	Whangamarino
Ngaruawahia	

## Asset Count



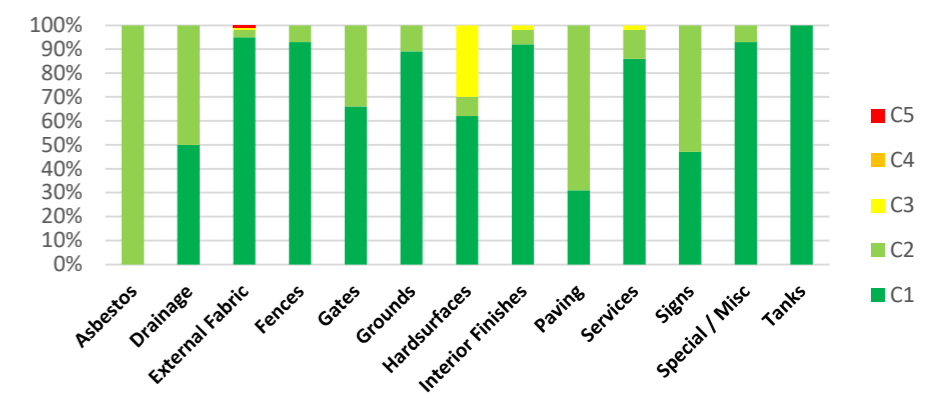
## Description

Libraries are predominantly a combination of Interior Finishes and Services making up 84% of this facility category.

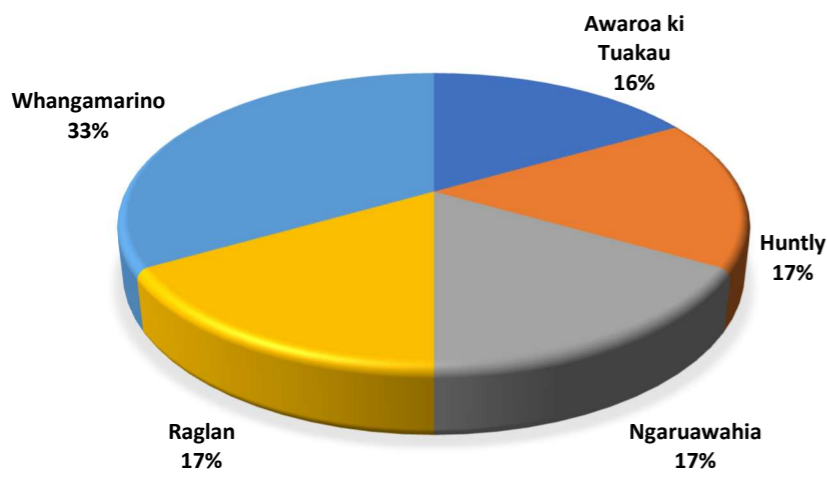
Overall, there are 14 assets in a very poor condition with an approximate value of \$11,991. These assets would be considered a priority as part of the renewal programme.

The average capex spend over the 10-year period is \$1,608,394 including renewals and new capital works to improve levels of service and allow for growth.

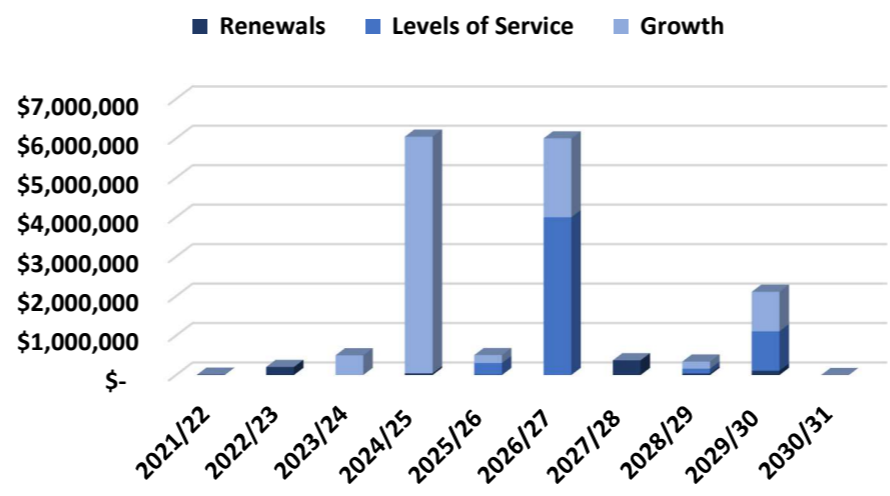
## Condition of Components



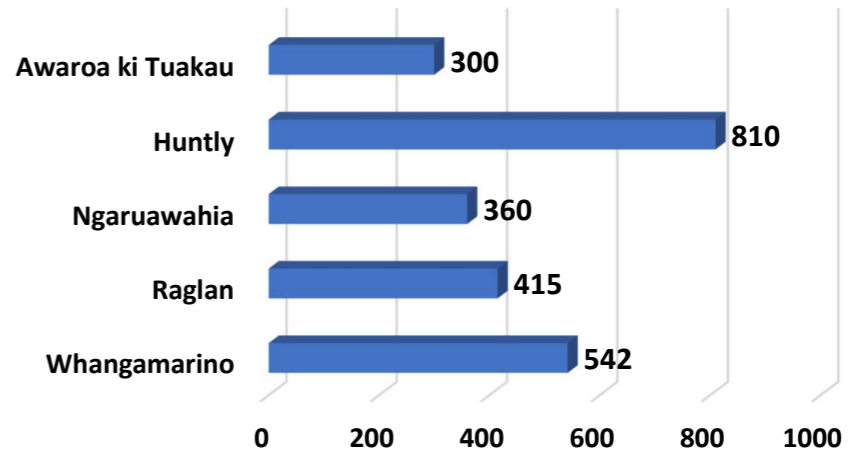
Number of Buildings: 6  
Number of Components: 1,026



## Capital Expenditure Forecast



## No. of Sqm





# Open Space Amenities – Council Facilities Snapshot



Condition Grade Index: **1.79 (Moderate)**  
 % Components Poor or Very Poor: 5.27%  
 Average Capex Renewal Cost pa: \$11,444  
 Average Capex New Capital Cost pa: \$0

**KPIs**



Land: \$2,025,000\*  
 Improvements: \$1,926,300\*

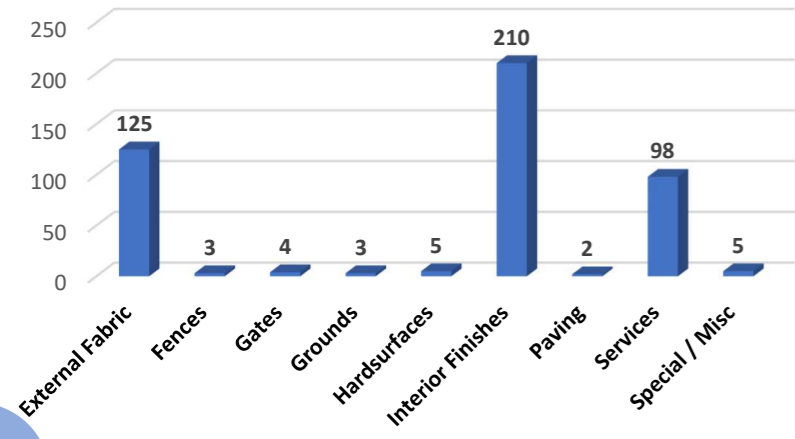
**Value**



**Wards**

Hukanui-Waerenga	Ngaruawahia
Huntly	Onewhero-Te Akau
Newcastle	Whangamarino

**Asset Count**



**Description**

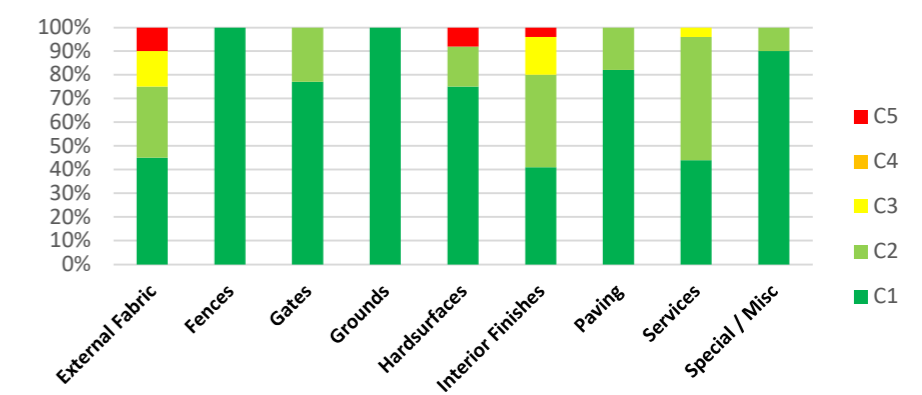
Open Space Amenities are predominantly a combination of Interior Finishes and External Fabric making up 74% of this facility category.

Overall, there are 23 assets in a very poor condition with an approximate value of \$73,437. These assets would be considered a priority as part of the renewal program.

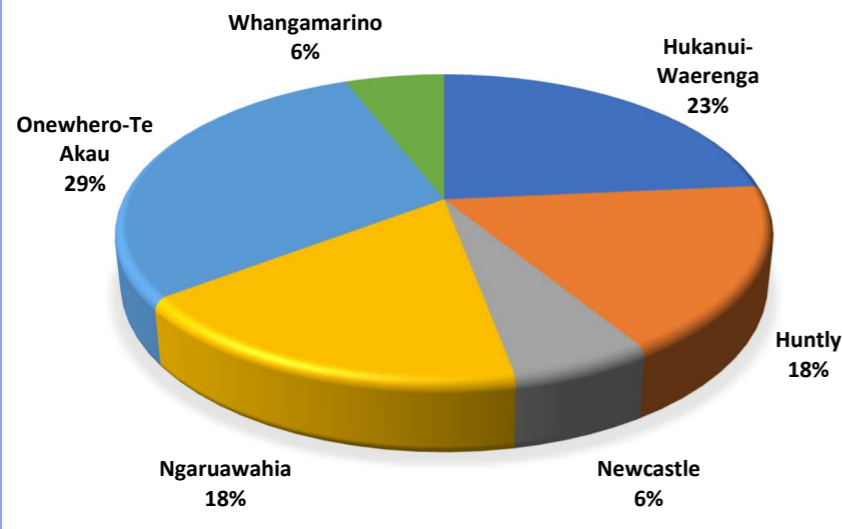
The average capex spend over the 10-year period is \$11,444 including renewals and new capital works to improve levels of service and allow for growth.

Several sites currently have no assets recorded for them in the council's asset management system, these will be captured in the next building survey and noted in the improvement plan. \*Only 10 sites had building valuations undertaken at the time of the last revaluation.

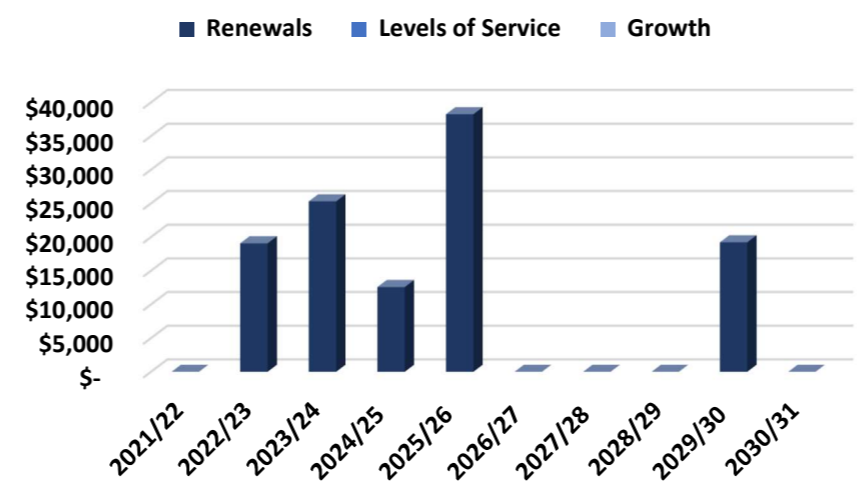
**Condition of Components**



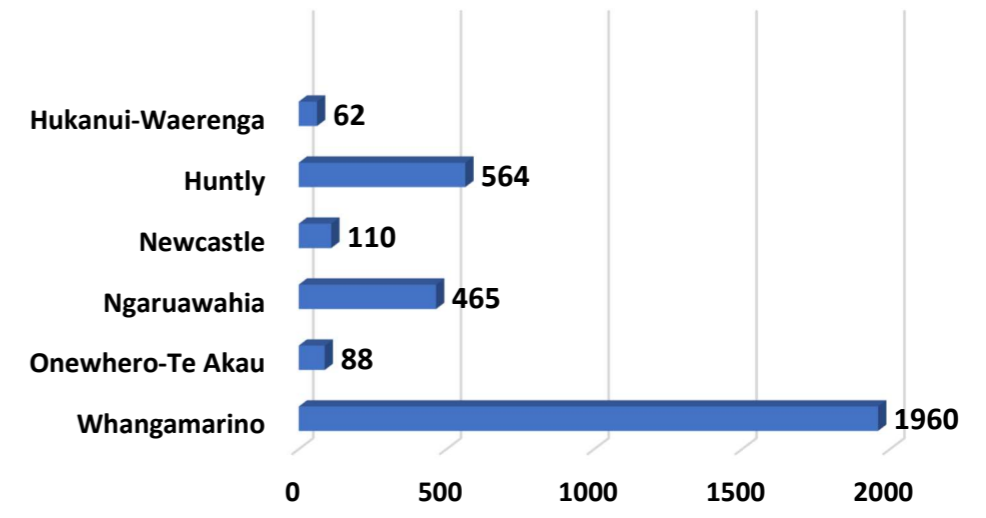
Number of Buildings: 25  
 Number of Components: 455



**Capital Expenditure Forecast**



**No. of Sqm**



# Recreation Centre & Pools – Council Facilities Snapshot



**Condition Grade Index: 1.76 (Moderate)**  
 % Components Poor or Very Poor: 4.20%  
 Average Capex Renewal Cost pa: \$162,304  
 Average Capex New Capital Cost pa: \$0

KPIs



**Land: \$1,300,000\***  
**Improvements: \$4,859,200\***

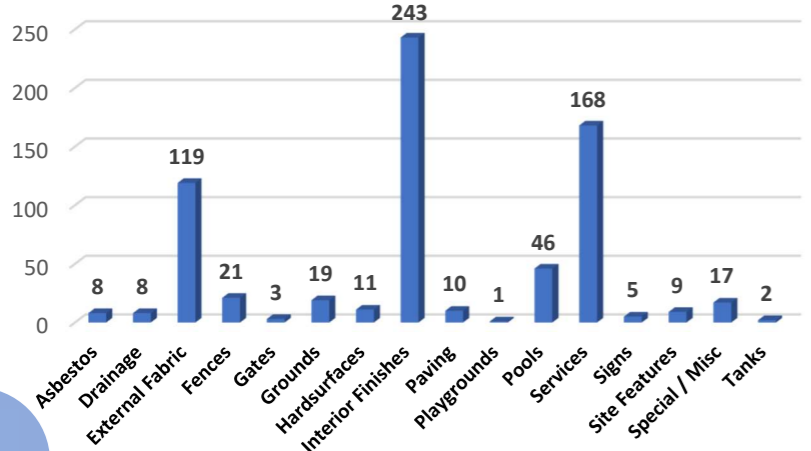
Value



Wards

- Awaroa ki Tuakau
- Huntly
- Ngaruawahia

## Asset Count



## Description

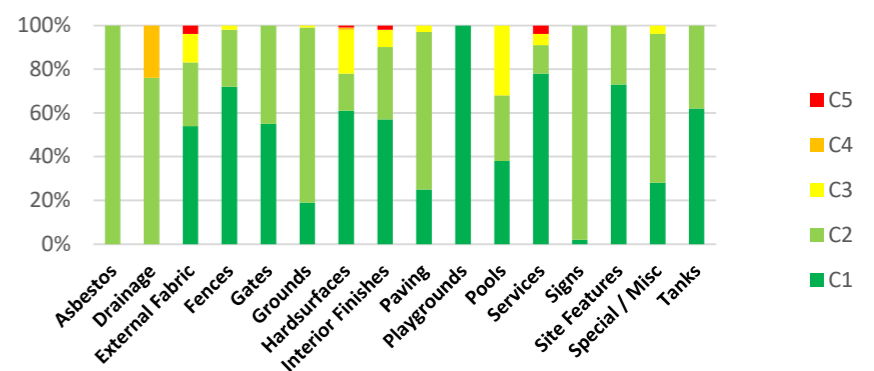
Recreation Centre and Pools are predominantly a combination of Internal Finishes and Services making up 52% of this facility category.

Overall, there are 24 assets in a very poor condition with an approximate value of \$94,041. These assets would be considered a priority as part of the renewal program.

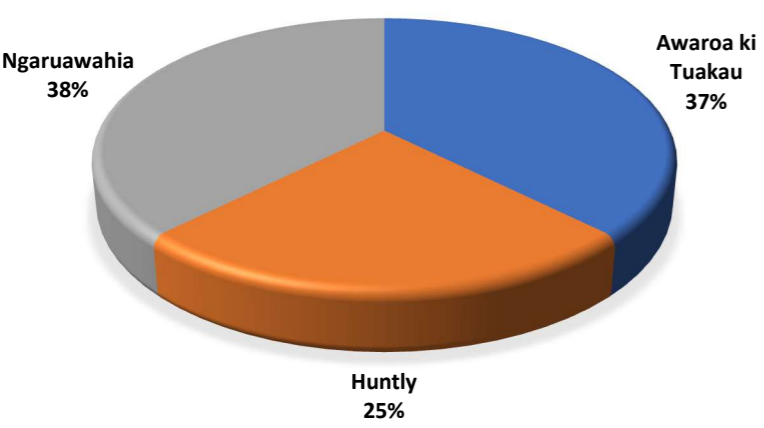
The average capex spend over the 10-year period is \$162,304 including renewals and new capital works to improve levels of serve and allow for growth.

\*Does not include value of Elbow Landing Clubrooms and Huntly Gymnasium. Not valued as at the last revaluation.

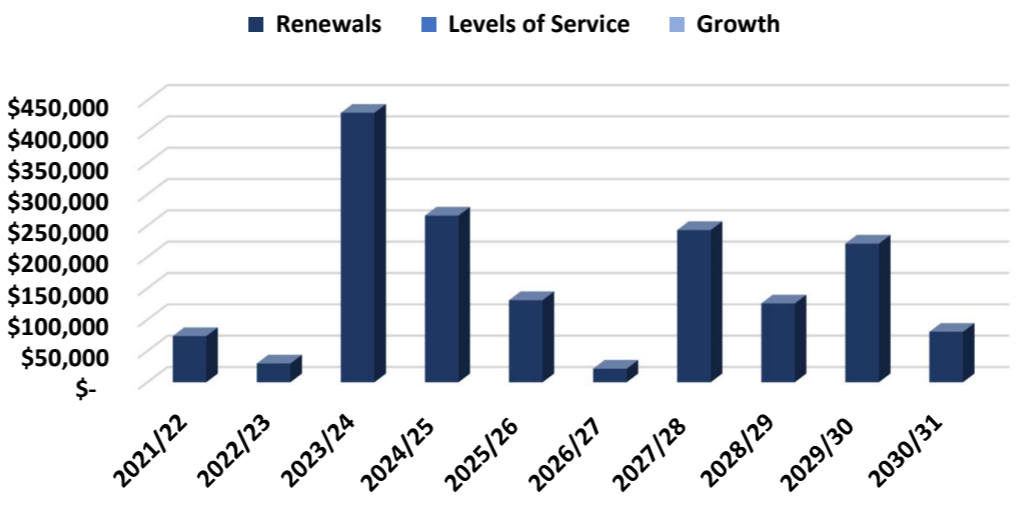
## Condition of Components



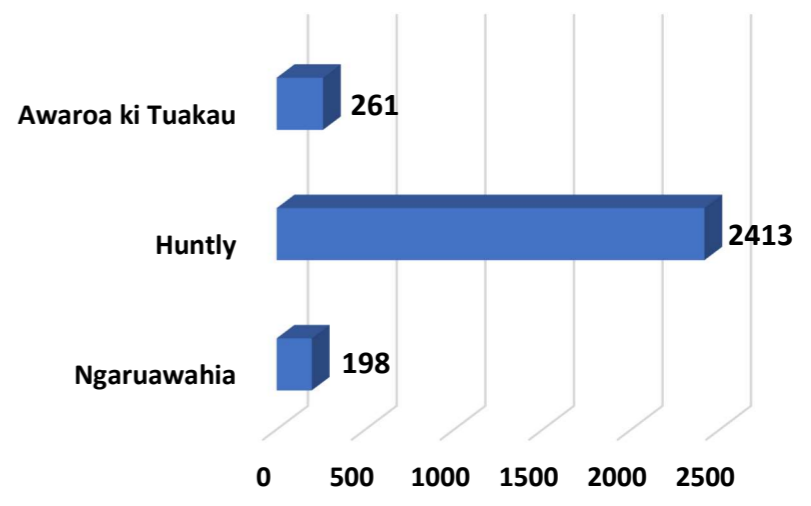
Number of Buildings: 8  
Number of Components: 690



## Capital Expenditure Forecast



## No. of Sqm



# Residential Housing – Council Facilities Snapshot



**Condition Grade Index: 2.00 (Poor)**  
 % Components Poor or Very Poor: 3.70%  
 Average Capex Renewal Cost pa: \$14,079  
 Average Capex New Capital Cost pa: \$0

KPIs



**Land: \$3,845,000**  
**Improvements: \$892,600\***

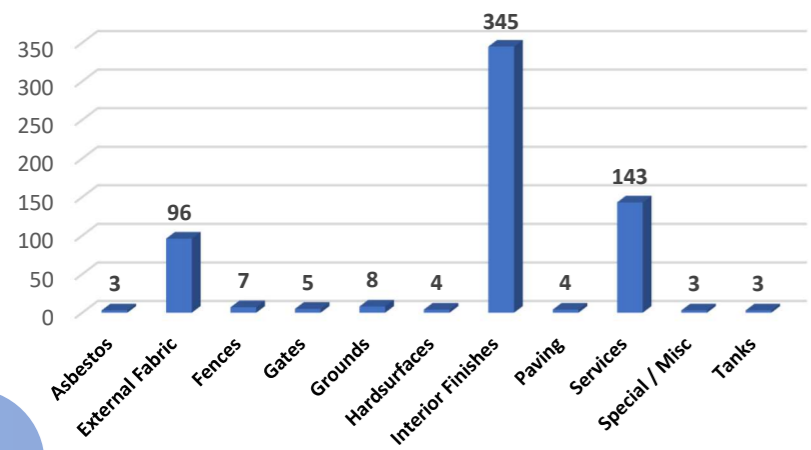
Value



Wards

Awaroa ki Tuakau	Ngaruawahia
Hukanui-Waerenga	Raglan
Huntly	

## Asset Count



## Description

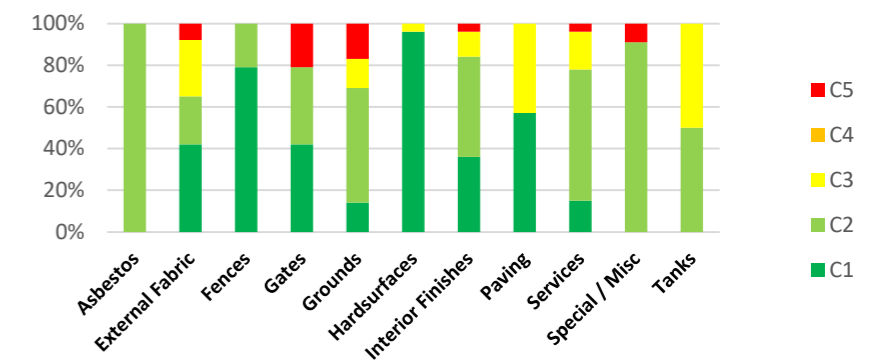
Residential Housing are predominantly Interior Finishes making up 55% of this facility category.

Overall, there are 20 assets in a very poor condition with an approximate value of \$60,457. These assets would be considered a priority as part of the renewal program

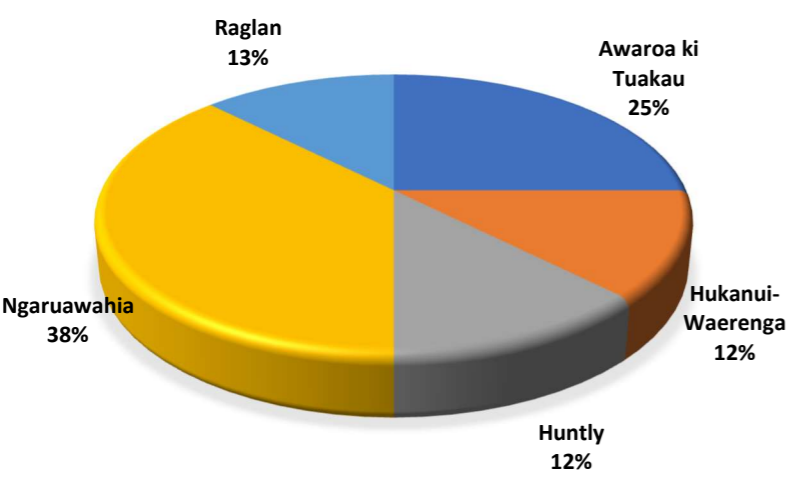
The average capex over the 10-year period is \$14,079 (note does not include new capital works to improve levels of service and allow for growth).

\*excludes 220 Te Hutewai Road.

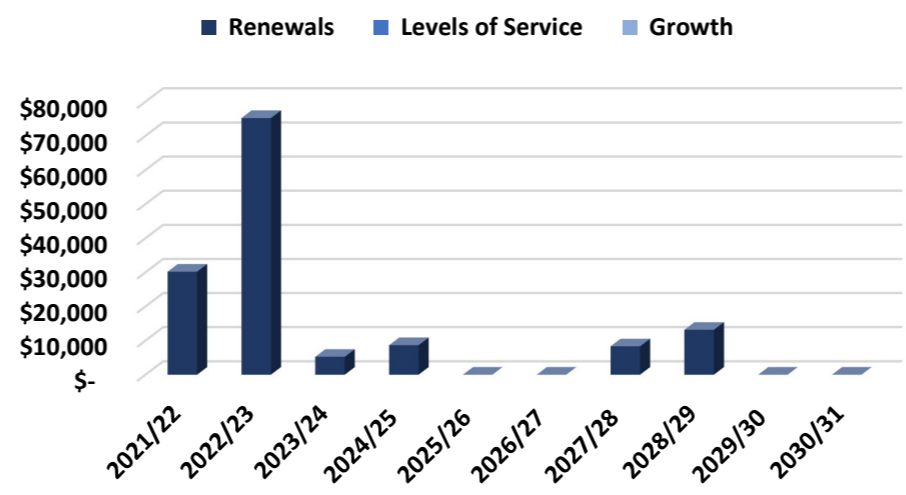
## Condition of Components



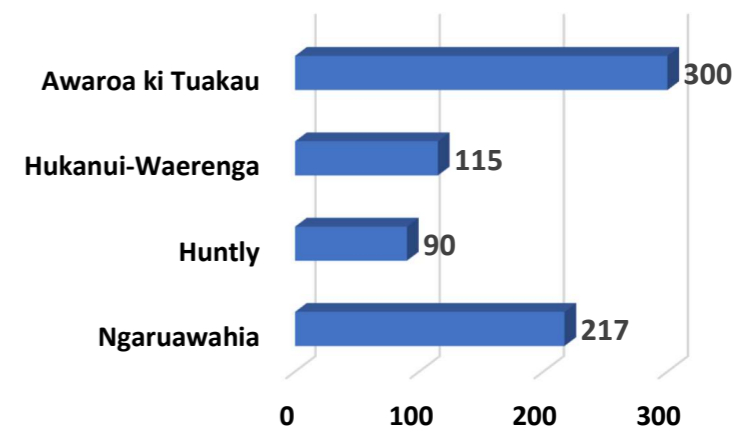
Number of Buildings: 8  
Number of Components: 690



## Capital Expenditure Forecast



## No. of Sqm



## 2.2 Details about our assets

Our assets are broken down into standard building components. This enables the application of standard economic lives. This defines remaining useful life as an input to renewal and rehabilitation programs. It is also useful in the identification of condition.

We have captured our assets at the component level in our asset management system. A detailed breakdown of the componentry by facility category is provided in Appendix C.

These assets are provided to enable our services to be delivered to the desired levels of service.



*Physical inventory of all assets is managed to the organisation's data needs and the capacity of the operational staff*

## 2.3 What are the Council Facilities Assets worth?

Section 111 of the Local Government Act 2002 requires that local authorities comply with “generally accepted accounting practice” which is taken to mean the principles of the General Accepted Accounting Practice that is prepared by the New Zealand Society of Accountants (ICANZ) and included in the New Zealand Accounting Standards.

A summary of the valuation for our assets is shown in Table 6. This information is extracted from the valuation that was undertaken as of 30<sup>th</sup> June 2020.

Table 6 - Facilities Activity Valuation Overview

Asset Class	Optimised Replacement Cost (\$)	Optimised Depreciated Replacement Cost (\$)	Fair Market Value (\$)	Annual Financial Depreciation (\$/yr.)	Data Row Count
<b>Buildings – Restricted</b>	\$25,659,600	\$22,747,352	\$1,894,900	\$1,151,036	103
<b>Buildings – Operational</b>	\$24,757,092	\$21,727,922	\$1,850,100	\$1,175,696	77
<b>Investment Property</b>	\$0	\$0	\$200,000	\$0	1
<b>Total</b>	<b>\$54,161,693</b>	<b>\$44,475,274</b>	<b>\$3,945,000</b>	<b>\$2,359,688</b>	<b>181</b>

Note that:

- **Optimised Replacement cost (RC)** is the cost of the modern equivalent asset that replicates the existing asset most efficiently.
- **Optimised Depreciated Replacement Cost (ODRC)** is the optimised replacement cost after deducting an allowance for wear or consumption to reflect the remaining or economic service life of an asset.
- **Fair Market Value (FMV)** is the price at which the property would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or to sell and both having reasonable knowledge of relevant facts.



## 2.4 What is Asset Condition?

### How are asset condition and performance determined?

The condition of an asset is a measure of an asset's physical integrity. Knowing the condition enables more accurate prediction of:

- asset development
- maintenance
- renewal / replacement requirements

Assets are graded as per Table 7 - Typical Building Condition Grading Standards outlined in the IIMM which align with the NAMS Property Manual.

Failure to maintain levels of service suitable for the relevant facilities category will be reflected in a decline on the overall standard of the network of assets which means a physical degradation of assets.

The reliability and performance of our services and assets is reasonable with no major issues of unavailability. The quality-of-service delivery is aligned across the district, but still mixed in some of the more remote areas.

### How do we monitor the condition of our assets?

SPM Assets Ltd have been engaged over the last three years to assess the condition and performance of facilities. This is used to produce a long-term building and maintenance and renewal plan. This does not allow for the labour and compliance costs to these renewals, nor does it allow for any works that may be uncovered when doing invasive work. Generally, all the assets are in a reasonable and functional condition and performing adequately to meet the needs of users.

Community halls and pensioner housing feasibility studies were undertaken. The remainder of the facilities require more in-depth analysis to ensure that they are fit for purpose.

A condition assessment gives a clear understanding of the condition of the assets and how they are performing. An asset register including general condition has been compiled which will form the basis for understanding future expenditure patterns and management decisions regarding maintenance, replacement, and renewals.



*Development of ongoing condition assessment programme*

Table 7 - Typical Building Condition Grading Standards







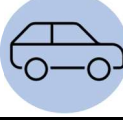
Element	Condition Grade				
	1	2	3	4	5
	Very Good	Good	Moderate	Poor	Very Poor
Estimated percentage of life consumed	Up to 45%	Between 45% to 90%	90% to 100%		
Structure	Sound Structure.	Functionally sound structure.	Adequate structure, some evidence of foundation movement, minor cracking.	Structure functioning but with problems due foundation movement. Some significant cracking.	Structure has serious problems and concern is held for the integrity for the structure.
External	Fabric constructed with sound materials, true to line and level. No evidence of deterioration or discolouration.	Showing minor wear and tear and minor deterioration of surfaces.	Appearance affected by minor cracking, staining, or minor leakage. Indications of breaches of weatherproofing. Minor damage to coatings.	Fabric damaged, weakened, or displaced. Appearance affected by cracking, staining, overflows, or breakages. Breaches of waterproofing evident. Coatings in need of heavy maintenance or renewal.	Fabric is badly damaged or weakened. Appearance affected by cracking, staining, overflows leakage or damage. Breaches of waterproofing. Coatings badly damaged or non-existent
Internal			Appearance affected by minor cracking, staining, or minor leakage, some dampness or mildew. Minor damage to wall / ceiling finishes	Fabric damaged, weakened, or displaced. Appearance affected by cracking, staining, dampness, leakage, or breakages. Breaches of waterproof evident. Finishes of poor quality and in need of replacement	Fabric is badly damaged or weakened. Appearance affected by cracking, staining, leakage, or wilful damage. Breaches of waterproofing. Finishes badly damaged, marked and in need of replacement
Services	All components operate and well maintained.	All components operable.	Occasional outages, breakdowns, or blockages. Increased maintenance required.	Failures of plumbing, electrical and mechanical components common place.	Plumbing, electrical, and mechanical components are unsafe or inoperable.
Fittings	Well secured and operational, sound of function and appearance.	Operational and functional, minor wear and tear.	Generally operational. Minor breakage.	Fittings of poor quality and appearance, often inoperable and damaged.	Most are inoperable or damaged.

Source: International Infrastructure Management Manual (IIMM,2015)

## 2.5 How reliable are our assets?

Asset performance for our portfolio has not been formally assessed. But an informal assessment has been undertaken which has identified the current performance of the following assets within the portfolio.

Table 8 - Council Facilities Asset Performance

Asset Type	Current Performance
 <b>Property Land Parcels</b>	There is no single database/register of all land parcels/property and how it is managed. A land acquisition/disposal strategy is required.
 <b>Community Spaces and Town Halls</b>	<p>A Terms of Reference for Community Spaces (Halls) is in place to ensure the committees and Council are both meeting their obligations.</p> <p>A Waikato District Halls Feasibility and Associated Facilities Study Report has been completed to assess the current network and recommendations going forward. Currently progress is being made on developing a Community Spaces (Halls) Strategy.</p>
 <b>Swimming Pools</b>	An Aquatic Facilities Strategy is in the process of being completed and has yet to be adopted by Council. Belgravia has been appointed the contract to manage the running of the three pools. An analysis of the performance of the swimming pools and future district-wide needs is required as Tuakau and Ngaruawahia pools are at the end of their lives. In today's market replacing like-for-like pools will not meet customer expectations.
 <b>Housing for the Elderly</b>	The viability/sustainability of Council continuing with Elderly Housing is being explored as the current stock is reaching the end of its life expectancy and becoming a liability. The ability to maintain and provide wrap-around services expected in today's market cannot be provided to the tenants without incurring a large cost, although to date customer satisfaction is very good.
 <b>Council Buildings</b>	Currently office space is at capacity for both main offices when all staff are onsite, however because of COVID-19 the trial of flexible working has been successful to date in easing this issue.
 <b>Libraries</b>	The Northern Facilities study is proposing an upgraded library (due to inadequate space) with customer service facilities, and a new office and library built in Pokeno to cater for the growth and relinquish the leased office at Tuakau. A planned library to be built adjacent to the Meremere Hall would create a surplus building where the current library is situated. As Te Kauwhata grows planning is required to expand the current library.
 <b>Fleet</b>	Fleet is underutilised and a project is underway looking at rationalising the use of vehicles. This will be complete in 2020, with resulting actions to be implemented.



Develop a land acquisition/disposal strategy



Complete the viability/sustainability review for Elderly Housing.



Complete the Community Spaces (Halls) Strategy



Complete the actions from the fleet rationalisation project



Seek Council adoption of the aquatic facilities strategy

### 3. Fleet

We are responsible for the management of the Council's vehicle fleet, with the assistance of Fleetsmart and ERoads. The fleet consists of 80 assets with a value of \$1.6m written down value (WDV) as at 6 April 2020, a breakdown of the composition of the fleet is outlined in Table 9.

#### 3.1 Council's goals and objectives for fleet services

We operate and maintain the fleet to achieve the following strategic objectives:

- Meet legislative requirements
- Ensure that our fleet services and assets are provided in a sustainable manner, with the appropriate service to customers
- Ensure resources and operational capabilities are identified and responsibility for service delivery and management is allocated
- Ensure that the fleet service provides safety, functionality, and reliability
- Ensure the fleet is planned appropriately to cater for current and future service delivery, growth, and risk mitigation
- Maximise the asset's useful life whilst minimising lifecycle expenditure
- Provide fit for purpose plant and fleet items to internal business units to allow Council to deliver a full suite of services across the district

Table 9 - Fleet Composition

Plant Type	Qty	Asset Cost	Written Down Value (WDV)	Accumulated Depreciation
ATV/Gator	1	\$20,433	\$2,815	\$17,617
Hatchback Sedan	4	\$100,735	\$28,672	\$72,062
Micro Sedan	1	\$21,388	\$2,674	\$18,714
Sedan-Passenger	5	\$120,629	\$75,030	\$45,599
Station Wagon	1	\$28,465	\$12,098	\$16,366
SUV	37	\$1,121,989	\$371,824	\$750,165
Tractors / Mowers	2	\$84,766	\$48,462	\$36,303
Trailers	6	\$53,770	\$34,485	\$19,285
Ute	21	\$860,779	\$305,542	\$555,236
Van	1	\$40,673	\$7,091	\$33,581
Unknown	1	\$147,420	\$109,171	\$38,249



### 3.2 Fleet condition and reliability

To achieve the objectives above, the following approach is taken to managing the vehicles:

- Vehicles are replaced every 3 years or 100,000km. Generally, they reach 3 years first. This results in 15-20 replacements annually.
- Replacements are usually like for like, or on request if changes are required for a vehicle that is more suitable for purpose – assessments are undertaken to identify user needs. New vehicles are procured through the all-of-government panel.
- We are targeting more fuel efficiency through increased purchase of hybrid vehicles (approx. 1/4 of purchased vehicles were hybrid in 2019/20, targeting half for 2020/21 and purchase of some full electric vehicles).
- We use Fleetsmart and ERoads to monitor fuel efficiency. ERoads is a new service and is likely to replace Fleetsmart due to greater information about tracking of kms travelled.
- Maintenance is managed through a contract with Fleetsmart, which was renewed in May 2020. An initiative is underway to target maintenance savings by aligning the maintenance service and WOF for each vehicle at the same time. Services are scheduled through the manufacturer as required:
  - panel beating through a mixture of local providers
  - Carters tyres check all vehicles monthly. Tyres are replaced at 3mm to ensure safety
  - Instant windows do a monthly check
- Cleaning of vehicles is managed by individual teams; pool cars are managed by our maintenance staff member – they will undertake deep cleans of team vehicles regularly as well.
- Fuel is managed by Fleetsmart and charged back to teams.
- The vehicle booking system is now managed through ERoads.
- Speed monitoring is managed by ERoads, this is now monitored for all speed zones. Monitoring also includes driver star rating to encourage better driving.
- Cars are equipped with safety gear in accordance with the work safe: home safe initiative. Equipment was recently replaced and includes:
  - first aid kits
  - fire extinguishers
  - pop-up cones
  - hi-vis vests

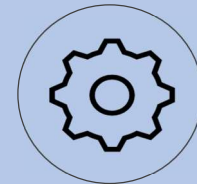
### 3.3 Fleet initiatives

- Staff are currently exploring opportunities for a new electric charging point at the office discussion is currently underway with energy companies.
- Driver training is managed through the Zero Harm team where drivers in high-risk roles are identified for appropriate training.

## Part 3 : Levels of Service

*Levels of Service (LoS) define the form and quality of service that Council provides to the community. They are the balance between what the community wants and what the community is willing to pay for. This section:*

- *Highlights the current LoS provided by the Council*
- *Defines the desired LoS for the future*
- *Outlines performance measures that will be used to track the delivery of the agreed LoS*



### 1. Customer Research and Expectations

Determining levels of service is by our understanding of customer needs. This is determined through interaction with the users of our activity.

Delivering services in the most cost-effective manner, and to encourage community involvement, assists in the setting of service levels. Legislation drives some service levels, like those addressing health and safety considerations.

Customer expectations change over time, so a periodic review of service levels is key.

To understand our customers' needs and expectations better Council undertook a blueprint process. The aim was to provide a high level 'spatial picture' of how the district could progress over the next 30 years:

- address the community's social, economic, and environmental needs
- respond to its regional context.

The blueprint has provided us with an effective and legible tool to move from vision to strategy. Then from strategy to action by setting out specific, prioritised initiatives at the district and local level.

From the consultation there has been the development of nine district-wide themes. They cover the main themes from the district. Table 10 shows the nine themes and a series of associated initiatives. Details of the initiatives relating to our activity is in Table 37 of Part 8: Financial Summary.

**Table 10 - Blueprint Initiatives**

<b>1</b>	<b>Identity</b>	Create a world class Waikato River corridor identity and strengthen Raglan's local character
<b>2</b>	<b>Nature</b>	Protect and support enhancement of the natural environment with revegetated biodiversity links and clean waterways
<b>3</b>	<b>Iwi</b>	Build on the Joint Management Agreements and other agreements, celebrate Maaori culture, and promote the use of Te Reo
<b>4</b>	<b>Communities</b>	Strengthen, enable, and connect local communities and citizens, and support those most in need

<b>5</b>	<b>Growth</b>	Direct cohesive growth outcomes which support all community needs
<b>6</b>	<b>Economy</b>	Support the rural and urban economy, and attract more visitors, entrepreneurs, and employment uses
<b>7</b>	<b>Transport</b>	Leverage value off accessibility, help those disadvantaged by lack of transport options, prepare for future passenger rail
<b>8</b>	<b>Infrastructure</b>	Develop and maintain efficient infrastructure that is environmentally clean and will serve the community well into the future
<b>9</b>	<b>Governance</b>	Devolve some decision making and engage more effectively at community and Hapuu level.

## 2. What are our Strategic and Corporate Goals?

### 2.1 Management Strategies

The overall management of infrastructure will be driven through strategies aimed at:


















- Complying with legislative and strategic requirements
- Meeting customer expectations and agreed levels of service
- Delivering value for money for ratepayers, funding partners and the Council

## 3. Legislation, Industry Guidelines and Strategies that guide our activity

The acts mentioned below are described for convenience by their original title, but all amending acts are considered in accordance with the original act, they were not specified in this text. Go to <http://www.legislation.govt.nz> for the latest information on the Act.

### 3.1 What legislation influences our activity?

Legislative requirements form the minimum level of service that we must undertake to comply with these. The key legislative requirements that help to determine the levels of service for our activity are outlined below.

- Local Government Act 2002 
- Health & Safety at Work Act 2015 and associated regulations 
- Asbestos Regulations 2016 
- Local Government (Rating) Act 2002 
- Building Act 2004 
- Building (Earthquake-prone buildings) Amendment Act 2016 
- Resource Management Act 1991 
- Civil Defence Emergency Act (CDEM) 2002 
- Residential Tenancies Act 1986 
- Public Works Act 1981 
- Waikato Raupatu Claims Settlement Act 1995 
- Waikato –Tainui Raupatu Claims (Waikato River) Settlement Act 2010 
- Nga Wai o Mainapoto (Waipa River) Act 2012 
- Public Records Act 2005 
- Hazardous Substances and New Organisms Act 1996 
- Climate Change Response Act 2002 
- Climate Change General Exemptions Order 2009 

- Climate Change Response (Zero Carbon) Amendment Act 2019 
- Building (Forms) Regulations 2004 



*Develop a more comprehensive plan for policy and strategy development*











### 3.2 What are the Key Regional Policies?

- The Waikato Plan
- The Waikato Regional Policy Statement


### 3.3 What key council bylaws, policies, plans and strategies that influence our activity?

There are various policies and works prepared in partnership with other agencies. When establishing our programmes, we must be aware of these documents.

A list of the Policies, Strategies, Bylaws and Plans that impact on the levels of service for delivering our Activity is listed below.

- Activity Management Policy 
- Dangerous Affected and Insanitary Building Policy 2018 
- Non-Strategic Assets Policy
- Delegations to Committee Policy
- Heritage Policy 
- Maori Liaison Guidelines Policy
- Consultation Policy
- Property Management Unit Policy 
- Zero Harm Policy 
- Terms of Reference Management of Halls
- Paper Road Policy
- Treasury Risk Management Policy 
- Significance and Engagement Policy 
- Climate Response and Resilience Policy 
- Risk Management Policy 
- Procurement Strategy, Policy and Manual 






#### Strategies and Guidelines

- Aquatic Facilities Strategy
- Housing for the Elderly
- Community Spaces (Hall) Strategy 

#### Bylaws

There are currently no bylaws for Council Facilities.

#### Plans

- Waikato Blueprints 
- Infrastructure Strategy
- Strategic Plan
- Long Term Plan (LTP) 
- Annual Plan 
- Annual Report 
- Internal Strategic Plan (Our Plan)
- Activity Management Plans (AMP)
- Business Plans 
- Contracts

### 3.4 Industry Standards and Guidelines that influence our activity

A list of the industry standards and guidelines that influence the provision of customer service levels are outlined below. For all New Zealand Standards, refer to [www.standards.co.nz](http://www.standards.co.nz).

- New Zealand Standard NZS 5826:2010 – Pool Water Quality
- New Zealand Standard NZS 4441:2008 – Swimming Pool Design Standard

## 4. How do the Levels of Service link to Community Outcomes?

Section 10(1) of the Local Government Act 2002 defines the purpose of local government:

- To enable democratic local decision-making and action by, and on behalf of, communities; and*
- To promote the social, economic, environmental, and cultural well-being of communities in the present and for the future.*

The previous values that had been implemented were repealed by section 6(1) of the Local Government (Community Well-Being) Amendment Act 2019 (2019 No 17), hence reinstating the four well-beings or as they are best known as community outcomes.

A review of the Levels of Service framework was undertaken to provide a deeper connection between our performance measures and community outcomes. The new Level of Service framework is divided into 5 parts:

1. Community Outcomes
2. Activity Outcomes – how the activity contributes to the community outcomes
3. Levels of Service – the defined quality for a particular service area
4. Service Level Statements – the level of service the customer will experience
5. Performance measures – the metric and target used to measure achievement of the service level

The current Levels of Service that Council is aiming to achieve in the future are shown on the following pages and following a standard asset management hierarchy are grouped into three categories. These are:

1. Strategic
2. Tactical
3. Operational

A review of the Level of Service statements and their performance measures were undertaken as part of the AMP preparation and amended to provide a clearer understanding and measurement of the Levels of Service being provided to the community.

It should be noted that the Levels of Service are not intended as a formal customer contract. Rather Council's responsibility is initially to achieve these levels and then to achieve them more cost effectively through a process of improvement where it can be met within current budgets.

## 5. What are the links between Levels of Service to the Organisation?

The wider organisational context for levels of service is outlined below.

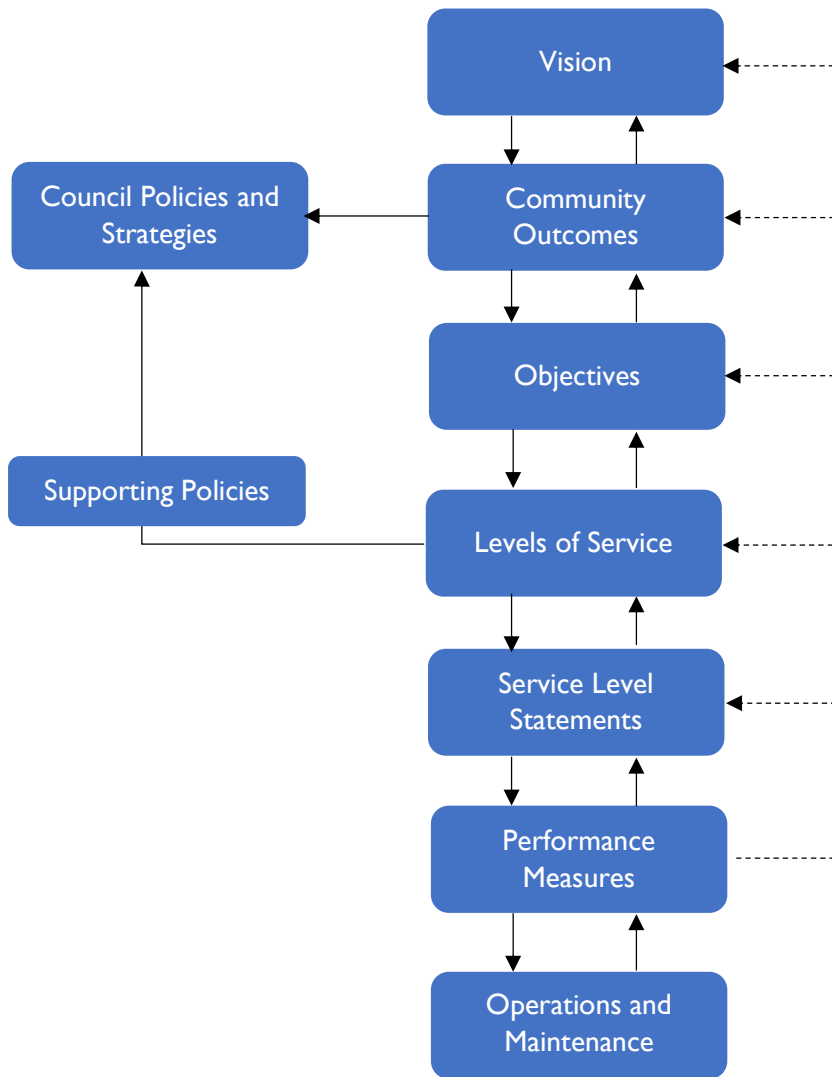








Figure 4 - Level of Service linkages



*Develop a specific strategy for Council Facilities to guide expectations in delivering Community Outcomes, including a plan of land that is fit-for-purpose for future facilities.*

### 5.1 How do Levels of Service align to strategic objectives?

Our Levels of Service have been aligned to strategic objectives. The table below shows the alignment from national, regional, and local objectives to our levels of service.

National Objectives	Regional Objectives	Local Objectives	Levels of Service	
Community Well-being Outcomes (refer Treasury Living Standards Framework)	Waikato Plan	Community Outcomes	WDC Facilities Activity Outcomes	Level of Service
<b>Human</b> 	We want a stronger, resilient Waikato region which is responsive to the changing needs of our people and our communities.  We want Iwi to have a powerful voice so that Māori aspirations are expressed and integrated through successful joint initiatives.	 <b>Supporting our communities</b> We consider the well-being of all our people	Council Facilities provide a safe and healthy environment for community and leisure activities.	<b>Asbestos</b>
				<b>Seismic Strength</b>
				<b>Fleet Safety</b>
<b>Social</b> 	We want the Waikato to be nationally and internationally connected so we can continue to contribute to New Zealand and the world.	 <b>Working together with you</b> Collectively focussed on the right things	Community and leisure facilities contribute to recreational and cultural well-beings.	<b>Pool Usage</b>
				<b>Customer Satisfaction</b>
<b>Natural</b> 	We want our land, water and natural environment and heritage places to be recognised as precious and finite.	 <b>Sustaining our environment</b> We are a community that believes in environmental sustainability	Council Facilities are managed sustainably with a focus on reducing the environmental impact of the activity.	<b>Energy Efficient Fleet</b>
				<b>Energy Efficiency</b>
<b>Financial</b> 	Advancing Regional Economic Development: Waikato Means Business	 <b>Building our economy</b> We attract diverse business, creating jobs and opportunities	Community, leisure, and council facilities provide employment for residents and revenue for local businesses.	<b>Hall Utilisation</b>
<b>Physical</b> 	We want a region with the right infrastructure in the right place, at the right time, to enable us to succeed and prosper	 <b>Providing value for money</b> Residents and ratepayers get value for money	Council facilities are well maintained and managed prudently to ensure long term financial sustainability for current and future generations.	<b>Asset Condition</b>
				<b>Compliance with Standards and Regulations</b>



## 6. Current and Target Levels of Service

We propose the following current and new approved Levels of Service outlined in Table 11, Table 12 and Table 13. These have been developed to give a clear link to the reinstated community outcomes. These have been confirmed following council consultation through the Long-Term Plan 2021/31 process.

### 6.1 Strategic Level of Service Statements

- Developed to deliver on the major challenges that our district faces.
- Relate to the quantity or capacity of infrastructure, that is required to deliver on strategic outcomes for the community
- Need significant capital investment to solve problems.

Within our Activity the Levels of service framework and performance measures were developed and defined to focus investment on the areas of risk and most need to achieve the community outcomes. These levels of services are defined in Table 11.

Table 11 - Strategic Levels of Service

Level of Service	Performance Metric	Service Level Statement	Performance Target	Residual Risk
<b>Asbestos</b>	Location of Asbestos is assessed and registered for all facilities	Asbestos assessment completed for all facilities and monitoring or treatment is programmed for those facilities with Asbestos.	100% (over 3 years)	<b>Orange</b>
<b>Seismic Strength</b>	DSAs for seismic strength completed for all facilities that require them (as identified in the ISA review) and treatment plans developed	DSAs for seismic strength completed for all Priority 1 and 2 facilities that are below New Building Standard level of 34% for Structural Strength.	100% (over 3 years)	<b>Red</b>
<b>Energy Efficient Fleet</b>	Percentage of vehicles purchased that are energy efficient per year	30%-50% of new vehicles are electric or hybrid	30% (Y1), 40% (Y2) 50% (Y3)	<b>Green</b>



## 6.2 Tactical Level of Service Statements

- Focus on maintaining or improving the condition of the existing Council Facilities assets
- They relate to renewal programmes of work
- They link to renewal investment

These levels of service are defined in Table 12.

Table 12 - Tactical Levels of Service

Level of Service	Performance Metric	Service Level Statement	Performance Target	Residual Risk
<b>Energy Efficiency</b>	Carbon Road Map shows an improving trend in energy efficiency	Reduction in consumption for energy use across all facilities	5% reduction/pa	<b>Green</b>
<b>Hall Utilisation</b>	The percentage increase in council-managed hall usage	No. of bookings for council-managed halls is increasing	5%	
<b>Asset Condition</b>	The proportion of council facilities assets in poor or very poor condition	Council Facilities assets condition is maintained, asset consumption is stabilised, and asset stewardship is marginal.	3%	<b>Orange</b>

### 6.3 Operational Level of Service Statements

- Focus on the operations and maintenance of our activity

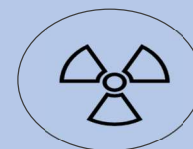
These levels of service are defined in Table 13.

Table 13 - Operational Levels of Service

Level of Service	Performance Metric	Service Level Statement	Performance Level Target
<b>Fleet Safety</b>	WOF renewals and vehicle services completed on time	Percentage of vehicles with a compliant WOF and service completed on time	100%
<b>Pool Usage</b>	Annual percentage increase in patronage of the pools	Pool patronage is not decreasing	>0%
<b>Customer Satisfaction</b>	Percentage of visitors that are satisfied with the pool's facilities	90% visitors to the pools find the facilities clean, accessible, and welcoming	90%
<b>Compliance with Standards and Regulations</b>	Percentage of buildings that require a building WOF that comply	Percentage of buildings hold a current building WOF	100%
	Percentage of WDC Aquatic Centres that are operated under NZ Pool Safe Accreditation	Percentage of aquatic centres operated under a NZ Pool Safe Accreditation	100%
	Percentage of time that pool water meets the NZS5826 Part 1 Water Standards: 2000 code of practice for the operation of swimming pools	% of time that the pool water meets the NZS5826 Part 1 Water Standards: 2000 code of practice for the operation of swimming pools	95%

## Part 4: Risk Management Planning

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



### 1. Overview

Risk is the effect of uncertainty on objectives. Risk events are events which may compromise the delivery of the organisation’s strategic objectives.

The main risk to asset management planning is the inability to deliver on agreed Levels of Service due to unplanned events and situations. This section outlines Council’s risk management strategy and process. It identifies negative effects and hazards linked to the activity and infrastructure assets. It also identifies critical assets and our approach to emergency response and zero harm.

### 2. How are critical assets defined?

Critical assets are defined as those assets that are likely to have more significant consequences than other assets if they fail. Failure of critical assets has the potential to have significant:

- economic
- social
- environmental impacts
- for the community and Council.

Critical assets are essential items to our activity. Assets we depend on a day-to-day basis for the enjoyment of public use. Their consequence of failure is detrimental to public enjoyment of open spaces and the ability to provide that service to them.

#### 2.1 Asset Criticality Criteria

Asset criticality is rated from 1 to 5 as follows:

Table 14 - Asset Criticality Criteria

Criticality Rating	Asset Criticality	Consequence of failure
5	<p><b>High</b></p> <p>The asset serves the most important district-wide function for this network or asset portfolio and is essential to ongoing operation (eg single water treatment plant, a single bridge link, regionally significant park, Council HQ building, etc).</p>	<p><b>Catastrophic</b></p> <p>Failure could result in:</p> <ul style="list-style-type: none"> <li>• Essential services unavailable (&gt; 1 day)</li> <li>• Life threatening injury/fatality (Severity 1)</li> <li>• Financial exposure per annum ≥ \$1.5M</li> <li>• Sustained high profile adverse national or local media campaign or irreversible loss of community confidence</li> </ul>

Criticality Rating	Asset Criticality	Consequence of failure
		<ul style="list-style-type: none"> <li>• Breach of policy, process or legislation requiring external investigation and resulting in significant tangible loss</li> <li>• Significant environmental disaster causing widespread environmental degradation/damage and/or irreversible pollution or affecting future generations</li> <li>• Significant prolonged effect to service levels/business function</li> </ul>
4	<p><b>Medium-High</b></p> <p>The asset serves a major function within the network (eg. an arterial road, large trunk main, one of a small number of water reservoirs etc).</p>	<p><b>Major</b></p> <p>Failure could result in:</p> <ul style="list-style-type: none"> <li>• Essential services unavailable (&lt;1 day), non-essential services unavailable (&lt;7 days)</li> <li>• A WorkSafe NZ notifiable injury or illness (Severity 2)</li> <li>• Financial exposure per annum ≥ \$500k but &lt;\$1.5M</li> <li>• High profile adverse national or local media attention or loss of confidence from significant portion of community sector</li> <li>• Breach of policy, process or legislation requiring external investigation and resulting in a tangible loss</li> <li>• Major but localised environmental degradation/damage/pollution with long term effects or major off-site release</li> <li>• Major but short-term effects to service levels/business function</li> </ul>
3	<p><b>Medium</b></p> <p>The asset serves an important suburban function (eg. a Collector road, minor pumping station, distribution main, public pool, park, housing or community building).</p>	<p><b>Moderate</b></p> <p>Failure could result in:</p> <ul style="list-style-type: none"> <li>• Essential services unavailable (&lt;4hrs), non-essential services unavailable (&lt;3 days)</li> <li>• Lost Time Injury (Severity 4)</li> <li>• Financial exposure per annum ≥ \$100k but &lt; \$500k</li> <li>• Adverse local media coverage/business practice resulting in complaints/prolonged unresolved dispute requiring legal oversight</li> </ul>

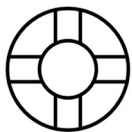




Criticality Rating	Asset Criticality	Consequence of failure
		<ul style="list-style-type: none"> <li>• Breach of policy, process or legislation requiring internal investigation including moderate treatment for the purpose of damage control</li> <li>• Moderate localised environmental degradation/damage/ (medium term effect) or contained off site release</li> <li>• Moderate short-term effects to service levels/business function</li> </ul>
<p><b>2</b></p>	<p><b>Low-Medium</b> The asset serves a primarily local function (eg a local road, pipe serving several streets, small community facility).</p>	<p><b>Minor</b> Failure could result in:</p> <ul style="list-style-type: none"> <li>• Non-essential services impacted (&lt;1 day)</li> <li>• Restricted work injury or medical treatment injury or potential for medical treatment is required (Severity 5)</li> <li>• Financial exposure per annum ≥ \$10k but &lt; \$100k</li> <li>• Minor adverse local media coverage/social media comment leading to localised complaints</li> <li>• Breach of policy, process or legislation requiring internal investigation requiring minor treatment for the purpose of damage control</li> <li>• Minor localised environmental damage/pollution Minor effects to daily business function</li> </ul>
<p><b>1</b></p>	<p><b>Low</b> The asset serves a minor local function (e.g. a water pipe serving a single street, small local reserve, etc).</p>	<p><b>Insignificant</b> Failure could result in:</p> <ul style="list-style-type: none"> <li>• No tangible impact on services to customer (monitoring maybe required)</li> <li>• First aid injury or potential for a person to seek first aid (Severity 6)</li> <li>• Financial exposure per annum &lt; \$10k</li> <li>• Social media comment/questions but no subsequent public interest or event affecting an individual or small group</li> <li>• Minor breach of policy or process requiring no investigation and only an approval or variance to prevent any damage control requirement</li> <li>• Negligible localised environmental damage</li> </ul>





Criticality Rating	Asset Criticality	Consequence of failure
		<ul style="list-style-type: none"> <li>Negligible effects to daily business function</li> </ul>

## 2.2 What are our critical assets?

No formal criticality assessment has been carried out; however, we consider that the majority of our assets are of minor critical importance and assets outlined in Table 15 are considered to be critical assets.

Table 15 - Council Facilities Critical Assets

<p><b>RAGLAN WHARF</b></p> 	High	<p>Beacons to maintain navigational safety. Wharf to maintain public amenity and access to the harbour, as a key attraction of Raglan, this is an important asset to contribute economic activity and sustainability for the Raglan Community.</p>
<p><b>COUNCIL OFFICES</b></p> 	High	<p>Necessary to maintain organisational continuity of service and function. Links to the overall Council Business Continuity Plan.</p>
<p><b>DOG POUND</b></p> 	Medium-High	<p>Necessary to continue to provide a safe and sanitary environment for unhomed animals.</p>
<p><b>LIBRARIES</b></p> 	Medium	<p>Necessary to continue to provide access and adequate social infrastructure to support community wellness and connectivity.</p>
<p><b>HALLS</b></p> 	Medium	<p>Necessary to continue to provide access and adequate social infrastructure to support community wellness and connectivity.</p>

<p>MUSEUM</p>	<p>Medium-High</p>	<p>Necessary to protect the culture heritage of the district.</p>
		
<p>HOUSING FOR ELDERLY</p>	<p>Medium</p>	<p>Necessary to continue to provide accommodation for vulnerable residents NOTE: there are plans to divest this infrastructure to achieve an improved management approach.</p>
		
<p>HERITAGE BUILDINGS</p>	<p>Medium</p>	<p>Necessary to continue to provide and protect the cultural heritage of the district</p>
		
<p>REC CENTRE &amp; POOLS</p>	<p>Medium</p>	<p>Necessary to continue to provide access and adequate recreational infrastructure, to support community wellness.</p>
		

NOTE: Further information on these assets is provided in Part 2: Activity Overview.

The risk associated with asset criticality has been taken into consideration in developing planned maintenance and renewal programmes for our assets.

Those assets defined as critical such as the main Council Offices are subject to regular inspection regimes under existing maintenance contracts. It is planned to establish a more extensive approach to defining critical assets and associated inspection programmes for these assets.



*Establish a more extensive approach to defining critical assets and associated inspection programmes for these asset groups.*

### 3. What is the Risk Management Framework?

Council have adopted a corporate level risk framework using the AS/NZS ISO 31000:2009 Risk Management – Principles & Guidelines as a basis.

The objectives of the Risk Management framework is to:

- develop a comprehensive and organised approach to risk management across the Council

- to integrate risk management activities into business, strategy, preparation, and core operations to ensure that key risks are defined, controlled, and communicated.

Benefits from applying effective risk management include:

- Identifying and managing existing and new risks in a planned and coordinated manner
- Developing a “risk aware” culture that encourages all staff to identify risks and associated opportunities as part of their business as usual activities
- Improved achievement of Council’s vision, values, and strategies – with the Executive Leadership Team having an active and informed knowledge of the range and priority of the risks that need to be managed by the organisation

### 3.1 Risk Management Policy


The Council Risk Management Policy and associated Risk Management Framework were originally adopted in March 2014. This policy describes the systems that the Council has in place to identify and manage risks which could prevent the Council from achieving its strategic objectives. The policy was reviewed and updated in March 2018.

The Council’s approach to:

- risk management
- the risk management process
- and the main risk reporting procedures

are set out in detail in the Risk Management Framework .

### 3.2 What is our Risk Appetite?

The Council have documented the levels of risk they will tolerate in its Risk Appetite Statement, published 14 September 2020 .

Risk appetite is the conscious decision about which risks, and how much of each, the organisation is willing to take on as it delivers on the vision of liveable, thriving, and connected communities. Councils risk appetite reflects our:

- business model
- our risk capacity
- our internal risk management capabilities
- culture

Our appetite for risk is influenced by several factors including (but not limited to):

- the business environment
- our people
- our community needs and wants
- our business systems and our policies

Having a clearly defined risk appetite gives clarity to the wider organisation about the nature and degree of risks that can be taken with our:



- strategic
- operational
- project work

Defining risk appetite is intimately linked to defining the overall strategy of an organisation and is therefore a task for the Executive Leadership Team and Council through the Audit & Risk Committee.

### **Benefits of Communicating Organisational Risk Appetite**

Defining and articulating risk appetite has a positive influence on our culture and behaviour. It gives us an improved understanding of what risk management means to our roles. It also helps us to apply effective risk management practices.

Risk appetite is a key component of effectively communicating risk expectations and ensuring a common approach across the three identified 'lines of defence':

- those managing risk
- those setting and overseeing the risk management practices
- risk assurance providers

Discrepancies between the Council's agreed risk appetite and residual risk levels determine whether more controls are required to appropriately manage a risk. Or whether there is space for more opportunity to be sought.

### **Summary of Risk Appetite**

Council is willing to take well defined risks at a moderate to high level where it will result in the achievement of strategic objectives specifically in:

- projects
- growth
- financial management
- internal culture areas

Council understands that the successful achievement of its objectives is significantly supported by its perceived reputation with its customers. Accordingly, Council is not willing to accept risks that would adversely impact its reputation, nor where there is employee or customer wellbeing is compromised.

## **3.3 Hazard and Risk Management**

### **What is the Hazard and Risk Management standard?**

Councils Hazard and Risk Management Standard provides guidance on managing health and safety risks associated with all facilities and operations. Minimising or mitigating Health and Safety Hazards and Risks is essential to making our workplace safer.

From an Asset Management perspective, Managers and Team Leaders are responsible for:

- Assisting with identifying, assessing, and managing hazards
- Reporting and providing assurance to the Executive Leadership Team on the outcome of hazard and risk management activities
- Ensuring that hazards and their risks in their area of control are effectively managed with prioritised corrective or mitigated action aimed at preventing events and harm

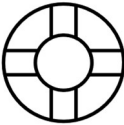


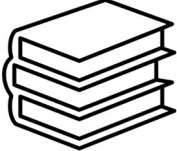
- Ensuring all hazards are reported, and that systems are in place to notify key stakeholders within specified timeframes
- Ensuring that adequate health and safety risk management activity records are retained and filed
- Ensuring that workers are given the opportunity to participate in and are consulted as part of the hazard identification and risk control process
- Allocating appropriate resources to identify and manage hazards and risks
- Ensuring workers are provided with information about hazards and controls that are necessary to keep themselves and other safe
- Ensuring personal protective equipment (PPE) is available and worn by workers

Critical Safety Risks are activities regularly undertaken by a Person Conducting a Business or Undertaking (PCBU) that if not adequately controlled could result in a serious injury or fatality. For example working in a confined space or working at height. These are defined separately in the Critical Safety Risk Management Standard. The list of activities classified as Critical Safety Risks are:








Critical Safety Risks relevant to our Assets are outlined in the figures below.

### Critical Safety Risks – Corporate Buildings

RAGLAN WHARF	COUNCIL OFFICES	DOG POUND	LIBRARIES
			
<b>Critical Safety Risk: High</b>	<b>Critical Safety Risk: High</b>	<b>Critical Safety Risk: Medium-High</b>	<b>Critical Safety Risk: Medium-High</b>
Related Risks: Working over or near water	Related Risks: Asbestos Working at Heights Hazardous Substances Working with Energy	Related Risks: Asbestos Working at Heights Hazardous Substances Working with Energy Working with Dangerous Animals	Related Risks: Asbestos Working at Heights Hazardous Substances Working with Energy

### Critical Safety Risks – Community Facilities

HALLS	MUSEUM	HOUSING FOR ELDERLY	HERITAGE BUILDINGS	REC CENTRE & POOLS
				
<b>Critical Safety Risk: High</b>	<b>Critical Safety Risk: High</b>	<b>Critical Safety Risk: High</b>	<b>Critical Safety Risk: High</b>	<b>Critical Safety Risk: High</b>
Related Risks: Asbestos Working at Heights Hazardous Substances Working with Energy	Related Risks: Asbestos Working at Heights Hazardous Substances Working with Energy	Related Risks: Asbestos Working at Heights Hazardous Substances Working with Energy	Related Risks: Asbestos Working at Heights Hazardous Substances Working with Energy	Related Risks: Asbestos Working at Heights Hazardous Substances Working with Energy Working over or near water

### 3.4 Risk Management Process

The Risk Management Process for management of council's assets focusses on ensuring that risks are identified, and treatment plans are in place for all associated activities. This enables the development of activity management programmes that address risk to align with Council's risk appetite. Figure 4 provides a guide on how risk is balanced against Levels of Service and Cost of Service. This is to ensure that the appropriate:

- treatment
- maintenance
- renewal plans

are achieved for best value for money outcomes:

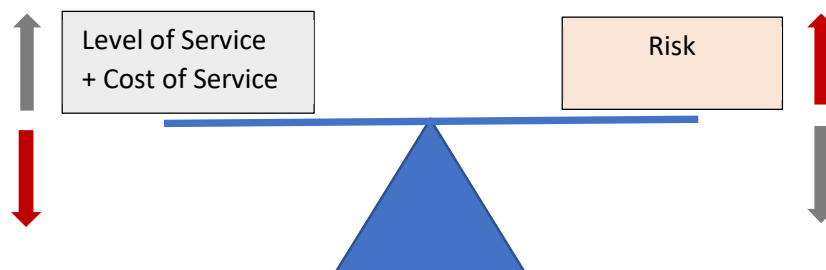
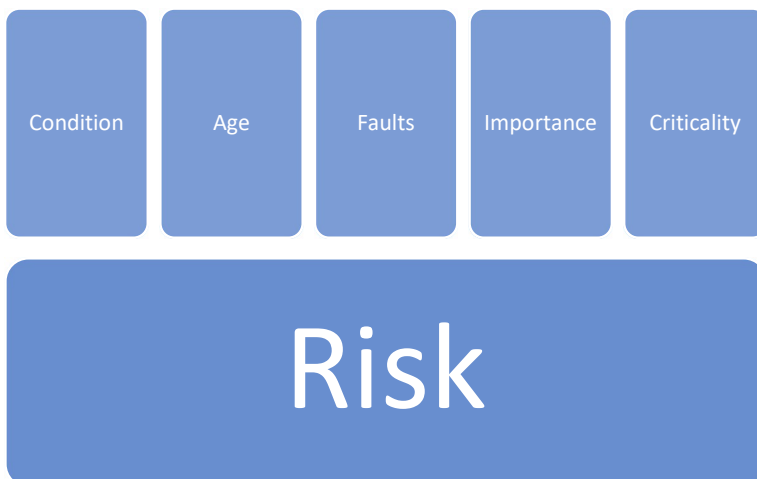


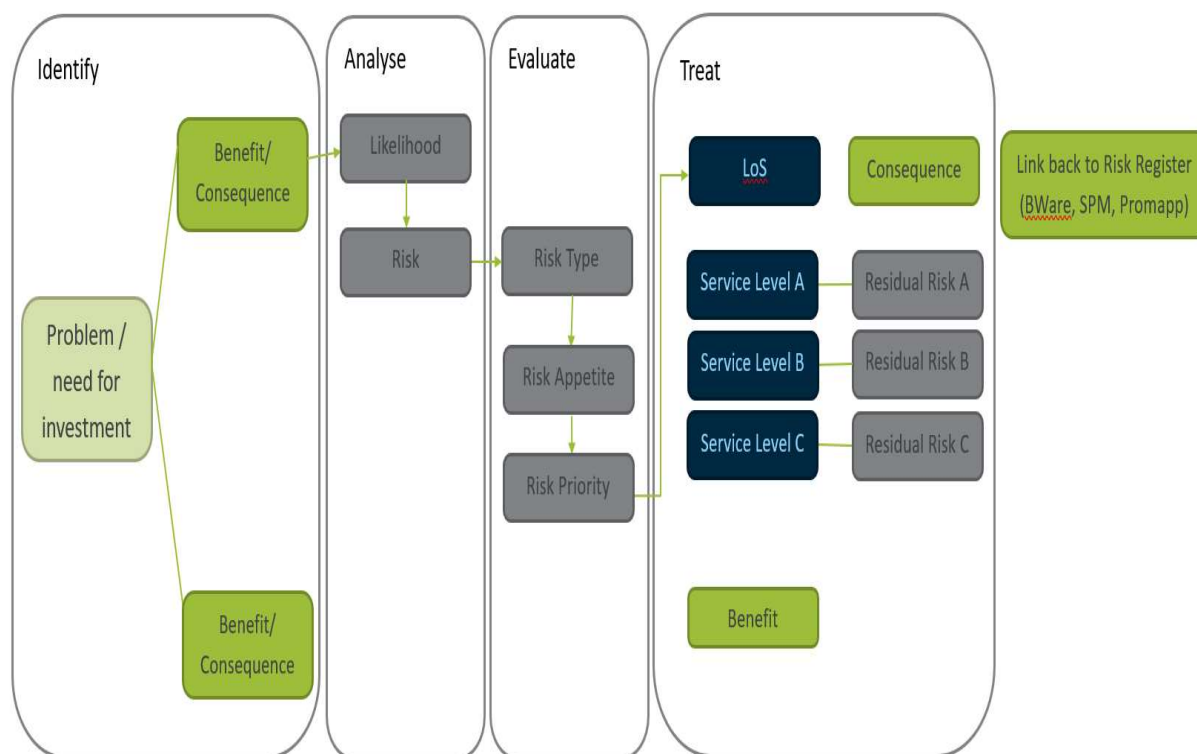
Figure 5 - Risk vs Los and Cost of Service

The data management processes through SPM enable the consideration of many risk factors to better understand the condition and needs of the asset components. At a high level, this includes the following:



As an example of what this will achieve, the programmes proposed in Part 8: Financial Summary include details of the condition and risk rating to enable clear understanding of the priority needs for each activity.

### 3.5 AMP approach to Programme Development and Investment Prioritisation using a Risk Management framework



### 3.6 Risk Monitoring

Where risks are not mitigated through investment, the community assets team follow the following risk monitoring process to continually check for change and action accordingly.

**Table 16 - Risk Monitoring and Review Requirements**

Report to	Period	Content
<b>Council</b>	Annually (start of financial year)	Report to council on top 10 <b>strategic level risks</b> facing the organisation. Full status report with information on current or revised strategic level risk profile, treatment plans in place, effectiveness of treatment plans, audit history of treatment plans, risk management tools
	6-monthly	Report to council on trends of top 10 strategic risks, any changes to <b>strategic risk</b> profile, management of risk profile, any emerging risks
<b>Audit and Risk Committee</b>	Quarterly	Top 10 <b>strategic risks, key operational and project risks</b> . Effectiveness of risk treatment plans, risk trends, emerging risks.

Report to	Period	Content
<b>Executive Leadership Team</b>	Monthly	Overview of <b>strategic risk profile, key operational and project risks</b> . Effectiveness and priority of risk treatment plans, risk trends, new and emerging risks, organisational risk activity (engagement).
<b>Business Units</b>	As part of regular team meetings	<b>Operational risk</b> should form part of team meetings to review and monitor the management of identified risks. Discuss and review the effectiveness of treatment plans along with any emerging risks. Where necessary, decisions should be made what risks may need to be escalated for ELT knowledge.
<b>Project Teams</b>	As part of regular team meetings	<b>Project risk</b> management should form part of project team meetings to review and monitor the management of identified risks. Discuss and review any emerging risks and report / review status of risks as project work progresses. Where necessary, decisions should be made what risks may need to be escalated for ELT / project Portfolio Owners knowledge.

## 4. Risk Registers

### 4.1 What are our Corporate Risks?

Within Council the Executive Leadership Team maintain a Strategic Risk Register which contains critical business level risks that have effect across the whole business. This level of risk is also monitored by the Audit and Risk Committee. Treatments and actions associated with these risks are managed in Promapp and progress is reported on a quarterly basis. Appendix E provides details of the strategic risks as at February 2020.

### 4.2 What are our activity risks?

The risk registers for the current and future council facilities activities are recorded in Promapp (risk module) and have been developed in consultation with key staff.

The risk registers will be reviewed annually, however there will be a requirement by:

- risk managers (*people assigned overall responsibility for each risk*) and
- treatment owners (*people or persons assigned responsibility to confirm treatments are operational and effective*)

to ensure proactive risk management is being conducted. The frequency of these actions for each risk is specified and managed via the Promapp risk module.

Appendix E provides details of the risks specific to our activity as of June 2020. Treatments and actions are managed in Promapp. Actions that are required to achieve the desired improvements are indicated along with how progress on these actions will be monitored and reported. Where applicable, action tasks detail timeframes for achievement, and responsibility for these actions.

For most registers there is some work required to match the risks to mitigation measures and then specific actions. The latter two are listed under the treatment field in Promapp.



*Establish a process for reviewing risks and updating the risk registers in PROMAPP at least quarterly*

## 5. What are our risk responses?

There is a suite of response strategies for the potential risks identified above, they include avoiding, exploiting, transferring / sharing, reducing, or accepting the risk. These response strategies are summaries in Table 17 below.

Table 17 - Risk Responses

Response	Definitions
<b>Avoid</b>	To terminate exposure to a potential risk, generally the organisation needs to exit the activity which gives rise to the risk, or not start an activity which would give rise to the risk.
<b>Exploit</b>	For risks which present an opportunity for Waikato District Council, a legitimate approach is to increase Waikato District Council's exposure to the risk; generally, this would represent a situation where Waikato District Council can gain an advantage through their management of this risk.
<b>Transfer / Share</b>	Risk transfer is getting another party to undertake the activity.
<b>Reduce</b>	For risks which present a threat to Council, but which cannot be avoided, the development of additional controls or mitigation strategies
<b>Accept</b>	Accepting the risk by informed decision. This means continuing with the business activity / project as currently defined, aware of how much risk is involved, monitoring changes in overall risk is involved, monitoring changes in overall risk, and ensuring appropriate levels of contingency at the Waikato District Council level.

## 6. How we respond in an emergency

### 6.1 Civil Defence Emergency Management


Civil defence emergency management is the collective resilience of our Council, our partners and stakeholders, and our communities to manage a disaster in our district. How well we prepare ourselves and understand the likelihood and consequence of our hazards will determine how well we respond and recover from any event. CDEM is Council business.

All of the planning, management and activities that we do as part of our business-as-usual contributes to how we will manage an impact of any size on our assets, and provide support to our communities when normal services are disrupted.

In an emergency of any scale we will have a specialist team in our Emergency Operations Centre (EOC) coordinating and prioritising Council's response to the areas of impact within our community.



Council staff will be working collectively with stakeholders to coordinate emergency response through the event, and then to get our organisation, services, and community back up and running.

Council has developed a Local Civil Defence Emergency Management Plan  that outlines specific activities and arrangements for the District.

Emergency Management of Facilities is managed through the following arrangements:

- Halls – Terms of Reference
- Community facilities and corporate property – FM Contract

## 6.2 Business Continuity Plans (BCP)

In the event of an emergency we may not be able to maintain a full level of service due to the disruption that we could experience. Business continuity planning supports Council to maintain a minimum service level to our community and stakeholders during and following an emergency.

The BCP for Facilities is located within Council's document management system, ECM, and speaks on the Facilities activity under civil defense declaration or other emergencies.

### Core Services for the Facilities operations are:

#### 1. Essential services (must keep operating)

Building Security. Security alarms, compound security fences.

Fire Security. Fire Alarms.

The monitoring of all security and fire alarms (via Outsourced Partner – e.g. ADT).

#### 2. Services which ideally need to be continued.

Maintenance of Facilities:

- Council Offices, Libraries, Pensioner Housing and Public Swimming Pools remain operational.
- Our contractors and suppliers can continue providing their services to Council. Maintenance will be on as-needs basis (e.g., a plumbing fix is critical as opposed to replacing a washer on something not critical) rather than routine.

Internal cleaning of facilities. In times of Pandemic this may become a critical service.

Fleet management.

Contract management (e.g. supplier management/overseeing contractors/contract meetings, etc.) – Some of this could be continued via 'phone or other means of remote working

#### 3. Non-Essential Services

Minor maintenance which can be deferred.

## 6.3 Resilience

The National Infrastructure Unit defines resilient infrastructure as

*“infrastructure that is able to deal with significant disruption and changing circumstances such as natural hazards and shock events or events which evolve over time such as changing demographics.”*

The focus for resilience within this plan will be on the ability to provide essential services following a high consequence event such as a natural disaster. Resilience of critical assets is particularly important for continuation of service delivery.

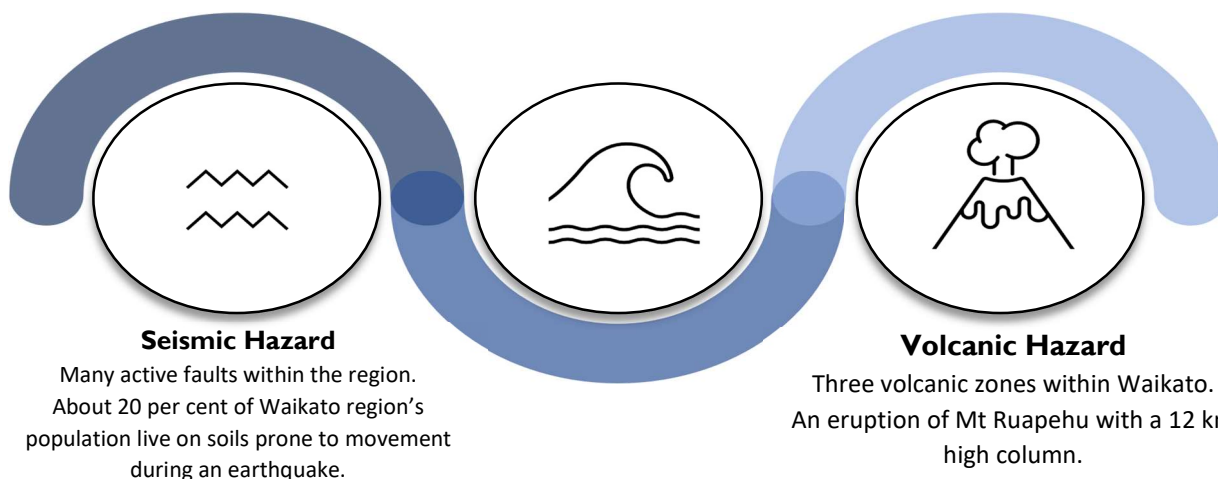
Organisational aspects of resilience are outlined in the previous sections. Technical aspects of resilience are:

- **Robustness/Resistance** - The strength or the ability of elements, systems, and other units of analysis, to withstand a given level of stress or demand without suffering degradation or loss of function.
- **Redundancy** - The extent to which elements, systems, or other infrastructure units exist that are substitutable, i.e. capable of satisfying functional requirements in the event of disruption, degradation, or loss of functionality.
- **Reliability** - The extent to which the infrastructure components are inherently designed to operate under a range of conditions and hence mitigate damage or loss from an event.

The events and hazards considered relevant to the District are those outlined below.

### Flooding Hazard

Many areas of coastline exposed to erosion and flooding.  
Waterways and low-lying plains vulnerable to inland flooding.  
About 43 per cent of the region is prone to soil erosion.

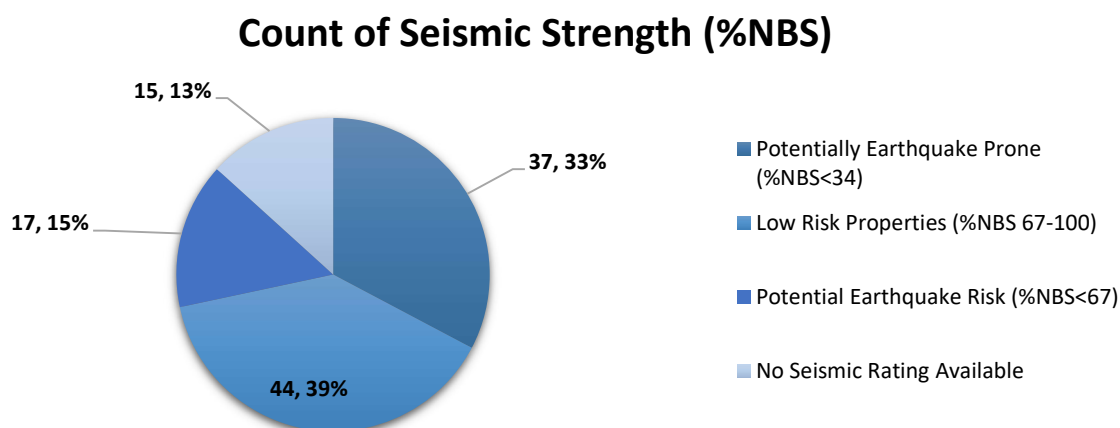


The following sections further discuss the hazards and assess the resulting impacts on critical assets and potential mitigation measures.

## 6.4 Seismic Hazard

An Initial Seismic Assessment (ISA) has been undertaken for all properties that require strength assessments under the Building Act 2004. This does not include residential properties.

From the initial assessments, an overall indication of the strength of Council’s commercial and community properties is as follows (there are no seismic rating category generally relates to secondary buildings/structures).



**Figure 6 - Count of Seismic Strength (%NBS)**

According to the Building Act (2004) and associated regulations, any building which has an earthquake loading capacity of less than or equal to one third of that required for a similar new building (i.e. <33%NBS) fulfils one of the requirements for the Council to consider it to be an Earthquake-Prone Building (EPB).

The New Zealand Society for Earthquake Engineering (NZSEE) considers that any building meeting a standard of at least two thirds of that required for a new building (> 67%NBS) has reached a standard that does not need to be considered as an Earthquake Risk Building. Buildings with a %NBS less than 67% are deemed an “Earthquake Risk Building (ERB).

Timeframes to progress detailed assessment and seismic strengthening work is described by the following extract from the ISA report, where it can be assumed Waikato sits within a Medium Seismic Risk area (North Western end is Low):

The Ministry of Business, Innovation and Employment (MBIE) (2017), has indicated a timeframe for Territorial Authorities to carry out seismic strengthening for “priority” and “other” buildings through the Earthquake-Prone Buildings Amendment Act 2016. Table 2 below displays this information.





**Table 2: Timeframes for Seismic Strengthening (MBIE, 2017)**

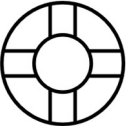

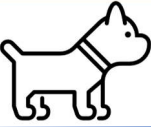

Seismic Risk Area	TAs must identify potentially earthquake-prone buildings by:		Owners of earthquake-prone buildings must carry out seismic work within (time from issue of EPB notice):	
	Priority	Other	Priority	Other
High	1 Jan 2020	1 July 2022	7.5 years	15 years
Medium	1 July 2022	1 July 2027	12.5 years	25 years
Low	N/A	1 July 2032	N/A	35 years

**Figure 7 - Timeframes for Seismic Strengthening**

Further information regarding each individual properties %NBS rating is provided in the Appendices A and B.




**Table 18 - Seismic Event Expected Impacts**




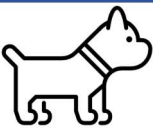

<p><b>COUNCIL OFFICES</b></p> 	Ground movement, damaging building	Relocate staff, secure building, and repair damage when safe to do so
<p><b>REC CENTRE &amp; POOLS</b></p> 	Ground movement, damaging building/facility	Close facility, secure building and repair any damage when safe to do so.
<p><b>HOUSING FOR ELDERLY</b></p> 	Ground movement, damaging building	Relocate residents, close facility, secure building and repair any damage when safe to do so.
<p><b>HALLS</b></p> 	Ground movement, damaging building	Close facility, secure building and repair any damage when safe to do so.

RAGLAN WHARF	Ground movement, damaging wharf	Close facility, secure building and repair any damage when safe to do so.
		
MUSEUM	Ground movement, damaging building	Close facility, secure building and repair any damage when safe to do so.
		
DOG POUND	Ground movement, damaging building	Close facility, secure building and repair any damage when safe to do so.
		
HERITAGE BUILDINGS	Ground movement, damaging building	Close facility, secure building and repair any damage when safe to do so.
		

## 6.5 Flooding Hazard




Table 19 - Flooding Event Expected Impacts






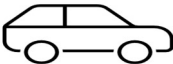
COUNCIL OFFICES	Water damage throughout building	Relocate staff, secure building, and repair damage when safe to do so
		
REC CENTRE & POOLS	Water damage throughout building	Close facility, secure building and repair any damage when safe to do so.
		
HOUSING FOR ELDERLY	Water damage throughout building	Relocate residents, close facility, secure building and repair any damage when safe to do so.
		

HALLS 	Water damage throughout building	Close facility, secure building and repair any damage when safe to do so.
RAGLAN WHARF 	Water damage throughout buildings on wharf	Close facility, secure building and repair any damage when safe to do so.
MUSEUM 	Water damage throughout building	Close facility, secure building and repair any damage when safe to do so.
DOG POUND 	Water damage throughout building	Close facility, secure building and repair any damage when safe to do so.
HERITAGE BUILDINGS 	Water damage throughout building	Close facility, secure building and repair any damage when safe to do so.

## 6.6 Volcanic Hazard


Table 20 - Volcanic Hazard Expected Impacts

COUNCIL OFFICES 	Ash layer over building	Ensure buildings are secure to prevent ash entering, including a/c units
REC CENTRE & POOLS 	Ash layer over building	Ensure buildings are secure to prevent ash entering, monitor pumps etc. for damage.
HOUSING FOR ELDERLY 	Ash layer over building	Ensure residents are safe, buildings are secure to prevent ash entering, including a/c units








HALLS 	Ash layer over building	Ensure buildings are secure to prevent ash entering
RAGLAN WHARF 	Ash layer over wharf and through buildings	Ensure buildings are secure to prevent ash entering
MUSEUM 	Ash layer over building	Ensure buildings are secure to prevent ash entering, including a/c units
DOG POUND 	Ash layer over building	Ensure buildings are secure to prevent ash entering, including a/c units
HERITAGE BUILDINGS 	Ash layer over building	Ensure buildings are secure to prevent ash entering, including a/c units
FLEET 	Damage to vehicles due to fine ash	Limit use of vehicles, where damage may occur

## 6.7 Other Natural Hazards (Landslides, Tsunami, Wind, Snow, Lightning, Erosion etc)

Table 21 - Other Natural Hazard Expected Impacts

COUNCIL OFFICES 	Damage to buildings	After hazard check buildings for damage, relocate staff, and secure if required until repairs can be carried out
--	---------------------	--



<p>REC CENTRE &amp; POOLS</p>	<p>Damage to buildings and facility</p>	<p>After hazard check buildings/ structures for damage and secure if required, until repairs can be carried out</p>
		
<p>HOUSING FOR ELDERLY</p>	<p>Damage to buildings</p>	<p>After hazard check buildings for damage, relocate residents, and secure if required until repairs can be carried out</p>
		
<p>HALLS</p>	<p>Damage to buildings</p>	<p>After hazard check buildings for damage and secure if required, until repairs can be carried out</p>
		
<p>RAGLAN WHARF</p>	<p>Damage to wharf</p>	<p>After hazard check structures for damage and secure if required, until repairs can be carried out</p>
		
<p>MUSEUM</p>	<p>Damage to buildings</p>	<p>After hazard check buildings for damage and secure if required, until repairs can be carried out</p>
		
<p>DOG POUND</p>	<p>Damage to buildings and facility</p>	<p>After hazard check buildings/ structures for damage and secure if required, until repairs can be carried out</p>
		
<p>HERITAGE BUILDINGS</p>	<p>Damage to buildings</p>	<p>After hazard check buildings for damage, relocate staff, and secure if required until repairs can be carried out</p>
		

## 7. Risk Insurance

### 7.1 What insurance is held for our activity?

Council insures assets as part of the Local Authorities Shared Services (LASS) group. This is outlined in the Local Authorities Shared Services Manual 2015-16. The type and level of insurance cover taken

is dependent on the level of risk associated with the activity. Insurance policies taken out by the Council cover infrastructural assets above and below ground.

Types of cover include property and business interruption such as material damage because of fire, storm, explosion, flooding etc., and the consequential loss of profits from that event. Council employees are also covered for liability risks of a work-related injury that is not covered under ACC.

All contractors who undertake work for the Council are required to show that they hold adequate insurance for Public Liability, Professional Indemnity and Contract Works. The level of insurance cover for the contractor is dependent on the nature of work and associated risk exposure.

Under the insurance programme, Council has the following insurance policies:

- Material Damage – Excluding Fire
- Material Damage - Fire
- Business Interruption
- Boiler Explosion
- Material Damage - Infrastructure
- Forestry
- Aviation Airport Owners and Operators Liability
- Employers Liability
- Statutory Liability
- Crime
- Personal Accident
- Marine Hull
- Motor Vehicle
- General Liability and Professional Indemnity – RiskPool
- Cyber Liability

The underground assets are only insured for material damage because of a natural catastrophe including:

- Earthquake
- Natural Landslip
- Flood
- Tsunami
- Tornado
- Windstorm
- Volcanic Eruption
- Hydrothermal & Geothermal activity
- Subterranean Fire and Business Interruption

### **Earthquake-Prone Facilities (Finance Manager September 2020)**

Buildings that are currently below 34% of NBS are covered under insurance. However, in the event of damage to the building, the policy will not cover the additional costs required for the building to meet the new building standards for seismic strength. Normally the policy responds to additional costs required to meet the current building codes if the costs are required to reinstate a building following damage (e.g., installing disability access, or additional fire exits etc.). However, insurers now have a specific exclusion relating to earthquake-strengthening costs.

## Part 5: Managing Growth

*The ability to predict future demand for services enables Council to plan and identify the best way of meeting that demand. That may be through a combination of demand management and investing in improvements.*

*This section provides an overview of the key drivers of demand the demand management measures Council has planned to put in place.*



### I. What are Growth and Demand Implications?

The following defines the implications of both growth and demand regarding the ongoing function/delivery of asset management.

**Growth** - In relation to the asset management activities, growth mainly refers to the growth in population or areas that are growing due to new residential or commercial developments, e.g., new connections due to additional properties.

These changes increase the demand for services and assets, which essentially leads to requirements around transport, three waters, open space, and public facilities. Growth can also relate to increases in commercial/industrial activities, particularly if they are reliant on the above.

**Demand** – Demand for services can be influenced by several factors besides growth. Climate change, type of developments (e.g., commercial development will generally have greater requirements), customer expectations and trends (e.g., roading connections, inefficient water usage versus environmental awareness, seasonal demand, and household technology) also have implications for the level of service.

Growth and demand planning highlights areas within the activity that are likely to face long term pressures from changes in the status quo. The key drivers that are likely to change the operating landscape for the activity include:

- Population growth and demographics
- Geographical Demand
- Property utilisation
- Service delivery Requirements
- Community expectations and external Issues
- Requirements of legislation
- Climate Change

## **1.1 Waikato District Council's Vision**

*Liveable, Thriving and Connected Communities.*

Our Vision and Community Outcomes set the goals we want to achieve in everything we do.

The Activity Management Plan (AMP) will enable the vision to be achieved through effective long-term planning.

## **1.2 Waikato 2070**

The Waikato District Council Growth & Economic Development Strategy (Waikato 2070) was developed to provide guidance on appropriate growth and economic development that will support the wellbeing of the district. The document was prepared using the Special Consultative Procedure, Section 83, of the Local Government Act (2002) and adopted by Council in May 2020.

Waikato 2070 is a guiding document that the Council uses to inform how, where and when growth occurs in the district over the next 50-years. The growth indicated in Waikato 2070 has been informed by in-depth analysis and combines economic, community and environmental objectives to create liveable, thriving, and connected communities. The growth direction within Waikato 2070 will ultimately inform long-term planning and therefore affect social, cultural, economic, and environmental wellbeing.

The strategy takes a broad and inclusive approach to growth over the long term, considering its economic, social, environmental, cultural, and physical dimensions. Waikato 2070 is concerned with the growth and development of communities throughout the district, including rural and urban environments.

Also, Waikato 2070 informs the Council of the timing of release for each growth cell identified in the development plans and therefore provides an indication of what and where infrastructure and services will be required to ensure growth cells go online in a timely manner. Therefore, Waikato 2070 feeds into and informs the:

- Activity Management Plans
- Long-Term Plan
- 30-year Infrastructure Strategy

to inform the need and timing for infrastructure and services throughout the district.

Growth cells identified in Waikato 2070 in each of the town or village development plans are in varying planning stages and fall under one or more of the following:

- Zoning is in place for development in the Operative District Plan,
- Area/s are proposed for a change in zoning in the Proposed District Plan,
- Area/s have submission/s seeking a change in zoning on the Proposed District Plan,
- The area is not yet identified in either the Operative District Plan or the Proposed District Plan.

### **I.3 Priority Focus Areas and Outcomes**

As part of the development of the Waikato District Council Growth and Economic Strategy (Waikato 2070<sup>1</sup>) four key themes were identified as priority focus areas they are:

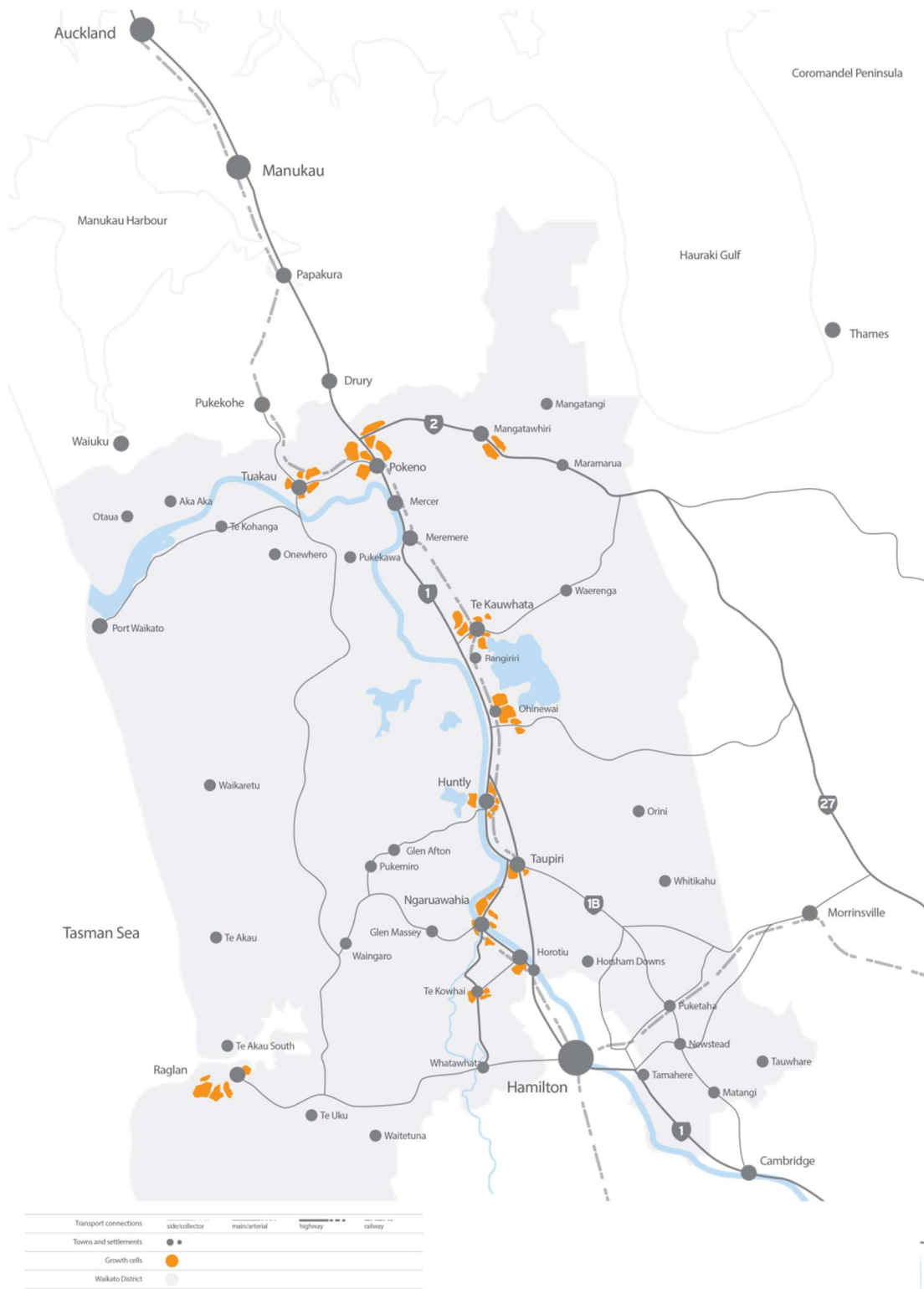
- Growing our Communities
- Building our Businesses
- Embracing our Identity
- Empowering our People

These focus areas influence the Council's aspiration to achieve the following outcomes:

- Support growth in targeted areas as identified in the Waikato 2070;
- Maintain and manage existing assets, in accordance with statutory and regulatory requirements;
- Modernise and upgrade infrastructure, where it is prudent to do so;
- Ensure services and infrastructure are provided for and operate in a sustainable manner, to support the four community well-beings (Local Government Act 2002) economic, environmental, social and cultural;
- Ensure that assets are managed in alignment with planning, acquisition, operation, maintenance, renewal and disposal of assets;
- Achieve more within existing budgets by continuously looking at more innovative and efficient methods to deliver services;
- Move the cost of providing a particular service to those who use them, i.e. user pays.

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<sup>1</sup> This has been subject to a Special Consultative Procedure under the Local Government Act 2002.



**Figure 8 - Waikato 2070 Growth Areas Map**

Table 22 - Waikato 2070 Focus areas and implementation methods

Key Focus Area Direction	Key Implementation
<p><b>GROW OUR COMMUNITIES</b></p> <ul style="list-style-type: none"> <li>• Deliver well-planned and people friendly communities</li> <li>• Promote sustainable and cost-effective land use patterns</li> </ul> <p><b>BUILD OUR BUSINESSES</b></p> <ul style="list-style-type: none"> <li>• Support existing businesses to grow and attract new businesses to the district</li> <li>• Help deliver inclusive growth</li> </ul> <p><b>EMBRACE OUR IDENTITY</b></p> <ul style="list-style-type: none"> <li>• Promote our culture</li> <li>• Celebrate our history</li> <li>• Protect our environment</li> </ul> <p><b>EMPOWER OUR PEOPLE</b></p> <ul style="list-style-type: none"> <li>• Increase capability and capacity</li> <li>• Build a resilient local workforce</li> </ul>	<ul style="list-style-type: none"> <li>• Promote resilience through a range of measures:</li> <li>• Involve iwi and the community in decision making on the different levels of service and affordability, and aspirations identified in the Waikato District Council Blueprints;</li> <li>• Support sustainable economic growth and development in various Council policies and plans;</li> <li>• Accommodate natural hazards and climate change in strategic land use plans and in manage development overtime.</li> <li>• Promote a sustainable environment by maintaining existing infrastructure and services and aligning levels of service and affordability.</li> <li>• Adopt an integrated and environmentally sustainable approach to planning and implementing development.</li> <li>• Integrate the provision of supporting infrastructure and services with land use planning, including transport, water and open space.</li> <li>• Ensure our towns offer employment and housing choices with high amenity environment that avoids development resulting in social isolation;</li> <li>• Greater coordination and sharing in the planning and operation of supporting stormwater infrastructure and services</li> <li>• Obligations to continually improve water quality in the river in accordance with the Vision and Strategy for the river in the Regional Policy Statement and Regional Plan, as well as in terms of the Waikato Tainui Environmental Plan;</li> <li>• Protect transport networks, strategic sites, corridors and areas for future development;</li> <li>• Encourage land uses that utilise our highly productive land by promoting agriculture production;</li> <li>• Collaborate and connect communities with various agencies to ensure opportunities for communities;</li> <li>• Protect our natural, cultural and historical heritage;</li> <li>• Promote ecological and environmental protection and restoration.</li> </ul>



## 2. National, Regional, Sub-Regional and Local Growth Documents

### 2.1 National Policy Statement on Urban Development

The Future Proof sub-regional area<sup>2</sup>, described below, has been identified within a tier 1 high growth area in the National Policy Statement on Urban Development (2020) (“NPS-UD”), which came into effect in August 2020. The NPS-UD has been designed to improve the responsiveness and competitiveness of residential and business land development markets and requires local authorities to ensure adequate development capacity.

The key aspects of the NPS-UD include:

- Introducing directive intensification policies to enable people to live in areas of demand close to urban centres and well-served by public transport,
- Removing the ability to set car parking requirements in district plans (except accessible car parking),
- Requiring responsive consideration of plan changes, and
- Enabling greater focus on quality of capacity enabled through the development of a Future Development Strategy, Housing and Business Assessments, ongoing monitoring and using evidence.

Future Proof partners regularly track and monitor development to ensure that demand is met, and future housing and business trends are taken into consideration. This includes ensuring different housing typologies to provide choices for everyone in our communities are considered.

### 2.2 Waikato Regional Policy Statement

The Waikato Regional Policy Statement provides an overview of resource management issues in the Waikato region. It provides a range of policies to achieve integrated management of natural and physical resources across resources, jurisdictional boundaries, and agency functions. It guides the development of sub-ordinate plans (regional as well as district) and the consideration of resource consents.

The Activity Management Plan consider the requirements set out in the Waikato Regional Policy Statement, to ensure the regional resource management issues identified are appropriately managed, remedied or avoided within our district.

### 2.3 Future Proof: Sub-Regional Growth Strategy

The Future Proof Growth Strategy and Implementation Plan is a 30-year plan specific for Hamilton City, Waipa District and Waikato District (Future proof sub-region) area shown in Figure 9 . The strategy was initially adopted in 2009 and updated in May 2017. The strategy provides a framework to manage growth in a collaborative way for the benefit of the future proof sub-region both from a

<sup>2</sup> Future Proof is a joint project set up by partners to consider future development and growth. The partners include Ngāa Karu Atua o te Waka, Waikato-Tainui, Tainui Waka Alliance, Waikato Regional Council, Waipa District Council, Waikato District Council, Hamilton City Council, Waka Kotahi, and Waikato District Health Board.

community and a physical perspective. The strategy is currently under review and will be released in December 2020.

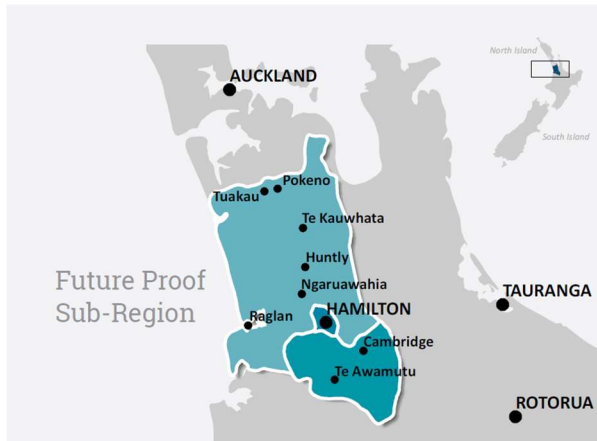


Figure 9 - Future Proof Sub-Region

Future Proof addresses the big picture and discusses what the region might look like in 50 years' time. Community feedback indicated that a 'business as usual' approach to growth was not sustainable. Therefore, the strategy aims to provide direction for a mixture of the following:

**Compact Settlement** – a managed increase in the number of households in urban areas and in some cases increasing the density of housing; and

**Concentrated growth** – a major shift to intensify housing, especially in Hamilton City.

The Future Proof Strategy vision is:

In 2061 the Hamilton, Waipa and Waikato sub-region:

- Has a diverse and vibrant metropolitan centre strongly tied to distinctive, thriving towns and rural communities;
- Is the place of choice for those looking for opportunities to live, work, invest and visit;
- Is the place where natural environments, landscapes and heritage are protected, and a healthy Waikato River is at the heart of the region's identity;
- Has productive partnerships within its communities, including tangata whenua;
- Has affordable and sustainable infrastructure; and
- Has sustainable resource use.

The Tangata Whenua vision for the Future Proof Strategy is:

- Kia tuku atu nga karu atua o te waka hei arahi, hei arataki, hei tiaki.
- To enable guidance, leadership, and nurturing, knowing our future by planning today.

- Figure 10 provides a map showing how the Waikato District might look, based on proposed urban limits in 2061.

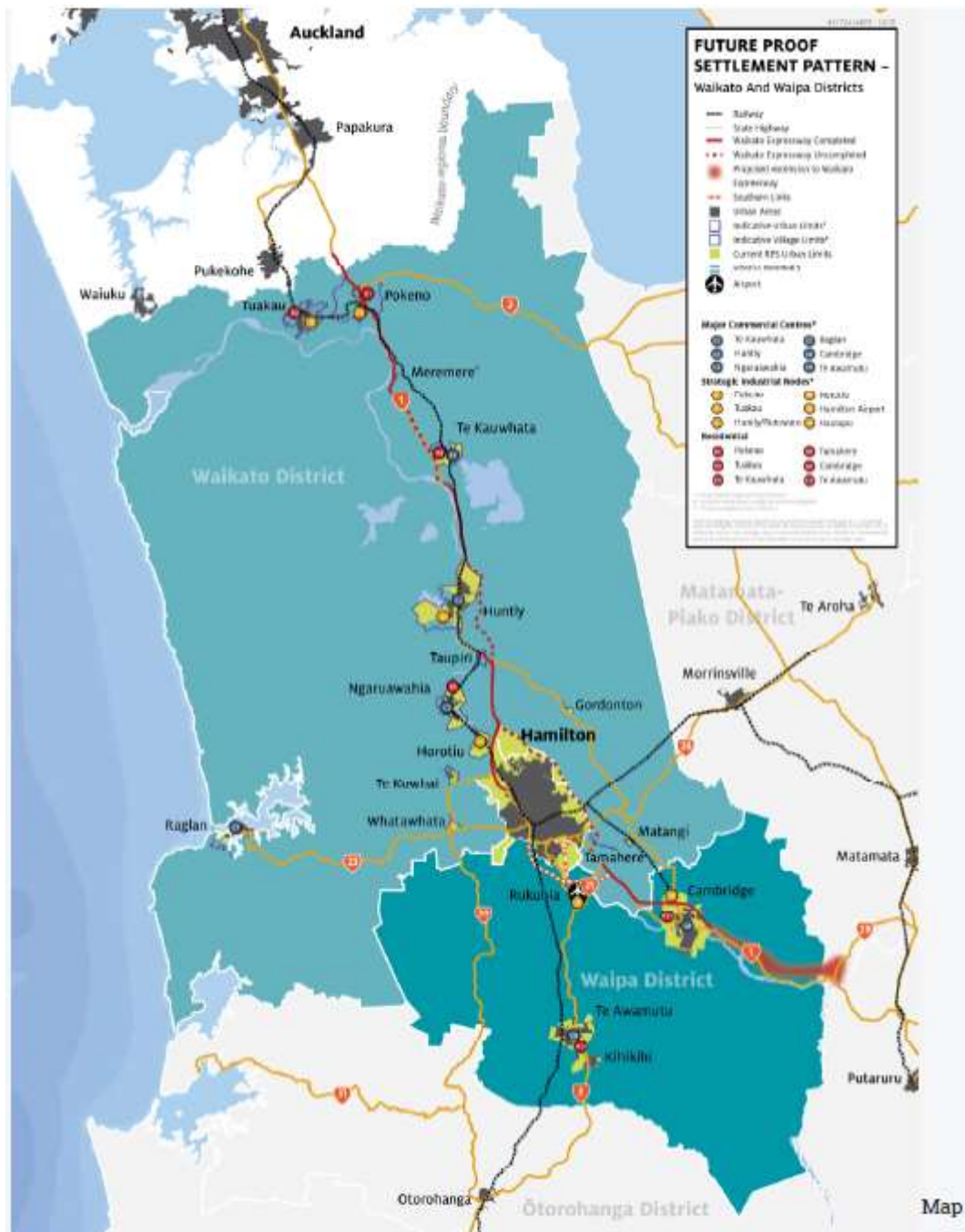


Figure 10 - Future Proof Settlement Pattern

## 2.4 Impact of Auckland Unitary Plan

Future Proof partners are responding to the effects of the Auckland Unitary Plan, which was adopted in July 2016. The unitary plan, which is under appeal, allows for the construction of 400,000 more houses in the Auckland area.

Over the next 30 years, Auckland Council anticipates zoning changes enabling around 50,000 dwellings and 30,000 jobs in the southern Auckland greenfield development areas which include the Drury-Opaheke and Pukekohe-Paerata structure plans area. It is anticipated the increased provision in south Auckland will result in some spill-over effects into the Waikato. These include:

- A demand for more housing in the northern Waikato so residents can be close to new employment opportunities in south Auckland, have a more affordable housing or an alternate lifestyle choice;
- A demand for employment land as industry is pushed out of the city limits;
- Greater pressures on rural land for subdivision;
- Displacement of horticulture out of Auckland and into northern Waikato which has an impact on our region's natural resources; and
- Growth pressures on existing townships, such as Tuakau, Pokeno and Te Kauwhata.

## 2.5 Northern Waikato Integrated Growth Management Business Case

The Northern Waikato Integrated Growth Management programme business case focuses on land use and supporting infrastructure in north Waikato from Huntly through to the Auckland boundary near Pokeno and Tuakau.

Most of the growth over the past ten years has occurred in rural, rural residential zones and in Pokeno, which is 15 years ahead of projected development. This development pattern has exacerbated several problems including access to services, employment and amenities for the community.

The increase in growth is expected to cause capacity issues on infrastructure and services, raising risks of costly and potentially underfunded infrastructure upgrades when addressing capacity issues in the future without proactive infrastructure and land use planning.

Currently, the north Waikato is experiencing high population growth, and this is expected to continue due to faster than expected construction of residential housing in Te Kauwhata and Pokeno.

The contributing growth is expected to cause capacity issues on infrastructure and services. The main issues for this area are unplanned growth causing communities to become increasingly disconnected, and unaddressed increasing growth demands causing the open space network to become insufficient.

## 2.6 Waikato Blueprint: District Wide and Local Area Blueprints 2019

The Waikato Blueprint was developed in consultation with communities through local area workshops to provide a picture of how the district could progress over the next 30 years with a focus on addressing the communities' social, economic, and environmental needs.

The Blueprint was developed and delivered through a series of intensive consultation and Inquiry-By-Design workshops between July-November 2018 and adopted in June 2019. The aim of the Blueprint

was to provide a high-level picture of how the community aspires the district to progress within the next 30 years. The Blueprint has been given consideration in several documents, including Waikato 2070, and subsequent planning undertaken by Council such as the development of the 2021-2031 Long Term Plan.

### 3. What are the impacts of COVID-19?

Although our district is in a growth phase, the impacts on asset management will be variable over the short, medium, and long term. The financial market and particularly the COVID-19 crisis could have short-term impacts on whether the residential, industrial, and commercial growth is maintained at its current rate of over 1.5 percent year on year.

In the short to medium term, the Proposed District Plan (PDP) review will have a significant impact on asset management and the requirements for new asset infrastructure and facilities, with the new areas zoned for development being a big driver for this.

Upgrades will be required in all the main towns in the district over various timeframes with key areas being:

- Tuakau, Pokeno in the north
- Huntly
- Taupiri
- Ngaruawahia
- Horotiu central
- Raglan in the west

Future Proof provides a vehicle for the sub-region to respond to government initiatives collectively as a sub-region, e.g. COVID-19 economic stimulus package made up of shovel ready projects.

The impact of COVID-19 has meant a reassessment of growth predictions for population and households in the District.

The population and household projections used as the basis for this AMP has shifted from the high to the medium forecasted figures in the Waikato 2070 strategy.

### 4. Population and Household Demand

Some parts of the district have had static population growth and historically declining economic and social indicators and high deprivation, whereas others have experienced the opposite.

Future growth, development and investment choices must respond to these trends and be facilitated in a way which promotes the advancement of the more disadvantaged through:

- housing
- employment
- education choices and opportunities.

Maintaining Council's existing assets and providing new ones will be critical to this future growth and investment.

The population in the Waikato District in 2020 was 81,473.

Overall, population in the Waikato District is increasing by 1.5% year on year, and the population is expected to continue growing in the following key towns and villages:

- **North Waikato (Tuakau and Pokeno)**, due to the proximity to Auckland, where there is a variety of employment options.
- **Mid Waikato (Te Kauwhata and Huntly)**; with the opening of the Waikato Expressway this brings challenges and opportunities for Huntly, which will see the township change over the coming years. Te Kauwhata is located just off the Waikato Expressway providing strong transport connections to the north and south. Ohinewai is a new area that could undergo significant change if a rezoning under the Proposed District Plan progresses to allow a new industrial and residential area.
- **Hamilton-Waikato Metropolitan Area (Taupiri, Ngaruawahia, Horotiu, Te Kowhai)**
- **West Waikato (Raglan)**, which has a high amenity environment 35 minutes' drive from Hamilton including the Whaingaroa Harbour and the West Coast with surrounding farm and bush areas.
- Hamilton peri-urban areas due to high demand for residential, lifestyle and industrial land within 20km of Hamilton.

The surrounding rural areas of the district towns have a mixture of high-quality soils, steep land and a range of forestry, bush and wetland areas which are serviced by several small villages such as:

- Port Waikato
- Eureka
- Meremere
- Onewhero
- Maramarua

Growth in these villages will be limited to current planning provisions.

The figures below show the population and household projections for the Waikato District for 2020 to 2060. Based on household projections prepared by the University of Waikato (Cameron, 2020) the Waikato District's population is projected to increase by approximately 15,500 - 19,000 additional people over the next 10 years.

To understand the distribution of the growth across the district Waikato District Council has a Spatial Distribution Model (2020) this has been used to inform the household projection numbers for each town or village.

By 2060 the District's total population is estimated to reach between 128,500 - 149,500.

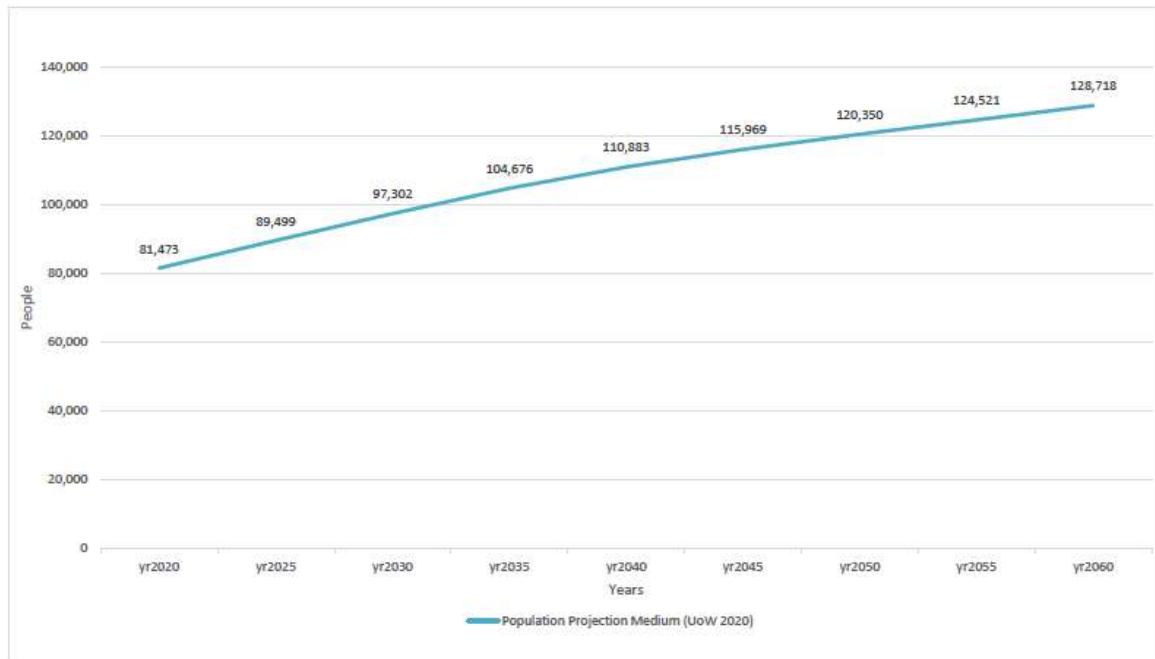


Figure 11 - Waikato District Population Projection 2020-2060 (medium) (Cameron 2020)

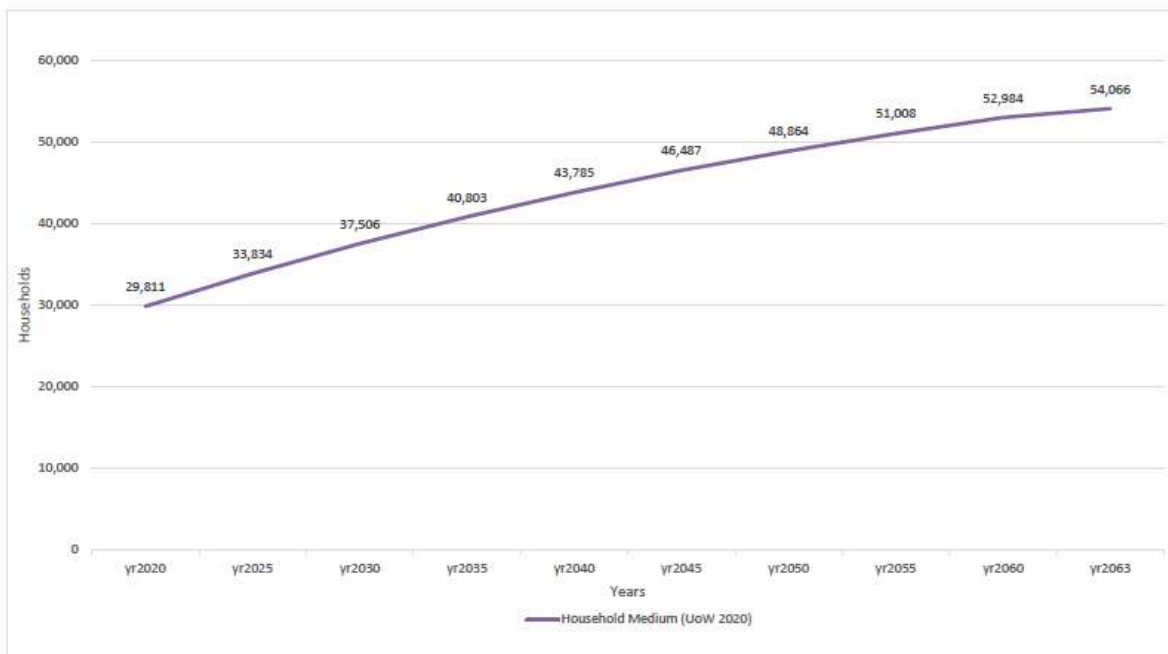


Figure 12 - Waikato District Household Projection 2020-2060 (medium) (Cameron, 2020)

Table 23 shows the medium projected population of the district by village / rural and township over the next 10 years.



Table 23: 10-Year Medium Projected Population by Village / Rural and Township

Settlement	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
<b>Towns</b>												
Horotiu	916	941	985	1,035	1,078	1,121	1,164	1,206	1,248	1,290	1,333	1,374
Huntly	7,629	7,714	7,757	7,798	7,858	7,917	7,976	8,032	8,093	8,158	8,219	8,303
Ngaruawahia	7,910	8,093	8,245	8,328	8,418	8,512	8,622	8,755	8,882	9,007	9,132	9,260
Pokeno	4,228	4,492	4,997	5,216	5,513	5,837	6,119	6,418	6,700	6,946	7,200	7,451
Raglan	4,815	4,970	5,009	5,068	5,119	5,180	5,247	5,311	5,379	5,449	5,520	5,590
Tuakau & Surrounds	9,496	9,645	9,792	9,952	10,120	10,309	10,462	10,608	10,776	10,957	11,118	11,283
Te Kauwhata & Surrounds	3,110	3,411	3,486	3,641	3,793	3,943	4,091	4,237	4,381	4,521	4,658	4,789
<b>Rural and Villages</b>												
Eureka-Tauwhare	2,309	2,347	2,361	2,403	2,437	2,468	2,498	2,527	2,558	2,589	2,621	2,652
Gordonton-Kainui	1,810	1,824	1,833	1,863	1,891	1,913	1,939	1,965	1,991	2,017	2,042	2,063
Hamilton Park	1,719	1,734	1,739	1,755	1,769	1,782	1,794	1,807	1,819	1,832	1,845	1,857
Horsham Downs	996	999	1,000	1,003	1,006	1,009	1,011	1,014	1,017	1,019	1,021	1,023
Huntly - Rural	2,270	2,291	2,297	2,305	2,313	2,327	2,342	2,358	2,373	2,388	2,406	2,423
Mangatangi	1,136	1,158	1,164	1,193	1,209	1,224	1,239	1,254	1,269	1,284	1,299	1,314
Maramarua	1,645	1,686	1,714	1,761	1,801	1,837	1,872	1,908	1,943	1,978	1,999	2,002
Mercer	151	152	156	217	237	240	299	308	311	368	380	394

Settlement	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Meremere	451	452	452	452	452	452	452	452	452	454	470	503
Ohinewai	243	245	246	247	248	250	251	252	255	255	258	261
Onewhero	1,449	1,462	1,473	1,510	1,537	1,562	1,587	1,612	1,637	1,663	1,688	1,713
Pokeno - Rural	809	839	1,014	1,157	1,304	1,457	1,587	1,727	1,868	1,972	2,113	2,234
Port Waikato	990	997	1,001	1,013	1,023	1,032	1,041	1,050	1,059	1,068	1,077	1,086
Pukekawa	1,465	1,478	1,486	1,515	1,535	1,555	1,574	1,593	1,612	1,631	1,649	1,668
Pukemoremore	2,538	2,563	2,568	2,573	2,578	2,588	2,598	2,609	2,620	2,632	2,644	2,656
Rotokauri	1,139	1,159	1,163	1,184	1,195	1,205	1,216	1,226	1,236	1,246	1,256	1,265
Tamahere	6,319	6,447	6,476	6,509	6,546	6,581	6,630	6,677	6,727	6,779	6,832	6,881
Taupiri Community	1,910	1,969	2,005	2,049	2,091	2,134	2,175	2,229	2,291	2,350	2,410	2,465
Te Akau	2,293	2,320	2,335	2,366	2,402	2,433	2,464	2,495	2,527	2,560	2,593	2,627
Te Kowhai	1,901	1,935	1,943	1,970	1,993	2,015	2,035	2,049	2,066	2,087	2,107	2,129
Te Uku	2,098	2,125	2,131	2,142	2,158	2,170	2,183	2,195	2,208	2,221	2,235	2,248
Tuakau – Rural	1,136	1,191	1,307	1,408	1,506	1,592	1,693	1,797	1,884	1,969	2,066	2,157
Waerenga	1,039	1,046	1,049	1,058	1,065	1,072	1,079	1,085	1,092	1,098	1,105	1,111
Whatawhata	3,610	3,667	3,682	3,714	3,755	3,788	3,820	3,853	3,886	3,921	3,956	3,990
Whitikahu	1,943	1,957	1,962	1,968	1,982	1,993	2,004	2,015	2,026	2,038	2,051	2,063

Source: Council Analytics Team – WDC District Wide Projections Town Village 17.12.2020

### 4.1 Population Demographics

Figure 13 shows the expected difference in gender and age distribution from 2013 to 2038. By 2038, 22% of the population is projected to be aged 65+ years, up from 12% in 2013.

Conversely, the population aged 0-14 years is expected to decline from 24% in 2013 to 20% in 2038.

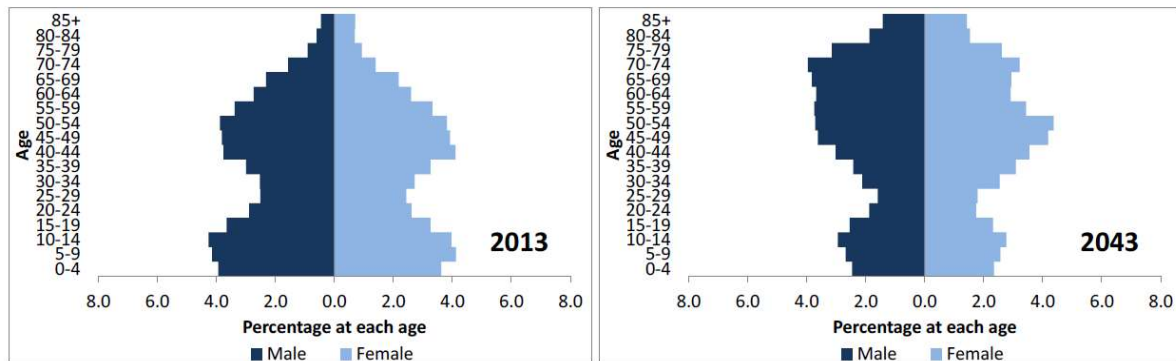


Figure 13 - Age-Sex structure for Waikato District, 2013-2043 (medium-variant projection) (Cameron, 2020)

There is unlikely to be any significant demographic changes to the Waikato District population other than the rise in the aging population. The impacts on infrastructure assets are likely to remain unchanged, but the types of services that the district provides may need an extension. The district will see growth in most urban areas and a requirement for the addition of infrastructure or upgrades to infrastructure, but this is not impacted by specific demographics.

### 4.2 Population Effects on the Assets

Although our District is in a growth phase, the impacts on asset management will be variable over the short, medium, and long term. The financial market and particularly the Covid-19 crisis could have short term impacts on whether the residential, industrial, and commercial growth is maintained at its current rate of over 3 per cent.

In the short to medium term, the Proposed District Plan (PDP) review will have a significant impact on asset management and the requirements for new asset infrastructure and facilities, with the new areas zoned for development being a big driver for this.

Upgrades will be required in all the main towns in the district over various timeframes with key areas being:

- Tuakau, Pokeno in the north
- Huntly, Taupiri, Ngaruawahia, and Horotiu central
- Raglan in the west

These are described in more detail in Section 6.

## 5. Predicting Demand for Infrastructure

Predicting Infrastructure Demand is complicated. It follows a multiple phase assessment process with a set of assumptions for each for each piece of the analysis.

Providing the right amount of infrastructure at the right time is a balancing act:

- Providing too much infrastructure, or providing it too soon, places a large financial burden on Council, ratepayers, and developers.
- Not provisioning enough infrastructure may restrict growth, and mean Council is forced to provide infrastructure at short notice, shortcutting the appropriate planning and funding processes.

These two potential outcomes do not bear an equal risk to Council, however. The first outcome of allowing for too much infrastructure that may not be needed just yet is a lower risk option than not having enough infrastructure in the planning pipeline.

Development contributions cannot be calculated accurately without capital works projects for growth being included in the 10-year plan.

Having a high level of certainty of infrastructure need allows for more accurate financial forecasting, more robust delivery planning and better coordination with other works. The more accurate the growth predictions, the more accurate the infrastructure plan.

The timing of infrastructure interventions to satisfy demand needs to be planned carefully as some pieces of infrastructure have long lead times to procure, design, and build.

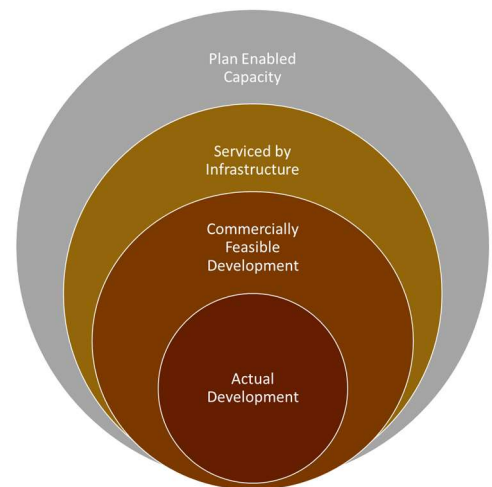
Not all infrastructure is created equal either when it comes to servicing growth areas:

- Core infrastructure in the form of connector roads and main water networks need to be in place to open growth cells for development.
- Other core infrastructure like water treatment plant capacity, or road network capacity can be planned to be delivered as the population grows.
- Community infrastructure such as playgrounds and libraries can be delivered as populations grow or as levels of service gaps appear.

These infrastructure types can be categorised as either:

- Leading Supply
- Leading Demand
- Lagging Demand

The following table describes some examples of infrastructure types and their relationship to growth forecasts.



Activity	Infrastructure	Lead/Lag	Growth Parameter
Transport	New roads	Lead	Supply

Activity	Infrastructure	Lead/Lag	Growth Parameter
	Network Capacity	Lead	Demand
3 Waters	Pipe Networks	Lead	Supply
	Treatment plants	Lead	Demand
Solid Waste	Collection capacity	Lead	Supply
	Processing capacity	Lead	Demand
Open Spaces	Parks and playgrounds	Lag	Demand
Community Facilities	Community Hubs	Lag	Demand

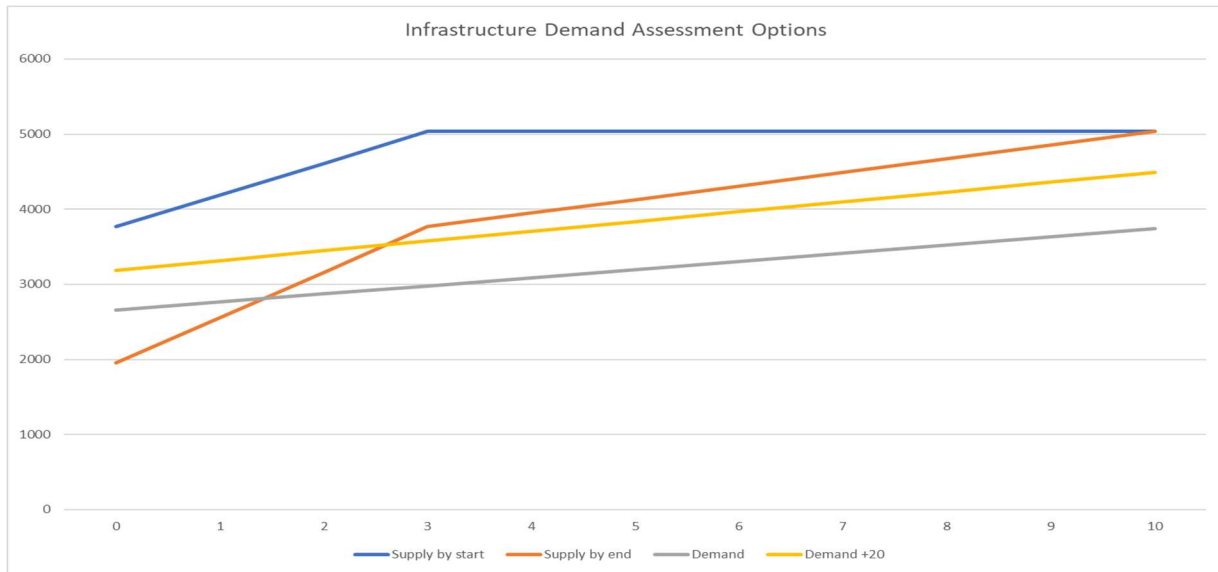
There is also a question of the staging of growth cell development. Waikato 2070 identifies growth cells and their potential timing, but many townships have multiple growth cells being developed in the same time, say in 3-10 years. In the real world, the most efficient way of provisioning for this growth would be to open growth cells in a logical sequence to spread the investment in infrastructure over multiple years.

For the supply side infrastructure demand assessments, we consider that the infrastructure will be in place to open the growth cells fully by the end of the period the cells are planned to be developed. For example, if there are 3 growth cells in Pokeno that will be opened in the 3–10-year period, we will assume these will be staggered over that time. This helps smooth out resource loads for the planning and delivery of the infrastructure.

The National Policy Statement on Urban Development Capacity (2016) stipulates that a buffer of 20% should be added to the demand line to ensure any unforeseen growth has been contemplated and can fit within planning processes.

So in our contemplation of the number of persons or households that infrastructure will need to be provided for, there are 4 potential lines of demand.

1. Infrastructure in place for the **start** of the indicated supply period
2. Infrastructure in place for the **end** of the indicated supply period
3. The **medium** population growth projection
4. The medium population growth projection + **20%**



The chart above provides an example of the differentiation in forecasts for the number of households based on the four different demand predictions.

We think using the following metrics is appropriate:

- End of the supply period to have the infrastructure delivered for supply side infrastructure types.
- Medium +20% demand line is appropriate for the demand side infrastructure as this is what the National Policy Statement encourages us to do.

### Uncertainty in Predicting Growth

Times have potentially never been more uncertain than now. Undertaking long term planning during a pandemic is no small feat. Our underlying assumptions for the growth predictions cannot always be relied on in a fast-changing world.

To combat this uncertainty about the future we are proposing a much more frequent and robust process for reviewing actual growth, reforecasting growth projections and reassessing infrastructure demand.

The 3yearly LTP cycle is not frequent enough for our needs now, so we are proposing an annual review of actual versus planned growth, planning, and delivery.

- The annual report will assess achievement against plan
- Actual growth figures will be compared against our planned growth.
- Growth models will be revised to meet any changes in the underlying models.
- The annual plan will facilitate any changes needed, and any further consultation requirements.
- Asset Management Plans will be updated annually based on a revised growth forecast.

## 6. Residential Growth

For each of the Towns and Villages that have residential development areas identified in Waikato 2070 a graph is included in the following pages which outlines the following.

### Demand

- The line on each graph represents the Medium Household Projection for each Town or Village (Cameron, 2020).

### Supply

The stacked bars on each graph are made up of existing households, infill, and growth cells.

- The existing number of households is the total number of households within each town or village boundary (WDC, Dwelling Count, 2020).
- The infill number is the theoretical plan-enabled number of the additional households that could be created within the town or village boundary but not within an identified growth cell. This number is calculated on the Proposed Waikato District Plan provisions and does not take into consideration market demand for infill housing or geographical and infrastructure constraints (Waikato District Council, 2020).
- The growth cells show the theoretical number of possible households in each growth cell if Waikato 2070 was realised. The timing of each growth cell is as follows.
  - Short term, 1-3 years (2020-2023)
  - Medium term 3-10 years (2023-2030)
  - Long term 10-30 years (2030-2050)
  - Beyond 30 years (2050+)

The growth cell numbers are an estimate of the total number of households expected within each growth cell. These numbers have been informed by a variety of methods such as indicative developer plans, Proposed Waikato District Plan provisions or possible future plan provisions. Where a growth cell has been identified in an already developed area, the number reflects the additional number of possible households (Waikato District Council, 2020).

The total supply number is the total theoretical supply of households and is the sum of the existing households, infill, and growth cell numbers. It is important to note that the supply numbers provide a general indication of what is likely to happen and are subject to numerous assumptions.

## **6.1 North**

In the north of the district, subdivisions within residential zoned areas have continued at a fast rate to meet the demand for housing close to Auckland. These areas also include new commercial and industrial developments in this area of the district.

Activity Management Plans consider how to cater for the future growth in Tuakau, Pokeno and Te Kauwhata. The rezoning (as part of the proposed district plan) intends to provide for urban and some rural- residential growth in a staged manner over 30 years, which allows for coordination of infrastructure alongside planned development.

### **Tuakau**

Residential and commercial growth has been mainly static due to the poor access to SH1 and limited residential land use zoning. The last three years have seen Tuakau experienced in-fill development occurring in the town urban limits and on the fringes. As property prices continue to increase in Auckland and the surrounding areas, the attractiveness for Tuakau will increase.



Growth planning at Tuakau has been underway for several years, with the initial preparation of the Tuakau Structure Plan, with which a plan change to the Operative District Plan (notified in June 2016) was developed and later withdrawn to have the change in land use zoning incorporated into the Proposed District Plan:

- Tuakau has short term commercial, and industrial areas (Whangarata Business Park) and residential development in the south of Tuakau programmed for 1-3 years.
- Medium-term residential land along Dominion and Barnaby/Harrisville Roads is programmed for 3-10 years.
- Long terms to the west future, residential areas are programmed for 30 years or beyond depending on the rate of growth.

Lately, Tuakau has been taking the overflow of residents from Pukekohe or directly from Auckland as it has shown rapid growth. The proposed future population of Tuakau will likely reach 8000 people in the next 50 years as these new residential areas open in combination with new industrial areas and employment.

This will require a range of infrastructure from water and wastewater, new roads, and upgrades to existing ones, longer-term the addition of a rail station and new passive and active recreation opportunities.

Roads & Rail (existing/proposed)	side/collector	main/arterial	highway	laneway	rail
Activity Zones	Residential	Commercial & Industrial	Town Centre (business & residential)	Special Activity Precinct	
Development time-frame	1-3y, 3-10y, 10-30y, 30y+	1-3y, 3-10y, 10-30y, 30y+	1-3y, 3-10y, 10-30y, 30y+	1-3y, 3-10y, 10-30y, 30y+	1-3y, 3-10y, 10-30y, 30y+
Building type	Industrial	Town Centre (levels)	Town house/duplex/terraces (medium density)	Standalone dwellings (low density)	Lifestyle lots (village/country living)
Possible future mass-transit	train station	bus station			
Priority growth & investment zone					

Figure 14 - Development Plans Key

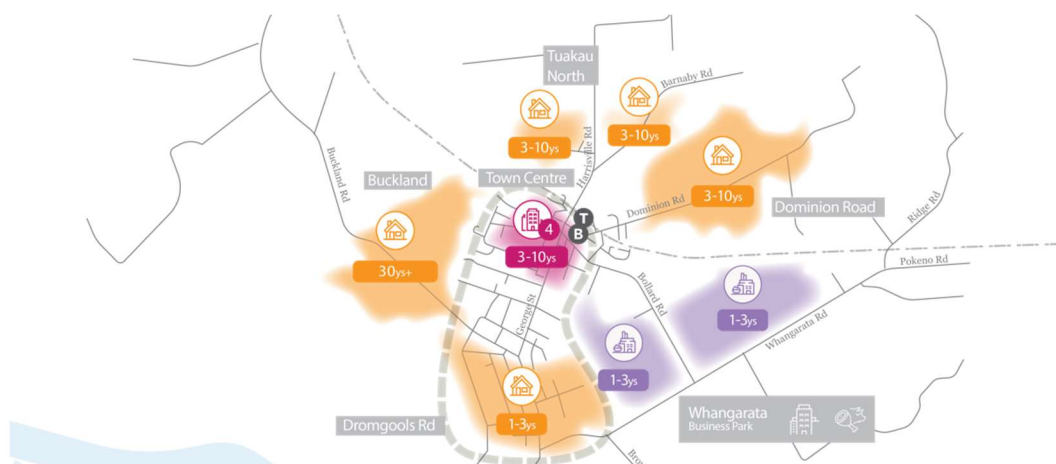


Figure 15 - Tuakau Town Development Plan

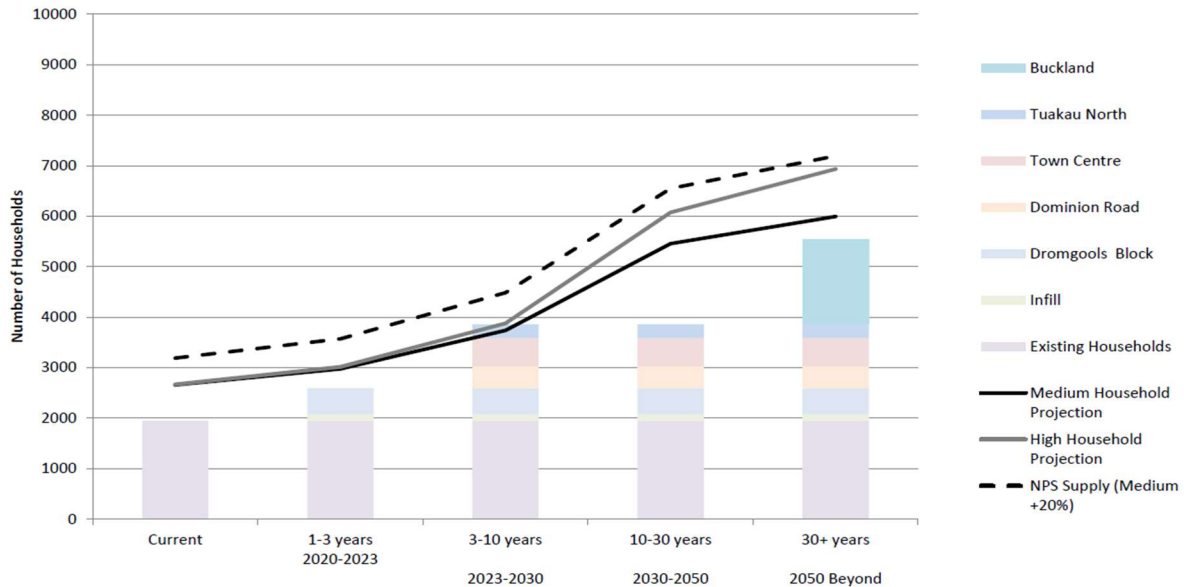


Figure 16 - Tuakau household projection and supply numbers

### Pokeno

Pokeno is located to the north of the Waikato River, near the boundary of the Waikato District and east of Tuakau with an interchange at SH1 near the junction of SH2. Pokeno has seen rapid growth from its small village origins in both large residential subdivisions and industrial areas in a short space of time. This has been driven by Auckland’s growth and the proximity of Pokeno to the Waikato’s agricultural production.

The surrounding land consists of mainly steep to moderate farmland, bush areas, the main trunk line passes through Pokeno, between Tuakau and Mercer. Pokeno experienced rapid growth with earlier plan changes, allowing for increased residential development with most residents working in Auckland, rural-residential and industrial zoning within the strategic growth nodes.

Given this rapid population growth, there is an expectation for appropriate recreation, educational and community facilities. SH1 splits the eastern growth areas from the rest of Pokeno and as the village grows the challenge will be to maintain this connection (roading and pedestrian) and effectively servicing these future growth areas (water/wastewater). Protecting the rural landscape and wetlands to the east will also be a key requirement.

Applications for additional growth within the town have been received by Waikato District Council by way of submissions on the Proposed District Plan and submissions through Waikato 2070.

- Short term residential growth areas for Pokeno include the Hitchen Block to the south west and Hillpark Drive adjacent to SH1 to be progressed in the next 1-3 years.
- The medium-term residential growth areas to be progressed over the 3-10 years are Havelock Village to the south and Pokeno East.

- The Munro Block to the west is a mix of smaller residential blocks scheduled with 3-10 years and a larger block scheduled for 10-30 years.
- The Pokeno East commercial cluster north of SH2 is likely to be progressed in the long term of 10-30 years. This is to provide for further employment opportunities as the residential development grows.

The Town Centre of Pokeno will see an intensification of buildings that are 2 to 4 stories of mixed-use activity including a large supermarket. The intensification will be driven by increased land values and require a range of infrastructure upgrades.

The key benefits of Pokeno and why it has seen high industrial growth in recent years is proximity to the SH1 and SH2 a key benefit over the neighbouring town of Tuakau and its proximity to Auckland and Hamilton. The possible future population of Pokeno is expected to be 16,000 people as these new residential areas open.

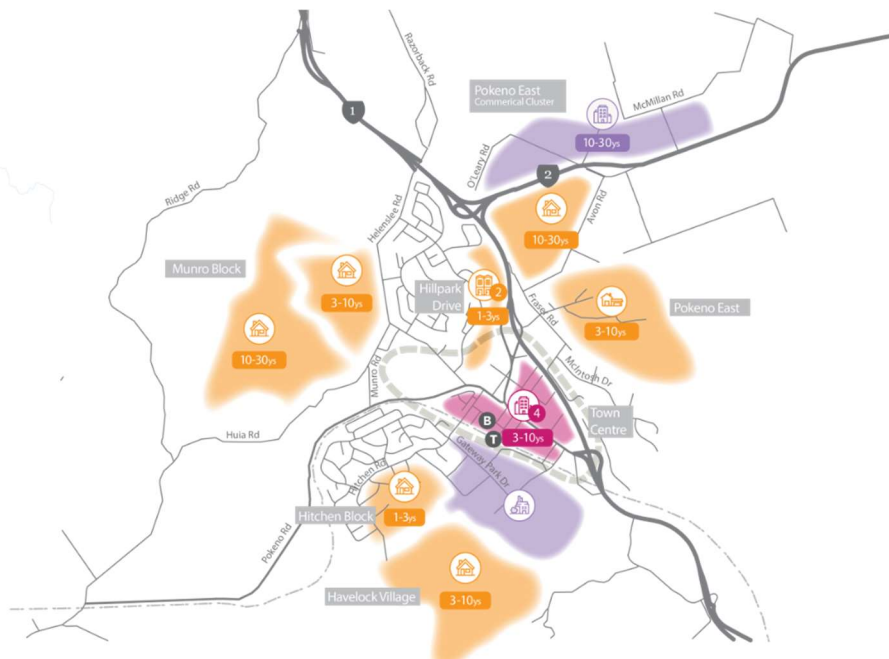


Figure 17 - Pokeno Town Development Plan

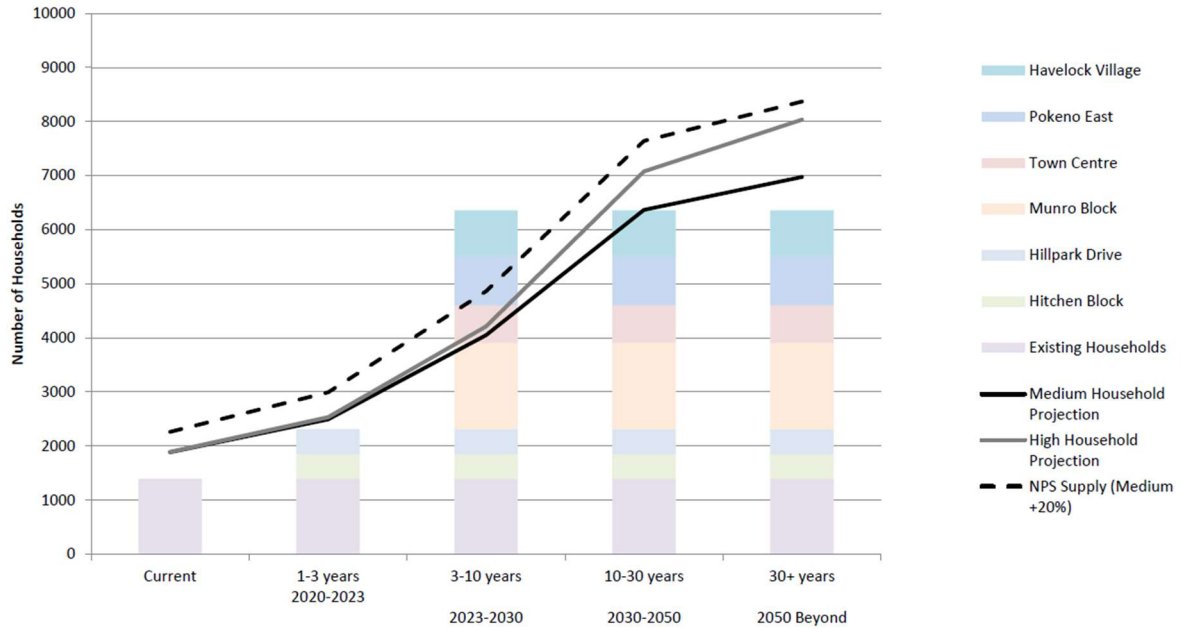


Figure 18 - Pokeno Household Projection and Supply Numbers

**Mangatawhiri, Mangatangi and Maramarua**

The Mangatawhiri and Mangatangi area has a Development Plan in Waikato 2070. Development is proposed in the long term beyond 30 years. A future employment area has been identified due to the proximity to the State Highway connections between the Auckland, Waikato, and Bay of Plenty regions.

Future upgrades of SH2 would be essential to the development and could be developer-led with larger self-contained lifestyle lots in the surrounding area. The possible future population of these combined areas and the surrounding rural area is expected to be approximately 6,000 people.



Figure 19 - Mangatawhiri and Mangatangi Development Plan

### Mercer, Meremere and Hampton Downs

Mercer, Meremere and Hampton Downs are peri-urban areas and population is anticipated to stay relatively static, no growth cells for these areas are proposed. Mercer, Meremere and Hampton Downs development plans will experience localised growth allowed for under district plan rules.



Figure 20 - Mercer, Meremere and Hampton Downs Development Plan

### Other Northern Villages

It is not anticipated that other small areas in the north will increase in population significantly beyond what is currently existing.

Pukekawa, Onewhero and Port Waikato villages are anticipated to remain relatively static and will receive some small-scale localised housing developments permitted under planning rules. No growth cells for these areas are identified in Waikato 2070.

## 6.2 Mid Waikato

### Te Kauwhata

Te Kauwhata is situated at the northern edge of Lake Waikare and south of the Whangamarino wetland, east of SH1 and accessed by an interchange. Te Kauwhata has had an earlier structure plan and plan changes, allowing for increased residential, rural-residential and industrial zoning within these strategic growth nodes.

Te Kauwhata has seen lifestyle drivers contributing to its overall growth, given its locational advantage between Auckland and Hamilton. With no major industries other than a long-established vineyard Rongopai Wines and now Invivo Wines, Te Kauwhata has supported agriculture in a rural landscape.

Waikato 2070 noted that applications for additional growth within the town are scheduled at:

- Short term identifies to the south the Lakeside growth cell which will be developed over the next 1-10 years and a small residential area to the north in Blunt Road of 1-3 years. Residential and Lifestyle development in the northwest on Travers Road with a small commercial area will continue to progress.

- Medium term two small residential areas to the south east near Mahi Road and north east near to Swan Road are programmed for 10-30 years.
- A future commercial or industrial area for employment is identified to the south of Te Kauwhata Road north of Lake Kopuera and is programmed for the long term beyond 30 years.

With the increase in housing and commercial areas, future upgrades to the town centre will be required. Te Kauwhata will also have to manage active and passive recreation opportunities as the population increases. Waikato 2070 signals that the possible future population of Te Kauwhata will likely reach 10,000 people in the next 50 years.

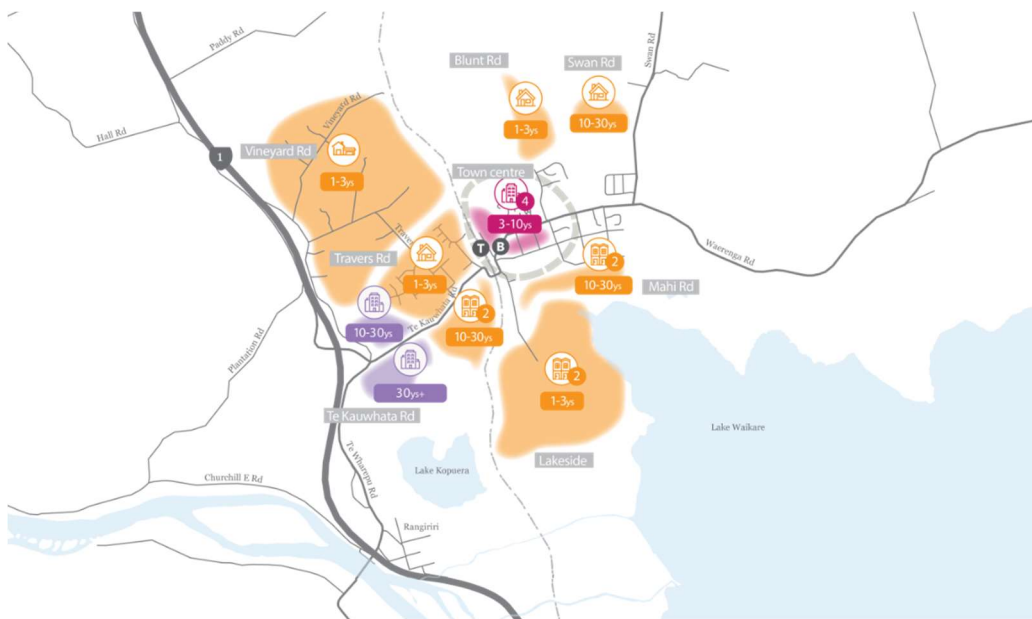


Figure 21 - Te Kauwhata Town Development Plan

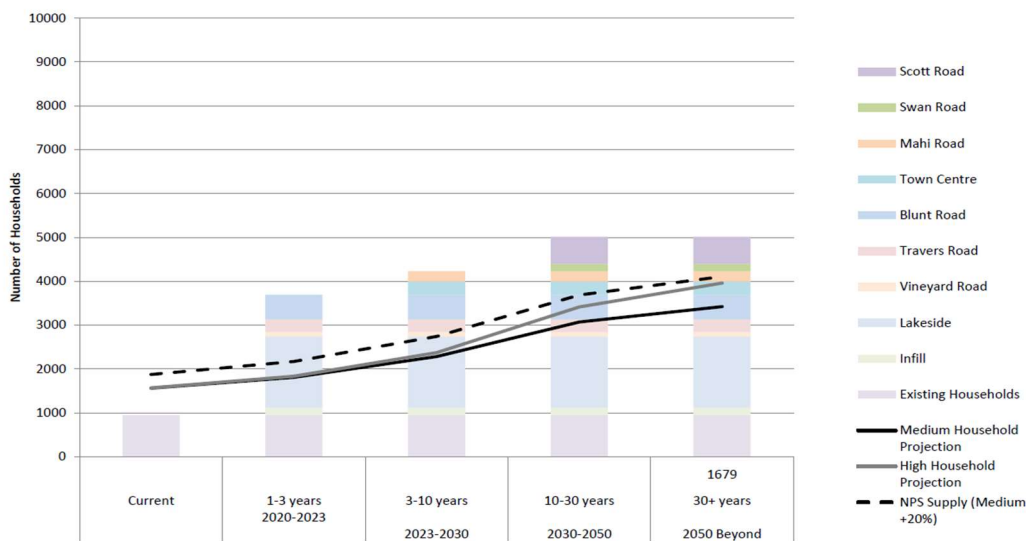


Figure 22 - Te Kauwhata Household Projection and Supply Numbers

### 6.3 Central

#### Ohinewai

Ohinewai is located on the eastern bank of the Waikato River and accessed by an adjacent SH1 interchange near the main trunk line adjacent to the expressway located between Rangiriri and Huntly. Ohinewai is strategically placed, and there is potential for large scale development to occur whilst avoiding flood-prone areas.

Waikato 2070 has indicated that Ohinewai could expand to a large industrial node over the next 30 years. This strategically protects the land allowing it to attract future industrial uses and ensuring that the Waikato does not run out of industrial land (D Kemp 2019).

- Ohinewai is programmed to receive a mixture of growth of mainly commercial and industrial with potential for residential in a 1–10-year time frame subject to proposed rezoning (as part of the district plan review).
- The intention is to provide for the growth in a staged manner over the next ten years to allow the coordination of infrastructure alongside proposed development. Further north a large commercial and industrial area could be progressed in 10-30 years as part of the Ohinewai North Industrial Cluster identified in the Waikato 2070.

Given Sleepyhead are investigating the area and their business will be based around manufacturing, a cluster focused on manufacturing, furniture, house fittings, machinery and equipment could have good synergies with a more construction orientated Huntly.

This would be supported by the access provided along Great South Road into Huntly and the rail link that passes through both areas. There has been a shortfall in manufacturing jobs of up to 77% in 2017 throughout the Waikato (D Kemp 2019). Ohinewai residential development could add another 1,000 people to the small village.

#### Huntly

Huntly is located on the banks of the Waikato River and is at present the largest town in the Waikato District. Although Huntly is severed by the river and the railway (main trunk line) there are good opportunities for commercial, industrial, and residential development.

Waikato 2070 identifies the following growth areas within Huntly. Some areas covered by a growth cells also are covered by submissions on the Proposed Waikato District Plan.

- In the short term, an area east of Lake Hakanoa on the surrounding hills is zoned for development and this could take place in 1-3 years.
- In the medium term, a mix of commercial and industrial areas located to the north of the township is identified within the 3–10-year timeframe, along with the East Mine Business Park and the Kimihia Lakes recreation development. Residential development around Kimihia is also identified to take place in the 3–10-year timeframe.
- Huntly West across the Waikato River is identified in the 3–10-year timeframe and is proposed to have a higher density of 2 stories.
- The Town Centre could see an increase in density over the next 3-10 years, with height levels of up to 4 storeys proposed. Mixed use development is encouraged to occur within proximity to the future rail station.





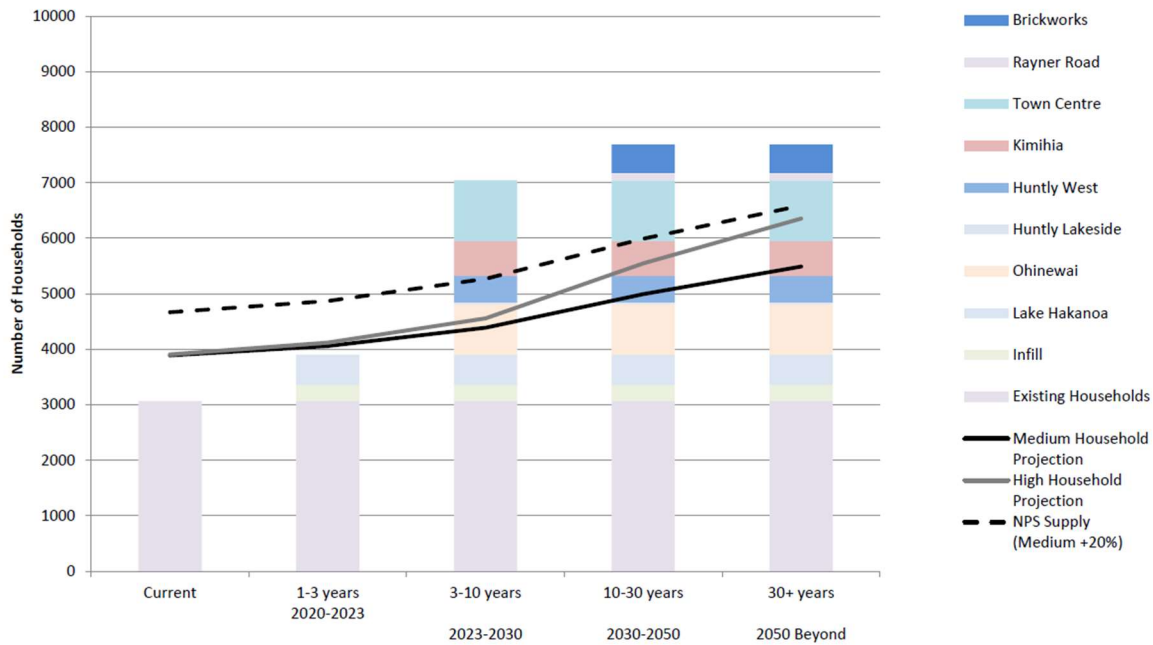


Figure 24 - Huntly and Ohinewai household projection and supply numbers

### Taupiri

Taupiri is located east of the Waikato River and Hakarimata Ranges and is connected to Huntly and Ngaruawahia by Great South Road, as well as being situated on an interchange of the Waikato Expressway. Since the opening of the Waikato Expressway, Taupiri has seen a developer-led demand for more residential housing, most likely driven from the spill-over in growth effects associated with Hamilton and the increase in rural employment.

Waikato 2070 identifies the following growth areas within Taupiri. Some areas covered by growth cells also are covered by submissions on the Proposed Waikato District Plan.

- The Waikato expressway now sits to the east of the Taupiri Village, and a residential area is identified in the 1–10-year timeframe near Te Putu Road.
- South of the town centre are large areas identified for residential development within the 10–30-year timeframe.
- Adjacent to these residential areas identified are three new areas as part of a commercial and industrial employment cluster, being Taupiri East identified in the 3–10 years and Taupiri West identified in the 10–30-year timeframe.
- The Taupiri Town Centre is identified to have an increased density of up to 4 stories in the 10–30-year timeframe.

Care needs to be taken if Taupiri shows rapid expansion in residential development due to its proximity to the Waikato Expressway and Hamilton as a satellite village. The development of appropriate services in roads, footpaths, water infrastructure and passive/active recreational activities will be required. Waikato 2070 signals that the possible future population of Taupiri will likely reach 4000 people in the next 50 years as these new residential and employment areas open.

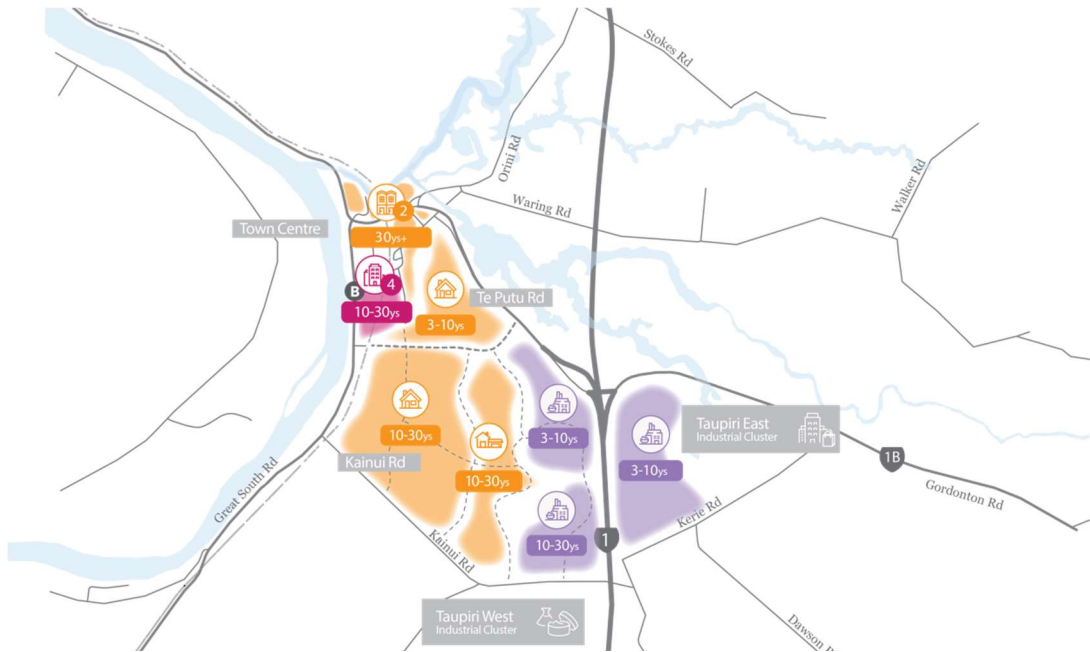


Figure 25 - Taupiri Town Development Plan

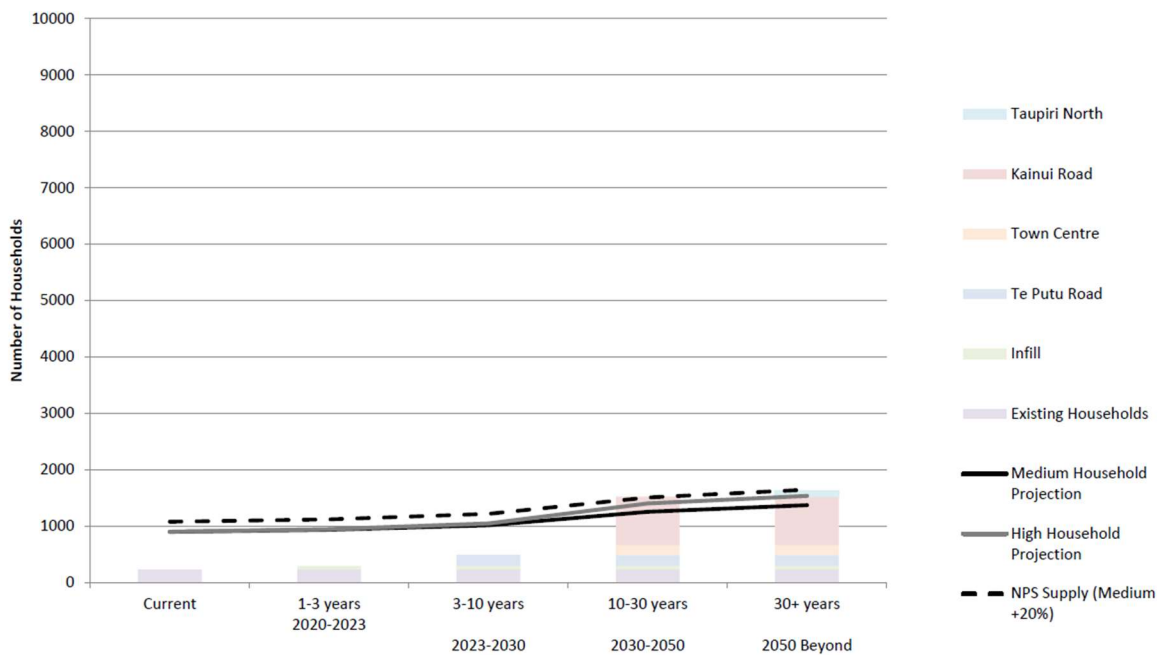


Figure 26 - Taupiri household projection and supply numbers

## Ngaruawahia

Ngaruawahia is located at the confluence of the Waikato and Waipa rivers at the foot of the Hakarimata Ranges. Ngaruawahia can be accessed from SH1 at Horotiu interchange and is located on the rail line between Huntly and Horotiu. Ngaruawahia including Hopuhopu and some of the surrounding villages have a completed structure plan that was adopted in 2017. Stage one of the structure plan was approved as part of a District Plan change. Subsequent stages of development were included into the Proposed Waikato District Plan.

Waikato 2070 identifies the following growth areas within Ngaruawahia. Some areas covered by a growth cells also are covered by submissions on the Proposed Waikato District Plan.

- In the short term, new residential growth has been identified to the north across the Waikato River on Galbraith Street in the 1–3-year timeframe.
- Northeast at Star Road is a residential area identified in the 10–30-year timeframe, and to the west adjacent to the Waikato River residential growth is also identified in the 10–30-year timeframe.
- North of Ngaruawahia is the Hopuhopu Business Park, a commercial or industrial area identified for local servicing in the 10–30-year timeframe.
- The Town Centre is identified to increase in density over the next 10-30 years to an approximate height of 4 stories, and southeast and west of the Town Centre are two higher residential areas also identified within the 10–30-year timeframe.
- Further South at Saubrey Road is a residential area identified in the 3–10-year timeframe.

Ngaruawahia has opportunities for regeneration to cater for more services and retail given its proximity to its location in the landscape that includes the river, hills, and proximity to Hamilton. The start-up rail service from Hamilton to Auckland will pass through Ngaruawahia, and a stop in the future will give live and work opportunities along with strong access to the Hopuhopu business park. Waikato 2070 signals that the possible future population of Ngaruawahia will likely reach approximately 10,500 people in the next 50 years as the new industrial, commercial, and residential areas open.

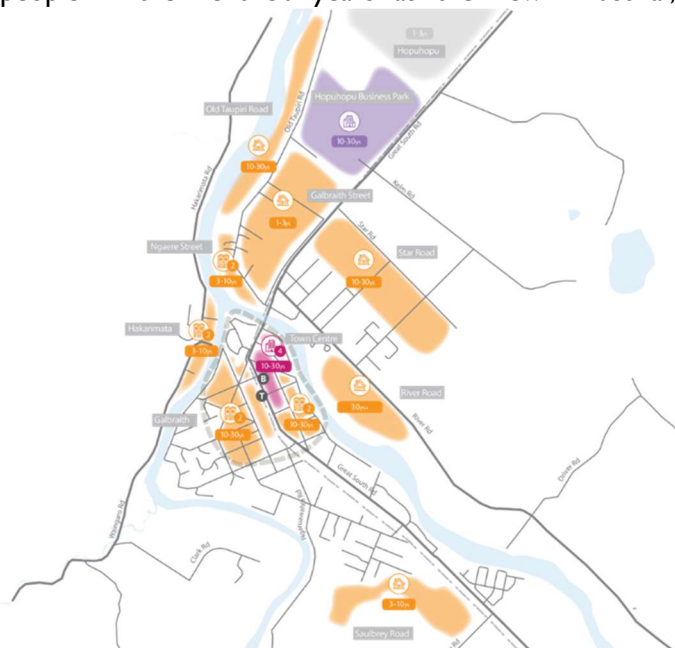


Figure 27 - Ngaruawahia Town Development Plan

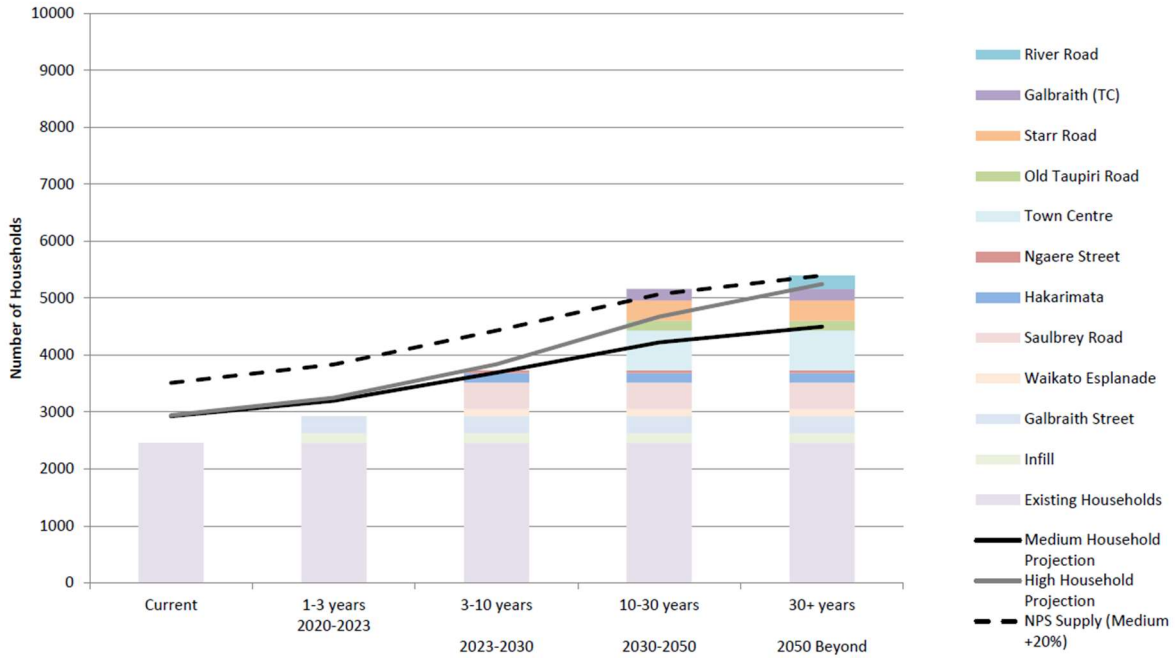


Figure 28 – Ngaruawahia Household Projection and Supply Numbers

### Horotiu

Horotiu is situated on the northern boundary of Hamilton City and has seen rapid development of its industrial node. Waikato 2070 identifies a further 50ha of employment land in Horotiu to cater for demand for industrial land. There will be localised residential growth as permitted under planning provisions. The Kernott Road residential growth cell is dependent on the Te Awa Lakes development within the Hamilton City boundary which is currently under appeal.

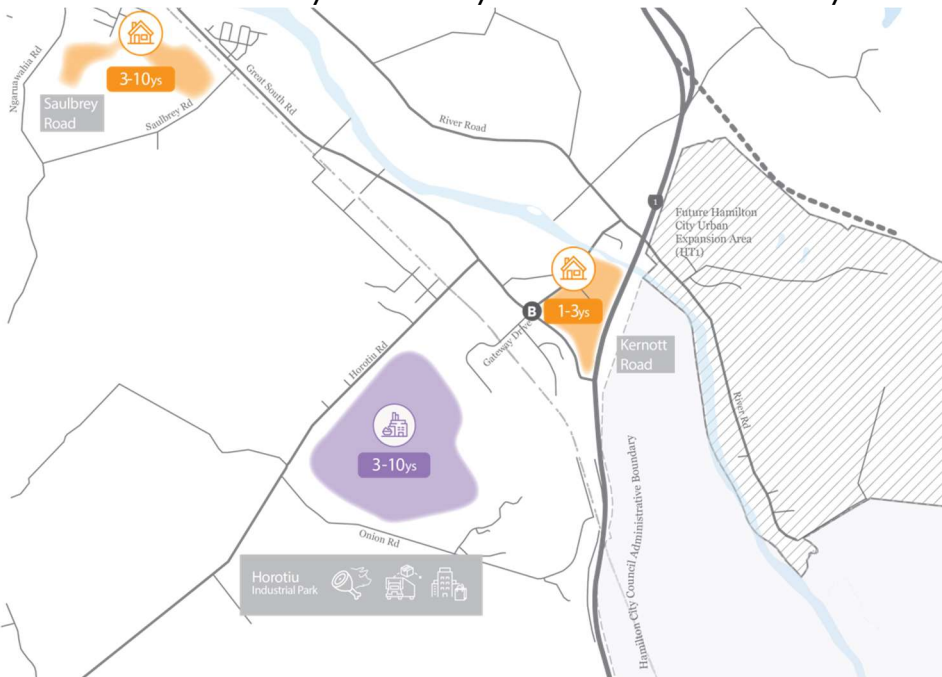


Figure 29 - Horotiu town Development Plan

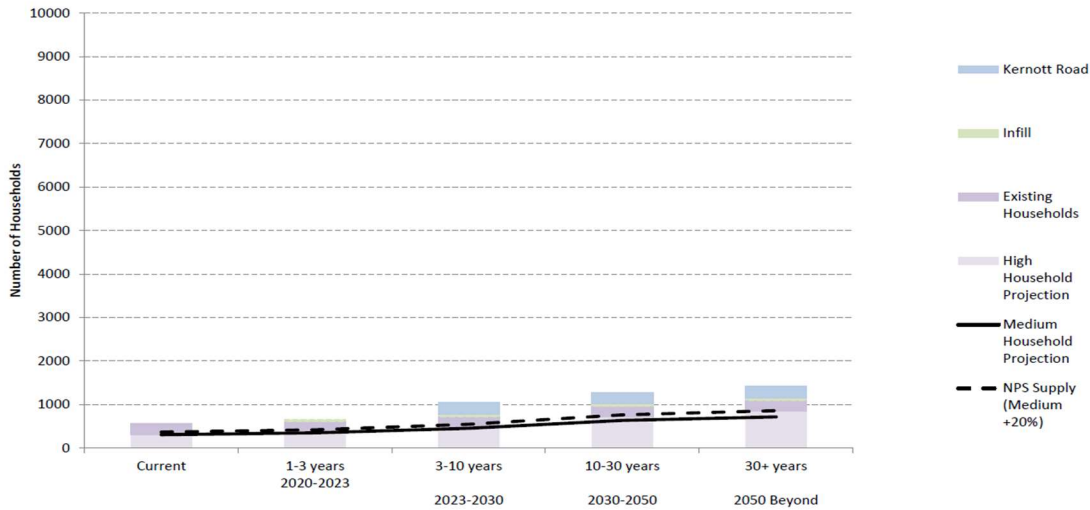


Figure 30 - Horotiu Household Projection and Supply Numbers

### Te Kowhai

Te Kowhai is located off SH39 on Horotiu Road about 6km southwest of Horotiu and east of the Waipa River. Te Kowhai is identified to have two residential areas, both identified in the 10–30-year timeframe. The Airpark Precinct is identified to be developed in the next 3-10 years.

How Te Kowhai transitions from a small hamlet to a larger village will require an understanding of where and when key infrastructure is needed. Additional water and wastewater may need connections back to Horotiu and the existing network, and passive/active recreational facilities and areas will need to be provided for. Waikato 2070 signals that the possible future population of Te Kowhai will likely reach 4000 people in the next 50 years.



Figure 31 - Te Kowhai Village Development Plan

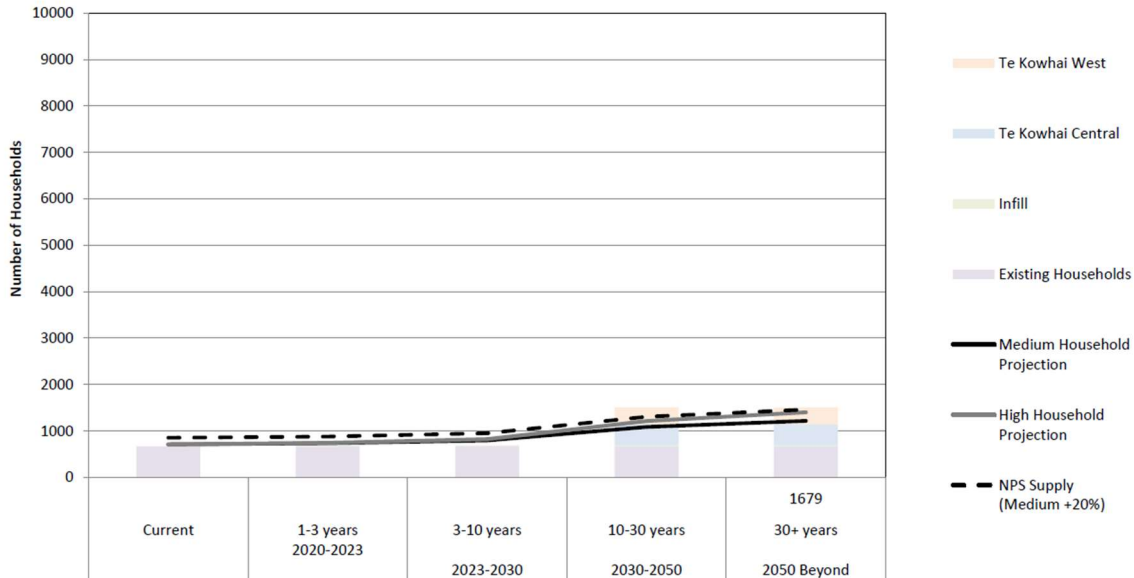


Figure 32 - Te Kowhai Household Projection and Supply Numbers

## 6.4 West

### Raglan

Raglan is located on the West Coast of the Waikato District at the Whaingaroa Harbour and is accessed by SH23. The local population is very environmentally conscious and is seeking comprehensive treatment solution to their wastewater management. Given the high tourism numbers that support the town, public facilities and spaces will also need to be of high quality and capacity to meet visitor demand (for example, through Raglan Wharf upgrades).

Waikato 2070 identifies the following growth areas within Raglan. Some areas covered by a growth cells also are covered by submissions on the Proposed Waikato District Plan.

- To the east of Raglan at Lorenzen Bay, residential development is identified in the 1–10-year timeframe and at Flax Cover in 3-10 years.
- To the south of Raglan, stage I of Rangitahi Peninsula development is progressing, with the whole area identified to be residential within 1-10 years.
- South and west of the Peninsula the Afon Oporu growth cell is identified for residential in the 10–30-year timeframe, and further west and north at Te Hutewai and Rakaunui, residential areas are identified beyond 30 years.

The business capacity assessment shows the demand for industrial land is stable, so more people are involved in work from home, cottage industry or commuting (D Kemp, 2019). The uptake of housing in Rangitahi is a split of 55% residents and 45% non-residents (ref Waikato 2070 submission). If this growth continues, then half of the population growth will be a lifestyle choice commuting to Hamilton with a smaller proportion to Auckland (remote working may exacerbate this).



Improvements in connector and local roading, and footpaths (walking/cycling) will be required. Waikato 2070 signals that the possible future population of Raglan will likely reach 12,500 people in the next 50 years.

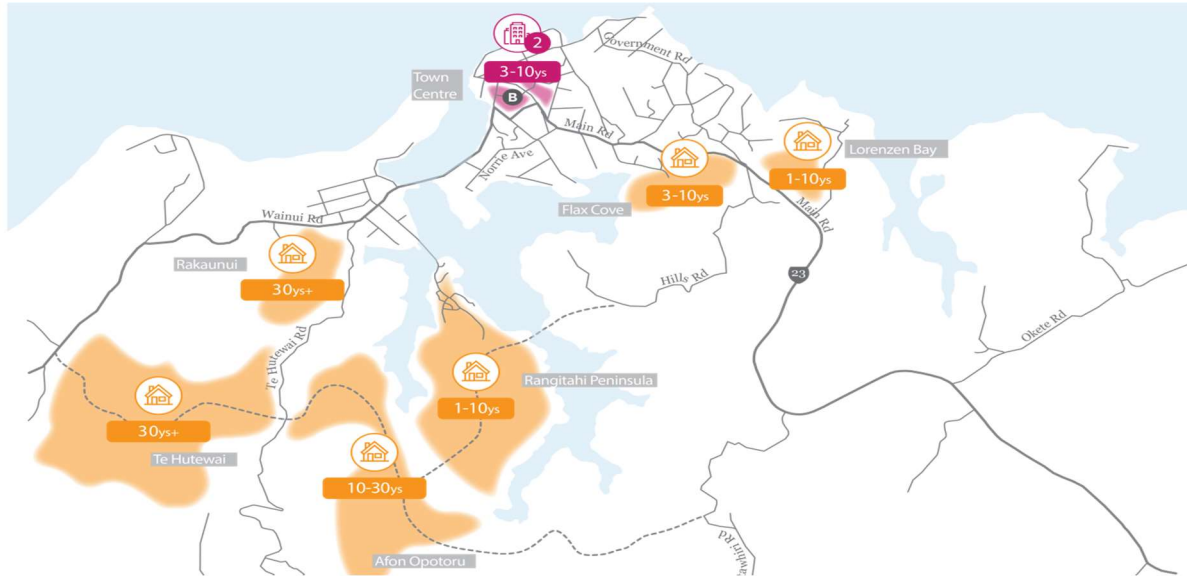


Figure 33 - Raglan Town Development Plan

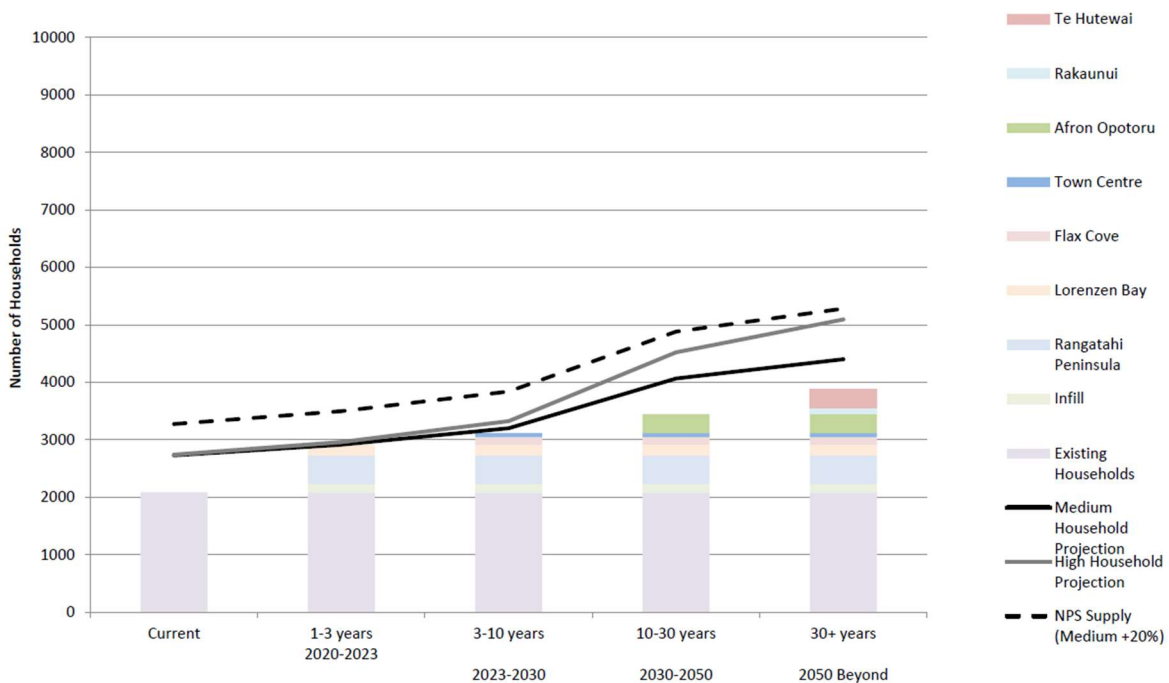


Figure 34 - Raglan and Whale Bay Household Projection and Supply Numbers

### Other Western Villages

It is not anticipated that other small areas in the central area will increase in population significantly than currently what is existing.

Whatawhata, Te Uku and Te Mata villages are anticipated to remain relatively static, and will receive some small-scale localised housing developments permitted under planning rules. No growth cells for these areas are proposed.

### 6.5 South

Tamahere, Matangi and Gordonton will continue to see increases in Countryside Living and strengthening of the Village centres, but no specific residential areas are proposed to be developed other than the Tamahere Country Club retirement village. The population should remain relatively static or will have small increases, and no growth cells for these areas were identified in Waikato 2070.

## 7. Employment Growth and Development

### 7.1 Industrial

The Waikato District is predominantly a rural area with only a small proportion of land currently zoned for industrial use. The two key areas of industrial development in the district are Pokeno and Horotiu, both of which are food processing clusters (dairy, meat). These will be strengthened with freight, logistics and manufacturing, and Horotiu will become an inland port.

There is an increase in the demand of commercial and manufacturing/industrial land in the Waikato District as land supply becomes short for large suitable sites in Auckland and Hamilton cities. Waikato 2070 identifies several new growth cells, and these are clustered around our existing towns and villages to help diversify the district's economy and provide employment opportunities for the Waikato District's communities.

Without these new employment opportunities to match the growing population, the district risks becoming a dormitory commuter district with people travelling between Auckland, Hamilton and Tauranga for work and services, which would have negative long-term impacts on our communities.

As D Kemp notes in his Industrial Land Evaluation report to Waikato District Council (Kemp, 2019) there is a projected need for industrial land, and if this land is not available, businesses will go elsewhere. The report identifies likely demand for industrial land under three scenarios of existing, recent, and high growth in Table 24 below (Kemp, 2019).

Table 24 - Likely demand for Waikato 'Industrial Land' under each scenario

*The Likely Demand for Waikato 'Industrial Land'  
Under Each Scenario*

	Existing Economy		Waikato 'Recent Growth'		High Growth	
General industries	40		46		86	
Food & Clean Production	41		52		64	
Construction & Utilities	40		78		126	
<i>Total Industries</i>	<b>121</b>		<b>176</b>		<b>276</b>	
Transport & Storage	9		10		40	
Wholesaling	21		47		124	
<i>Total Logistics</i>	30	20%	57	24%	164	37%
<i>Total Industrial Land</i>	<b>151</b>		<b>232</b>		<b>440</b>	
Vehicle and Parts Sales	0		0		0	
Bulky Goods & Hire Services	1		2		11	
Retail Services	0		0		0	
Office Based Services	2		5		9	
<i>Retail &amp; Support Services</i>	<b>3</b>		<b>7</b>		<b>20</b>	
<b>TOTAL Ind Land Demand (Ha)</b>	<b>154</b>		<b>239</b>		<b>460</b>	
<i>Showroom Space (ha)</i>	4		8		40	

\* 'High Growth' = highest of Waikato and Regional North Island recent growth (calculated as increased jobs/1000 resident population increase from 2000 to 2017)

Regional North Island defined as North Island excluding Metropolitan Areas (of Auckland, Hamilton, Wellington, Lower Hutt, Upper Hutt TLAs)

Home based businesses have been deducted from each activity (such as the building & construction industries)

Waikato 2070 identifies and seeks to provide industrial/commercial areas for development in Tuakau, Pokeno, Mangatawhiri, Te Kauwhata, Ohinewai, Huntly, Taupiri and Horotiu. These areas are either zoned in the Operative District Plan (Waikato 2013 and Franklin 2000 sections), under consideration within the Proposed District Plan and identified in the development in 1-10 years or identified for later timeframes and subject to future planning processes. Some of the key land use changes are noted in Table 26 below.

This industrial growth (with the accompanying residential growth) will impact on the assets of the Waikato District. Additional demand from these growth areas will necessitate a range of capital upgrades and new infrastructure in critical areas of transport (roading/rail) and water, wastewater management.

The impacts of any future industrial development on roading and water use will need to be reviewed when:

- Structure plans are developed, and new zoning is incorporated in the district plan,
- Consent applications are received by WDC seeking industrial development (i.e., resource consents or building consents).

Table 25 - Anticipated Industrial Growth and Demand

Industrial Node	Existing Sectors	Anticipated Growth & Demand
<b>Horotiu</b>	<p>AFFCO Freezing Works (currently have own treatment, may change in the future)</p> <p>Northgate Industrial Park</p> <ul style="list-style-type: none"> <li>• RX Plastics</li> <li>• Waikato Valley Chocolate</li> <li>• Ports of Auckland</li> </ul>	<ul style="list-style-type: none"> <li>• Primary Sector Support Services and Manufacturing</li> <li>• Warehousing and Logistics</li> <li>• Inland Port, freight movement and logistics</li> </ul>
<b>Pokeno</b>	<ul style="list-style-type: none"> <li>• Yashili Dairy Factory</li> <li>• Hynds</li> <li>• Mining and Aggregates (current have their own water supply)</li> <li>• water bottling plants</li> <li>• Synlait Dairy Factory</li> </ul>	<ul style="list-style-type: none"> <li>• Warehousing and Logistics</li> <li>• Primary Sector Support Services</li> <li>• Construction Sector Services</li> <li>• Manufacturing</li> <li>• Light industrial</li> </ul>
<b>Tuakau</b>	<ul style="list-style-type: none"> <li>• Tuakau Timber Treatment Products</li> <li>• Van Den Brinks</li> <li>• Tuakau Grains</li> </ul>	<ul style="list-style-type: none"> <li>• Brinks/Lowe development</li> <li>• Warehousing and Logistics</li> <li>• Primary Sector Support Services</li> </ul>
<b>Ohinewai</b>	<ul style="list-style-type: none"> <li>• None in Ohinewai</li> </ul>	<ul style="list-style-type: none"> <li>• Manufacturing Sleepy Head</li> <li>• Commercial</li> <li>• Construction Services</li> <li>• Wet Service Industry</li> </ul>
<b>Huntly</b>	<ul style="list-style-type: none"> <li>• Genesis Energy Power Station</li> <li>• Small timber construction materials</li> <li>• Fletchers</li> <li>• Built Smart</li> </ul>	<ul style="list-style-type: none"> <li>• Manufacturing</li> <li>• Commercial</li> <li>• Construction Services</li> <li>• Expanded services</li> </ul>

This D Kemp's (2019) 'Recent Growth' Scenario projects a future demand of 239 ha is needed in the Waikato District for Industrial Land from 2017 to 2045. The equivalent of 241 ha projected by the 'Business Development Capacity Assessment 2017' for the Waikato District. This includes a 15% margin above the actual projected demand as set out in Table 26.

Table 26 - Business Development Capacity Assessment Demand for Waikato 'Industrial Land' 2017-2047

**'Business Development Capacity Assessment  
Demand for Waikato 'Industrial Land' 2017-2047**

Ward	Demand 2017-2047	Available Supply 2017	Centres in ward
	Ha	Ha	
Awaroa ki Tuakau	75.2	119.5	Ohinewai, Tuakau
Onewhero	4.0	0	
Whangamarino	14.6	47.1	Meremere, Te Kawkata
Hukanui-Waereng	11.0	21.6	
Whaingaroa	12.9	0.8	
Huntley	19.1	7.2	Huntley
Ngaaruawahia	11.6	4.1	Ngaaruawahia
Newcastle	68.7	89.7	Whatawhata
Raglan	7.1	7.4	Raglan
Eureka	14.1	0	
Tamahere	2.6	1.9	
<b>Total</b>	<b>240.8</b>	<b>299.2</b>	

(Market Economics July, 2018 NB includes a 15% margin above the model's projected demand)

## 7.2 Commercial Growth

Waikato 2070 identifies Town Centre areas in the following localities Tuakau, Pokeno, Te Kauwhata, Huntly, Taupiri, Ngaruawahia and Raglan. The purpose of the town centre area is to encourage a mix of activity such as retail development on the ground level and office space or apartments on subsequent levels to revitalise town centres and encourage a higher density of development where public transport and access such as walking, and cycling is more readily available.

Growth is anticipated from commercial developments, predominantly in the North and Central part of the district. Tuakau and Pokeno will grow and become the commercial centres of the northern part of the district. Pokeno, with the redevelopment of the town centre and the availability of residential and industrial land close to the expressway, will attract more commercial activity than what is currently present.

Te Kauwhata, Ohinewai and Huntly communities along the expressway will also attract more commercial interest. With the significant residential development occurring in Te Kauwhata, there will be accompanying business demand within the immediate future and longer-term.

The Commercial Growth areas of Ohinewai will make use of large land parcels and the connection to roading (expressway) and rail (Main trunk line) to develop a manufacturing hub with good freight and logistics (Kemp, 2019). This will require appropriate feeder roads to be constructed and maintained (Great South Road into Huntly).

Ngaruawahia's key new commercial areas will be the Town centre and Hopuhopu business park (a mixture of industrial and commercial).

Inclusive of the large business parks to be progressed in the district, additional land will be set aside for service trades and cottage industries. Other land categories include clean production that minimises impacts on adjacent land and showroom spaces requiring high visibility.

## 8. How will Climate Change impact growth?

The New Zealand Climate Change Office indicates with the increasing variability of weather patterns and increasing frequency of high-impact adverse weather events (e.g., droughts, flooding, and coastal erosion) will become a growing challenge, with impacts on our communities and our infrastructure.

For further information on climate change, refer to Part 6: Sustainability section of the AMP.

## 9. Key Demand Drivers

### 9.1 Population Considerations

In the short to medium term, the Proposed District Plan (PDP) review will have a significant impact on asset management and the requirements for new asset infrastructure and facilities, with the new areas zoned for development being a big driver for this.

Upgrades will be required in all the main towns in the district over various timeframes with key areas being:

- Tuakau, Pokeno in the north
- Huntly
- Taupiri
- Ngaruawahia
- Horotiu central
- Raglan in the west.

Future Proof provides a vehicle for the sub-region to respond to government initiatives collectively as a sub-region, e.g. Covid-19 economic stimulus package made up of shovel ready projects.

The impact of Covid-19 has meant a reassessment of growth predictions for population and households in the District.

The population and household projections used as the basis for this AMP has shifted from the high to the medium forecasted figures in the Waikato 2070 strategy.

### 9.2 Utilisation of Council Facilities

Presently there is limited information available on the current and projected utilisation of our assets. This will be addressed in the future through the development of processes to record the use of existing assets where this is deemed necessary and cost effective.

#### Corporate Property



The Ngaruawahia and Tuakau (leased) offices are currently at capacity. As growth occurs throughout the district there will be more demand for dog pound facilities.

Council has recently implemented flexible working. A reconfiguration of the office has been undertaken incorporating “hot-desking” neighbourhoods and a separate collaboration space. This is a result of more staff working from home and less demand on dedicated office space. This is assisting in alleviating the previous capacity issues that were previously being experienced.

#### Community Facilities (Halls)



A feasibility study on the district’s community facilities (halls) asked for feedback on overall utilisation and performance of the facilities and is a baseline for benchmarking.

However, there are not considered to be any significant capacity or demand issues and there is expected to be no increase or minor increase only in demand placed on hall facilities. Demand

may even fall in some areas where the communities are facing population plateaus or even decline. Halls as such are not in the same demand as when they were built due to the mobility of people and changes in recreational activities and expectations of customers.

### Elderly Housing



Utilisation of elderly housing is steady at around 95%. Council is primarily concerned with managing potential under-utilisation; high utilisation is not a driver for increasing levels of provision. Current elderly housing is housing only and does not take into consideration wrap-around services that specialists can deliver in conjunction with government subsidies. Council is looking at divesting this portfolio.

### Swimming Pools



The contractors have put in a system which could report back on swimming pool usage at Huntly Aquatic Centre. It is still early days to have the ability to analyse the overall utilisation and performance of the swimming pools. The Yardstick benchmarking program is another tool which would be of benefit in analysing and benchmarking against other facilities throughout the country.

## 10. Activity Demand Issues

The changing pattern of the demographics, particularly the aging population, is likely to have some impact on the community and recreation assets such as community facilities and swimming pools, which should in theory result in higher levels of utilisation. However, these changes and the impacts are not likely to be of significant impact to drive any demand for changes to the level of asset provision in themselves.



### Community Trends

The key community trends likely to impact on the long-term provision of community and recreational facilities are:

- The unemployment rate in the District is 3.8 percent, compared with 4.9 percent for all of New Zealand
- The population is becoming more sophisticated and cosmopolitan
- There are changing lifestyles among different generations
- An increasingly sedentary lifestyle, particularly among young people
- An increasing concern with obesity and associated health problems, resulting in initiatives to promote more active lifestyles
- Increasing cost of fuel, likely to increase demand for recreation opportunities that are close to home



### Sports and Recreation Trends

The demand for sport and recreation is continuously growing and changing. Ongoing research and planning are required to assess and meet these needs at a local level. The District, together with other Waikato Region Councils, is undertaking this planning work, which includes the following strategies, and plans:

- A Regional Sports Facility Strategy







### Other Activities and Trends

A study is being undertaken by Creative Waikato on behalf of the Mayoral Forum. This study will examine the Council's stocktake of 'creative spaces' i.e. performing art centres, museums, halls/theatres etc. The recommendations of this may impact on the council facilities activity. Housing for the elderly in the private sector is changing with wrap-around services being provided.

## 11. Demand Forecast

Demand forecasting enables us to identify areas that are likely to experience significant pressures, and plan accordingly.

As part of the planning process Council considers:

- The Asset use, demand, and capacity
- The implementation and planning for quality and process improvements
- Environmental impacts

Key information gathered during the forecasting process includes:

- Historical data
- Observed patterns and trends – use, demand, and popularity
- Statistical estimates and projections
- Commercial activity and anticipated business migration
- Pending legislative changes

From this, assumptions are formed about what could happen; enabling us to better plan needs of the community.

### 11.1 Meeting Future Demand



#### Community facilities

All hall facilities to be monitored. If after two years no significant improvements in utilisation have occurred in low utilisation halls, consideration will be given to rationalisation, or more direct management /Committee assistance be given.

Quarterly informal catchups with hall committees or their representatives on a quarterly basis to discuss issues such as marketing/promotion of their facility.

Explore opportunities for enhancing the community facilities (halls) portal on the Council website and encourage local news media coverage to demonstrate the wide range of activities and programmes available at the halls.



#### Swimming pools

The outdoor pools at Tuakau and Ngaruawahia are considered "high risk" in terms of ongoing maintenance costs and repairs. Replacement of both outdoor main pools is estimated at \$1.96 million combined (source: SPM Assets 2020). However, this value will not provide pools that will meet contemporary user expectations and standards as this is only replacing like-for-like.

Ngaruawahia has very poor visibility and accessibility for users, operational hours are limited due to the pool being in a residential area and a future relocation to a more suitable site will be needed or whether a cross boundary contribution will be needed to develop a pool in the north east of Hamilton with Hamilton Council.

Further investigate the viability of providing new upgraded aquatic facilities in Tuakau or whether Council would consider a cross boundary contribution to further pool development at Pukekohe with Auckland Council.

The pool at Te Kauwhata College is an opportunity for Council to develop a partnership that will add summer season capacity to its network and meet community demands. Currently there is no formal agreement with operators.

A similar arrangement could be entered into with the Raglan Area School pool to provide swimming education and lane swimming in the Raglan area.

Providing community pools can prove costly for asset owners, as identified by Sport NZ: “communities have found the money to build a facility, only to struggle with the on-going operational and maintenance costs”. Council must be realistic about what level of provision it offers its communities, which is at an affordable capital cost and is financially sustainable.

The Aquatics Strategy is underway to consider these needs.



**Housing for the Elderly**

Due to the current demand and age of the current stock it is proposed that Council divests itself of this activity, due to the cost of upkeep and inability to provide wrap-around services.



**Corporate Property**

Appropriate sites need to be found to future-proof for the increasing demand for corporate property as the district grows.



*Explore opportunities for enhancing the community facilities (halls) portal on the Council website and encourage local news media coverage to demonstrate the wide range of activities and programmes available at the halls*

**12. Demand Impacts on Assets**

Table 27 - Demand Impacts on Facilities Assets

Demand Drivers	Changes in Demand	Impact on Asset
<b>Changes in Demographics – Waikato age profile is changing, with an ageing population</b>	The elderly population will increase demand for age-appropriate facilities/	Change in use of Council Facilities to incorporate the requirements of the over 65 age group
<b>Increased awareness of environmental issues, environmental values</b>	Protection of natural environment and historic sites	Increase demand on service levels
<b>Population increase</b>	Increasing need for amenities (minor)	Increased usage and maintenance of existing facilities

Demand Drivers	Changes in Demand	Impact on Asset
An increase in public awareness and expectations of higher standards	A public expectation of higher quality toilet facilities and servicing.	Increase demand on level of service which may result in a subsequent increase in the utilisation of the asset
Increasing tourism growth	Increased need	Requirements for public parking, provision of sanitary services as well as need to continue the beautification of our towns

### 13. Demand Management Plan

#### 13.1 Demand Management Actions

Council will implement the following demand management strategies for the provision and rationalisation of community and recreation facilities:

- **Community involvement:** Involve the community in policy development and management through consultation over Strategies and Management Plans to ensure efficiencies are achieved and duplication avoided.
- **Strategic Planning:** The Council will monitor and assess changes in population structure and recreation preferences to enable provision to be related to varied and changing needs. It will also ensure that land for new facility/recreation opportunities is acquired in a timely fashion as the district develops.
- **Multiple Use:** The Council will actively promote the development of flexible, multi-use facilities and open spaces.
- **Regional and joint solutions:** Seek to develop effective partnerships with other adjoining Councils in the region, the community, community groups (such as schools, churches, clubs) and the private sector for the provision of recreation services and facilities.
- **Fees & Charges:** Consider options to recover costs through user charges, considering the ability to pay, assessment of public and private benefit, and council's objectives with respect to community participation in recreational activity.
- **Promotion:** Encourage participation in a range of recreational experiences actively promoting opportunities for all levels of age, ability, and gender.

### 14. Asset Programmes to Meet Demand

Project Name	Year	Value
Construction of Pokeno Community Centre	2024/25	\$6,000,000
Construction of Tuakau Dog Pound	2021/22	\$3,000,000

### 15. References

Cameron, M. P. (2020). *2020 Update of Population, and Family and Household, Projections for Waikato District, 2013-2063*. University of Waikato.

Kemp, D. (2019). Industrial and Employment land needs. Prosperous Places.

Waikato District Council. (2020). Waikato District Council Capacity Model.

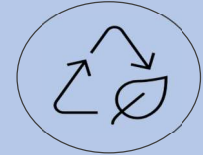
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Waikato District Council. (2020). Waikato District Spatial Distribution Model.

Waikato District Council (2020) Strategic Planning Team. *Waikato 2070 Supporting Document – October 2020*

## Part 6: Sustainability

*This section looks at the processes set up at council for assessing and managing sustainability and Climate Change for the Council Facilities Activity and its integration with Council's other activities*



### 1. Regulatory Framework

#### 1.1 What does sustainability mean?

Sustainability is about ensuring that all resources are used and managed for a balance of:

- environmental
- social
- cultural
- economic well-being

Asset management practices include actions that recognise the need for these four well-beings, namely:

1. **The natural environment** needs to be preserved for future generations and not degraded because of our asset management operations and development projects
2. **Financially** there is a limit to what ratepayers, developers, and therefore Council, can afford. Expenditure needs to remain within this limit and the costs need to fall equitably on the generations which derive the benefits
3. **Social relationships** between individuals, interest groups and local government are valuable, and we need to facilitate and encourage this by providing infrastructure
4. **Our history, customs and creativity are valuable to us.** Their preservation and enhancement over time is facilitated by providing venues where they can be practiced, preserved, and displayed

#### 1.2 Statutory and Regulatory

In taking a sustainable approach to service delivery we must ensure that they and their contractors comply with:

- |                                |  |
|--------------------------------|--|
| • Local Government Act (2002)  | • Building Act 2004                      |
| • Amendment Act 2014           | • Council's own District Plan            |
| • Resource Management Act 1991 | • Climate Response and Resilience Policy |
| • Reserves Act 1977            |  |

## 2. What are the main impacts of our activity?

Section 14 of the Local Government Act 2002 requires local authorities to take a sustainable development approach, by considering:

- the social, economic, and cultural interests of people and communities
- the need to maintain and enhance the quality of the environment
- the reasonably foreseeable needs of future generations

Sustainable development is about maintaining the delicate balance between improving people's standard of living and well-being over time. While at the same time preserving the resources and ecosystems on which we and future generations depend.

Generally, the provision of recreation facilities enhances the social and cultural interests of the community and enhances the quality of life. However, with all built environments there are impacts resulting from the operation and use of:

- council buildings
- vehicles
- facilities

Figure 35 below lists the top 10 sites for electricity usage, which indicates that the Huntly Aquatic Centre, Ngaruawahia Municipal Offices are amongst the highest users. Huntly Library is also noted as a location where power use could easily be reduced through the roll-out of low energy lighting.

### Ranking Benchmarks Report

27/07/2020 9:45 AM

Summary Report for 10 Sites (11 Electricity, 1 Gas - Commercial accounts)

Page: 1

Reporting period: Jul 2019 to Jun 2020 - As Paid : Sorted by kWh : Top 10 only

Site	Name	Days	kWh Usage	Cost	C/kWh	kWh/day	\$/day
WAIK-DC-17	Waikato District Streetlights	366	928,412	293,185	31.58	2,536.6	801.0
WAIK-DC-01	Huntly Aquatic Centre>non T	366	908,748	62,540	6.88	2,482.9	170.8
WAIK-DC-11	Municipal Offices Ngaruawahia	366	479,918	88,447	18.43	1,311.2	241.6
WAIK-DC-18	Waikato District Streetlights,	366	249,579	164,374	65.86	681.9	449.1
WAIK-DC-09	Raglan Holiday Park, Marine	366	230,048	43,471	18.90	628.5	118.7
WAIK-DC-02	Caravan Park, Huntly	366	81,251	15,571	19.16	222.0	42.5
WAIK-DC-03	Huntly Library	366	78,912	19,966	25.30	215.6	54.5
WAIK-DC-90	2 Dominion Road Tuakau 21	366	40,892	7,591	18.57	111.7	20.7
WAIK-DC-278	NEAR WATER TREATMENT	366	40,152	7,950	19.80	109.7	21.7
WAIK-DC-214	WAIKATO DC STREETLIGHTS	366	33,245	(2,118)	(6.37)	90.8	(5.7)
12 Months		366	3,071,156	700,982		Daily Average	
Monthly Average			255,929	58,415	22.82	8,391.0	1,915.2

Figure 35 - Top 10 Sites for Electricity Usage


## 3. How are we dealing with Climate Change and Adaption?

It is recognised that we need to progress from discussion to action about climate resilience. It is likely that climate hazards will significantly disrupt our vision for:

"liveable, thriving and connected communities" within the next 30 years.

It is accepted that without drastic action the world will face a significant climate crisis. We have a legal, governmental and moral obligation to balance our communities' current needs, economic growth and our future.



For this reason, we want to progress our climate resilience from discussion to action and in an effort to address this on Monday 31 August council formally adopted an internal Climate Response and Resilience Policy .

The policy is important because it:

- Acts to protect people from risk
- Provides a foundation to establish a consistent, standardised, all-of-organisation approach to climate resilience
- Demonstrates and operationalises Council's commitment to take climate action
- Acts as an enabler helping people to make decisions; requests have been received for a climate policy to assist with planning
- Aligns the organisation with climate related legislation
- Sets a framework within which a Climate Resilience Action Plan will be developed, in collaboration with our communities and regional partners
- The Climate Action Project is underway to develop Councils action plan and we have made a commitment to finalise the plan prior to the end of December 2020. There is also plans to develop and implement a Climate Action Strategy that includes goals, objectives, actions, and indicators for Council

The District is likely to see extremes of weather becoming more frequent. This includes warmer and wetter weather not necessarily at the same time as a result of climate change with average temperatures increasing as much as 3°C over the next 70-100 years. This could result in longer, drier summers and flooding which will put extra demand on our infrastructure including:

- Water activity for wet industries, garden water and irrigation (businesses that rely on water)
- Roading maintenance with extremes of weather likely to cause more damage
  - Drying out of roads, cracking, and ground level subsidence
  - High rainfall events causing floods that washing away roads, bridge or undermining them through damage to the substrate



- Passive and active recreational assets will need additional maintenance. In some cases, further protection from these climate changes e.g. additional shade structures to provide protection from sun / rain, increased frequency of painting of assets due to peeling/fading in heat.



*Development of Council Climate Action Strategy*

Rising sea levels will limit growth along the coastal regions (Port Waikato / Raglan) due to potential inundation, erosion and flooding placing development pressure on inland areas and existing infrastructure.

The council has developed Proposed District Plan Natural Hazard Provisions for land use and subdivision land development currently at risk and on land that is potentially at risk in the future. This is in line with the official Government predictions and guidance<sup>3</sup> to be used in planning the development and location of key infrastructure.



<sup>3</sup> “Climate Change Projections for New Zealand,” Ministry for the Environment, Sept. 2018; and “Climate Change Effects and Impacts Assessment: A Guide for Local Government in New Zealand,” Ministry for the Environment, May 2008.

The assumption of a 1m sea-level rise over at least 100 years. Hazard modelling and assessments have incorporated climate change projections where relevant, i.e. rainfall patterns and sea-level rise based on projected climate change scenarios.

The main effects of climate change on assets will be increased damage to assets over their lifecycle, leading to increased maintenance costs and possible construction costs if the asset must be built more resiliently.

#### **4. What is the Paris Agreement?**

The Paris Agreement's central aim is to work with nations to strengthen the global response and threat of climate change by keeping a global temperature rise well below 2 degrees Celsius this century, above pre-industry levels pursue efforts to limit the temperature increase even further to 1.5 degrees Celsius.

For there to be any progression around the globe on climate change, the Paris Agreement requires all parties to put forward their best efforts through NDCs (Nationally Determined Contributions). These NDCs are specific to each country, helping them to achieve their own goals, yet help the globe combat against climate change.

New Zealand's NDC is to reach a goal of reducing greenhouse gas emissions by 30 per cent below 2005 greenhouse gas levels which takes into effect in 2021. New Zealand's goal is to achieve this by the year 2030, giving New Zealand 9 years to reach this goal to help fight against climate change.

Alongside the NDC goal, New Zealand has made their own domestic goals which are as follows:

- Net zero emissions of all greenhouse gases other than biogenic methane by 2050
- 24 to 47 per cent below 2017 biogenic methane emissions by 2050, including 10 per cent; and
- Below 2017 biogenic methane emissions by 2030

##### **4.1 Carbon Emission Stocktake and Roadmap**

During 2020 council engaged Martin Lynch from the Waikato Local Authority Shared Services (WLASS) to perform a Carbon Emission Stocktake for the 19/20 financial year, results are outlined in Figure 36. As a result of this stocktake a Carbon Zero roadmap has been prepared to ensure Council is compliant when the Climate Change Response (Zero Carbon) Act 2019 which came into force November 2019 this is outlined in Figure 37.

## Waikato District Council GHG Emissions FY19 (2,433 TCO<sub>2</sub>e)

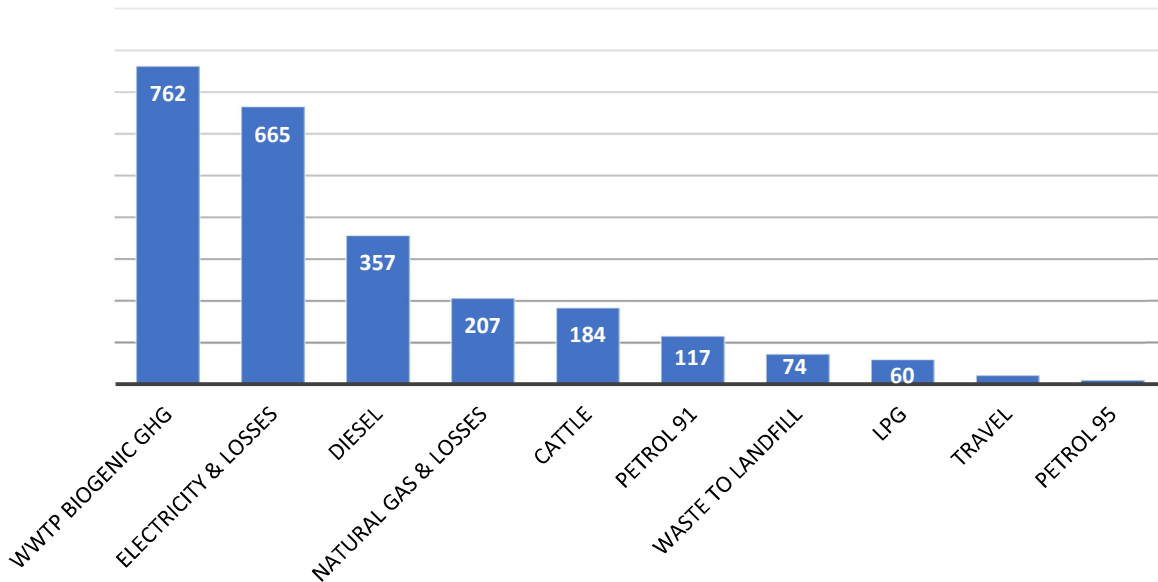



Figure 36 - Carbon Emissions 2018-19 (Source - Martin Lynch- Waikato LASS)



We contribute directly to a significant portion of the Carbon Emissions produced by Council through the operation of the Council properties and community facilities. Usage of electricity makes up 25.4% and fuel contributes 29% of the Carbon Emissions produced by Council.

## Waikato District Council Carbon Zero Road Map To 2030

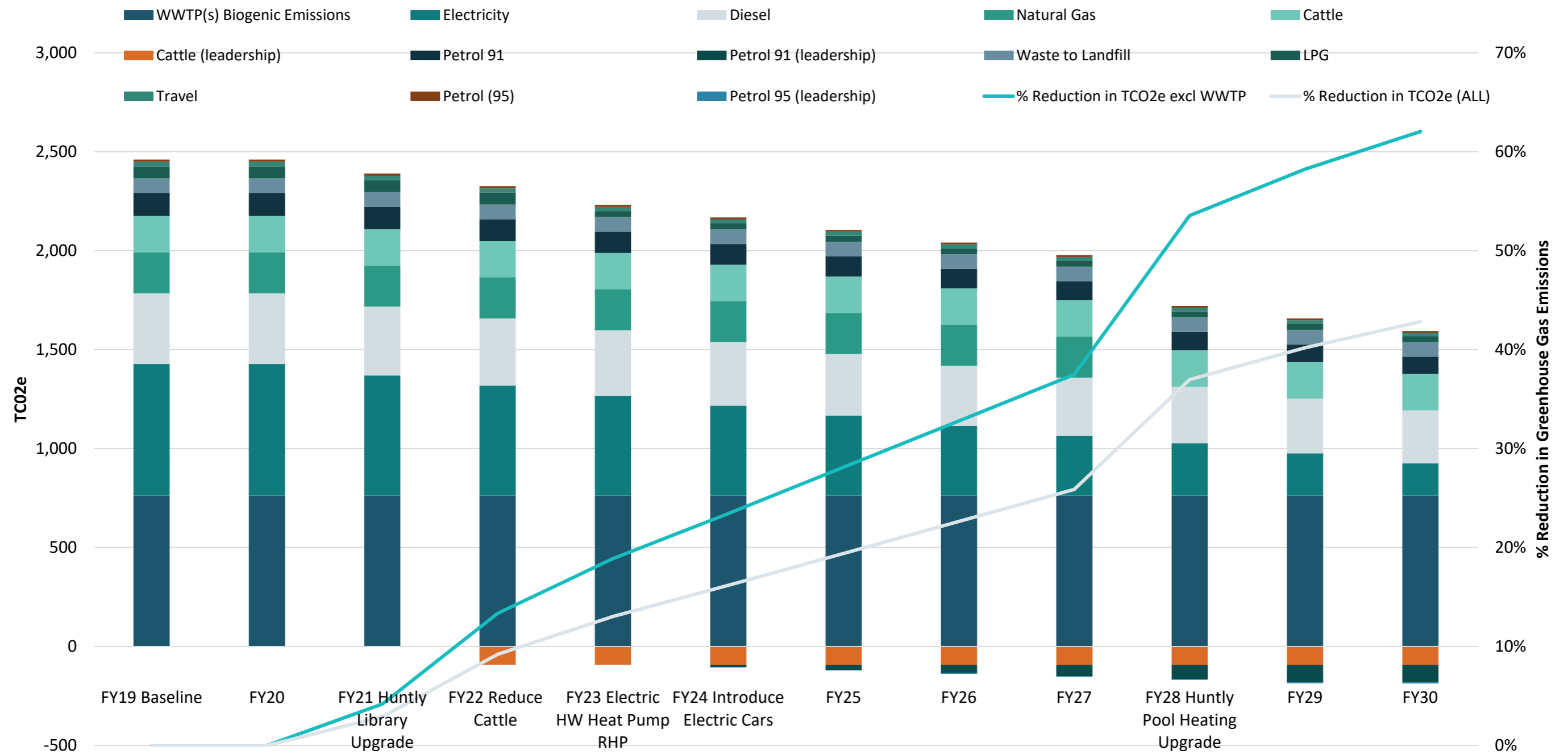


Figure 37 - Carbon Zero Road Map to 2030

## 5. Sustainability Challenges for our Activity

**Sustainable Environment** – Council’s strategic focus is to have an integrated approach to providing sustainable, attractive, affordable, and safe options for living, in a way that is in tune with what ratepayers want. This needs to result in more streamlined processes that cost less while still providing required results for both community and the council.

**Sustainable Communities** – Council’s strategic focus is to support economic growth, rather than spatial growth, to enrich our communities through employment, improved quality of life, rather than simply encouraging population growth. To achieve this, there needs to be a focus on encouraging use of Community facilities and consideration of opportunities to broaden the use of the facilities such as for educational purposes.

### 5.1 Negative Effects of the Activity

Table 28 below describes the significant negative effects associated with the council facilities activity.

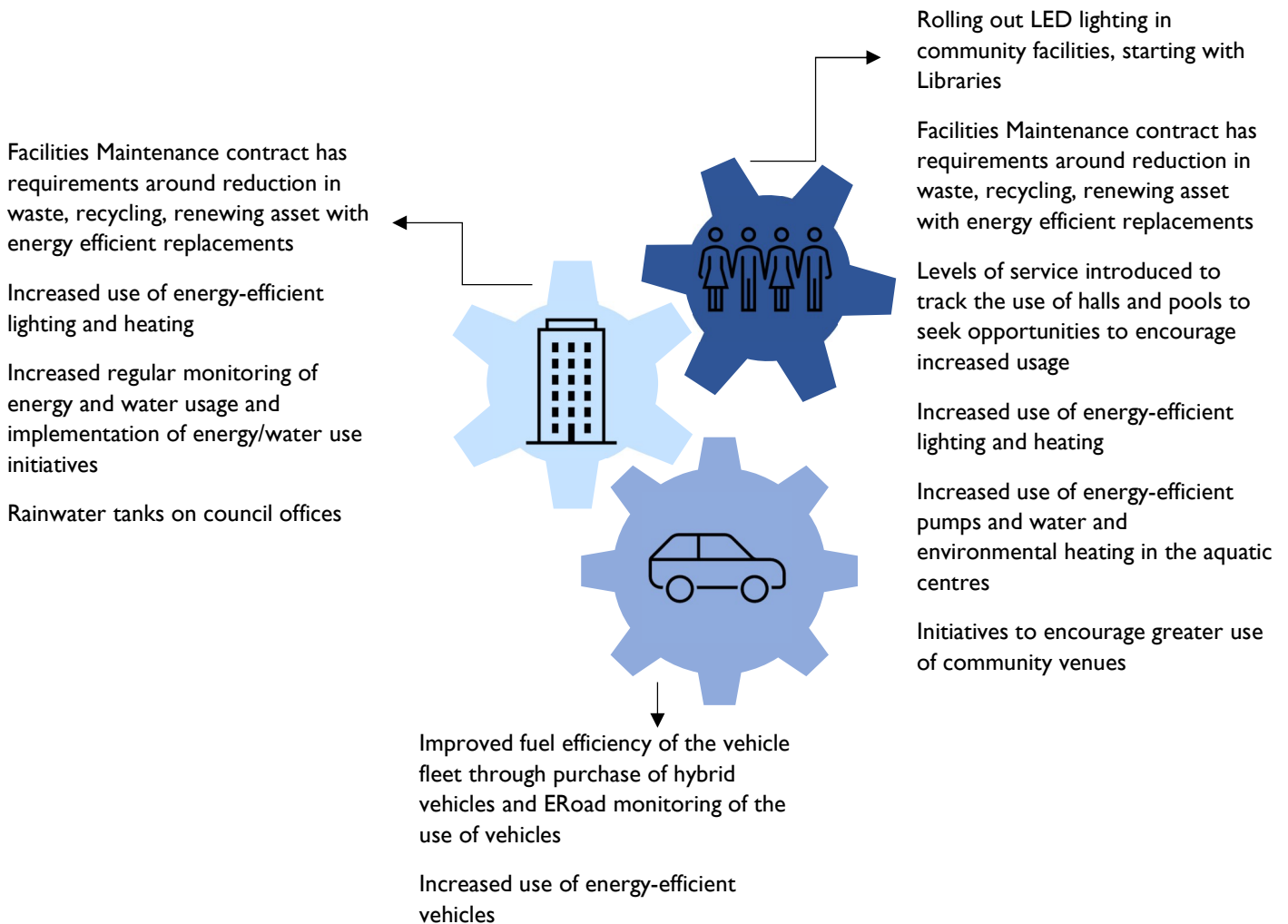
Table 28 - Significant Negative Effects of the Council Facilities Activity

Significant Negative Effect	How we are Addressing This?
Chemical Spill Accidents at aquatic facilities.	Pools managed to Pool Safe certification standards.
Disability access to facilities.	Development of the disabilities access policy. Design and manoeuvrability for wheelchair access, or mobility scooter. New facilities to be designed in accordance with the council’s HCC development manual.
Facilities considered to have a negative effect aesthetically.	Use of eco design, strategic locations, planting to minimise the impact, environmentally complimentary plain colour.
Congregation of undesirable groups with the potential to vandalise equipment.	Maintenance regimes in place to rectify any issues, installation of CCTV as appropriate. Use CPTED design principles.

Source: Waikato Long Term Plan 2018/2028

## 5.2 Sustainability Initiatives

The following sustainability initiatives are being implemented in relation to our facilities:

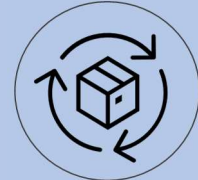


*Implement actions from the facilities energy efficiency and sustainability plan*

## Part 7: Lifecycle Management

Lifecycle cost is the total cost to Council of an asset throughout its life including:

- creation
- operations and maintenance
- renewal
- disposal



Council aims to manage its assets in a way that optimises the balance of these costs. This section summarises how Council plans to manage each part of the lifecycle for the Council Facilities activity.

### I. What is Lifecycle Management?

Lifecycle Asset Management focuses on management options and strategies to minimise risks to assets, and any potential risk of assets.

It considers all relevant consequences from:



Lifecycle Asset Management acknowledges that assets are always in a state of decay and their useful life is primarily influenced by:

- Physical characteristics
- Operating Environment
- Customer Requirements

Lifecycle Asset Management enables us to:

- identify issues
- determine appropriate response options
- identify strategies and programmes for response to identified issues/opportunities to deliver Levels of Service
- achieve both asset and organisational goals and objectives.

This section contains the prioritisation of works:

- That meets the short- and long-term needs of our community
- That offers value for money
- In a sustainable manner to the least whole-of-life cost.

The prioritisation of planned maintenance, renewal/replacement and capital projects is based on:

- Level of Service requirements
- Criticality and risk assessment associated with investment levels that potentially change the level of service
- Age and condition of the infrastructure
- Budgetary constraints



- Growth – required by and supporting population and economic growth

These key outcomes have been considered for each activity at an asset group level.

## 2. How management of infrastructure is undertaken

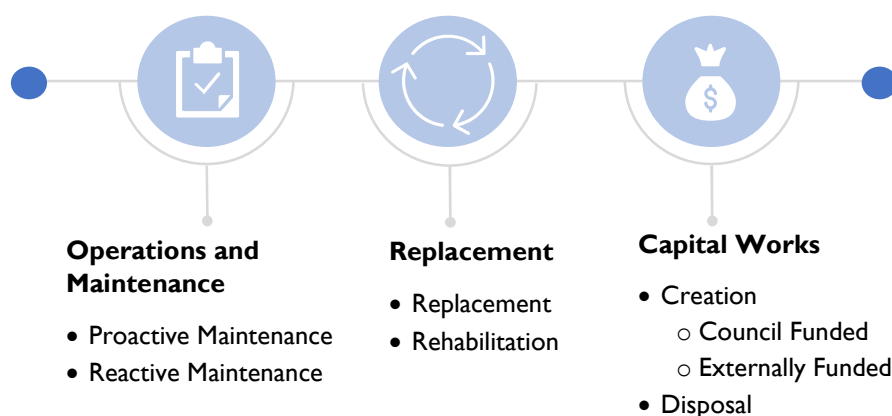
The overall management of infrastructure will be driven through strategies aimed at:

- Complying with the legislative and strategic requirements
- Meeting customer expectations and agreed levels of service; and
- Delivering value for money for ratepayers, funding partners and the Council.

Our strategies are outlined in Part 1: Introduction.

## 3. What are the categories of Lifecycle Management?

Lifecycle management is split into three main categories for our activity.



## 4. What is Operations and Maintenance, and how is it undertaken?

Operations and Maintenance work is that required for the day-to-day operation of the network to consistently achieve optimum use. A key facet of asset management planning is determining the most cost-effective blend of planned and unplanned maintenance. Operating budgets and forecasts are detailed in Part 8: Financial Summary.

The operation and maintenance of assets is undertaken through:

- **Operations** - Activities designed to ensure efficient utilisation of assets, and therefore that the assets achieve their service potential. Operational strategies cover activities such as:
  - gutter cleaning
  - building washes
- **Maintenance** – Maintenance strategies are designed to enable existing assets to operate to their service potential over their useful life. This is necessary to meet service standards, achieve target standards and prevent premature asset failure or deterioration. There are two types of maintenance:
  - **Preventative Maintenance** – A base level of maintenance carried out to a predetermined schedule. Its objective to maintain the service potential of the asset system.
  - **Reactive Maintenance** – Maintenance carried out in response to reported problems or system defects. Its objective is to maintain day to day Levels of Service.

## 4.1 Operating and Maintenance Practices

### District Wide Operating and Maintenance Practices

Operations and maintenance of our assets are predominantly carried out through external service delivery managed and monitored by us. In addition to this several Facilities are managed and operated by local volunteer committees and groups. Refer to Part 1: Introduction for a list of community management groups.

For operations and maintenance activities directly provided by us these currently include:

- Routine works such as building warrant of fitness’s
- Unplanned and reactive maintenance and repairs

Most of the Facilities maintenance and operation service delivery is undertaken under a single Facilities Maintenance contract. A 10-year (4+3+3) term contract commenced on 1 September 2020. Details relating to this contract are outlined in Part 2: Activity Overview.

The tasks included in the contract include all normal activities associated with operating and maintaining building facilities. These are outlined in Table 29:

Table 29 - Contracted Operations and Maintenance Tasks

<b>What is in scope of Services</b> The scope includes, but is not limited to, the services listed below. Services may be added as required during the duration of the contract.	<b>What is not in scope Services</b> (i.e. otherwise managed by Council)
<ul style="list-style-type: none"> <li>• BWOFF Specified Systems Maintenance</li> <li>• Carpentry Works</li> <li>• Flooring</li> <li>• Glazing</li> <li>• Fire Security</li> <li>• Electrical Services</li> <li>• Plumbing and Drainage</li> <li>• Roofing</li> <li>• HVAC</li> <li>• Auto Door Maintenance</li> <li>• Painting and Decorating</li> <li>• Building Wash</li> <li>• Generator Maintenance</li> <li>• Furniture Fixtures and Fittings repairs</li> <li>• Mechanical Repairs</li> <li>• Locksmith</li> <li>• Handyperson</li> <li>• Security – Alarms and Controls</li> <li>• External Building and Sport Field Lighting</li> </ul>	<ul style="list-style-type: none"> <li>• Commercial Cleaning and Associated Services (unless specified)</li> <li>• Open Spaces Maintenance</li> <li>• Asset management software products or systems</li> <li>• Project Management</li> <li>• Lease and rental management</li> <li>• Facilities Management Helpdesk and Call Centre offerings</li> <li>• Cafeteria and kitchenette supplies or catering services</li> <li>• Cleaning/washroom equipment and materials</li> <li>• Consultancy services</li> <li>• Document destruction and document storage</li> <li>• Energy (Electricity and Gas) supply</li> <li>• Fit-out Works</li> <li>• Major Building Works</li> <li>• New works (without prior approval from WDC)</li> <li>• Purchase of office equipment and furniture</li> <li>• Health and Safety related equipment and training (e.g. first aid, PPE, civil defence)</li> <li>• Meeting room technology, installation, and support</li> <li>• Vehicles and fleet management</li> <li>• Laundry equipment supply or services</li> <li>• Personal security services</li> <li>• Monitoring of alarms</li> <li>• Graffiti removal</li> </ul>

Table 30 - Facilities Operating and Maintenance Overview

Facilities Asset	Operating and Maintenance Practices	Operating and Maintenance Deficiencies		Capacity Issues	Planned Interventions
<b>Facilities Buildings</b>	<p><b>Operations</b></p> <ul style="list-style-type: none"> <li>Cushman Wakefield has the contract for scheduled routine maintenance</li> <li>Property purchase and disposals are handled by Council's Facilities Management team</li> <li>Regular monitoring of contractor performance against contract requirements is undertaken by Council staff and Contractor using iAuditor software.</li> </ul> <p><b>Reactive Maintenance</b></p> <ul style="list-style-type: none"> <li>Reactive Maintenance issues and requests are included in the maintenance contract with Cushman Wakefield.</li> </ul> <p><b>Preventative Maintenance</b></p> <ul style="list-style-type: none"> <li>Reactive Maintenance issues and requests are included in the maintenance contract with Cushman Wakefield.</li> <li>In addition, a seismic strengthening programme has been developed by our team.</li> </ul>	<b>Service delivery quality</b>	The specification documentation requires improvement to better align with the levels of service and better define the standards of delivery required	Presently there is limited information available on the current and projected utilisation of Council's property group assets. This will be addressed in the future through the development of processes to record the use of existing assets where this is deemed necessary and cost effective.	Continue improvements
		<b>Data sharing</b>	Information sharing of assets between contractor and council has improved with the new contract. CW has read-only access to the Asset management system and current data.		Work with IT to streamline process, to provide a workable solution
		<b>Service delivery contract payment schedules</b>	Current price schedule generates a large amount of detail which requires significant processing time by Council staff		Continually looking at improvements
		<b>Customer Service</b>	The handling of public service requests by Council requires streamlining to provide a more effective and efficient process		Work with IT to streamline process
		<b>Design/construction standards</b>	Documented design/construction standards need to be developed and regularly updated to ensure that consistency of assets used, design, quality and level of service objectives are achieved		Process has started for some assets, needs to be developed for all assets
		<b>As-built information</b>	Clear, defined documented procedures are required for as-builts and associated data transfer into information systems		Processes are in place, require buy in from project managers, contractors to feed information back
		<b>Community Halls – Huntly Civic Centre, Ngaruawahia Memorial Hall, Tuakau Memorial Hall</b>	<p>Council is responsible for all exterior maintenance and interior maintenance, except for commercially leased ex Area Offices in the Huntly Civic Centre. There are no Council staff accommodated at the sites.</p> <p>Staff carry out an annual inspection to identify one-off items that require repair or maintenance.</p> <p><i>Operations</i> – A Hall Custodian is engaged to clean the building (although users are required to clean up after each booking) and arrange for minor maintenance and repairs.</p> <p><i>Bookings</i> - A local booking service will be easily accessible during normal business hours provided at a local level</p>		<ul style="list-style-type: none"> <li>The hall committees have varying levels of asset management skills.</li> <li>Utilisation and performance information is not readily available.</li> <li>Aging committees and difficulty of recruiting new members. Many members serve multiple community roles.</li> <li>An exterior building maintenance plan for Council-run halls</li> </ul>

Facilities Asset	Operating and Maintenance Practices	Operating and Maintenance Deficiencies	Capacity Issues	Planned Interventions
	<p>either through Council service centre, hall custodian or hall committee.</p> <p><i>Availability</i> - Buildings will be available for use when required 7 days per week up until midnight.</p> <p><i>Safety</i> - Safety and evacuation systems are regularly monitored and maintained to ensure building warrant of fitness compliance is always achieved.</p> <p><i>Furnishings and fittings</i> - Furnishings and fittings will be maintained in good working order and appearance.</p> <p><i>Reactive Maintenance</i> – Council has recently let a 10-year term contract for the maintenance of Council Facilities, starting 1 September 2020.</p> <p><i>Preventative Maintenance</i> – The new Maintenance contract includes planned move to increase preventative maintenance to improve efficiencies and enable improved planning.</p>			
<p><b>All other Community Halls / Facilities</b></p>	<p><i>Bookings</i> - A local booking service will be easily accessible during normal business hours provided at a local level either through Council service centre, hall custodian or hall committee.</p> <p><i>Availability</i> - Buildings will be available for use when required 7 days per week up until midnight.</p> <p><i>Cleaning</i> - Each user will leave facilities reasonably clean and tidy, ready for any subsequent user. Commercial cleaners will clean town halls once per week. Community spaces (halls) will plan for local cleaning by custodian or other service as appropriate to the level of use.</p> <p><i>Safety</i> - Safety and evacuation systems are regularly monitored and maintained to ensure building warrant of fitness compliance is always achieved.</p> <p><i>Furnishings and fittings</i> - Furnishings and fittings will be maintained in good working order and appearance.</p> <p><i>Reactive Maintenance</i> – Council has delegated operation and maintenance (minor) of the halls to the individual hall committees. Council staff provide technical and procurement assistance to the committees as required.</p> <p><i>Preventative Maintenance</i> – Council is responsible for major and planned maintenance and renewals.</p> <ul style="list-style-type: none"> <li>An assessment of the condition of all council buildings and long-term maintenance requirements is available, which produces a long term (10+ year) building maintenance plan. The financial requirements of implementing the</li> </ul>	<ul style="list-style-type: none"> <li>The hall committees have varying levels of asset management skills.</li> <li>Utilisation and performance information is not readily available.</li> <li>Aging committees and difficulty of recruiting new members. Many members serve multiple community roles.</li> <li>An exterior building maintenance plan for Council-run halls</li> </ul>	<p>A drive time analysis for the community facilities network indicates that the network is complete, as most residents are able to access a community facility within a 10 to 15-minute drive of their home. A community of interest approach on the other hand, using either a facility partnership or single standalone asset option, means more facilities may be needed.</p> <p>Community facilities are not being used to full capacity as they were historically. Demand is changing for multi-purpose/use spaces due to the changing lifestyle patterns and mobility of communities. Work is underway on understanding the needs of the communities and the facilities/spaces required to ensure they are a viable, sustainable entity with consideration to rationalisation where required, as many of the community facilities (halls) were built in the 1950s and 1960s.</p>	<p>All hall facilities to be monitored. If after two years no significant improvements in utilisation has occurred in low utilisation halls, consideration will be given to rationalisation, or more direct management /Committee assistance be given.</p> <p>Quarterly informal catchups with hall committees or their representatives on a quarterly basis to discuss issues such as marketing/promotion of their facility.</p> <p>Explore opportunities for enhancing the community facilities (halls) portal on the WDC website and encourage local news media coverage to demonstrate the wide range of activities and programmes available at the halls.</p> <p>Mercer and Whatawhata communities have budget set aside currently and work is being carried out on exploring options for a new community facility in each location which would best suit each of these communities. Further budget may be required, depending on the outcome of community consultation.</p> <p>The old Port Waikato Hall was in a high erosion zone and has demolished, community facilities have been relocated to the Lifeguard Facilities with a new facility opened end of 2020.</p> <p>Ngaruawahia is looking at the feasibility of building a community facility to include the</p>

Facilities Asset	Operating and Maintenance Practices	Operating and Maintenance Deficiencies	Capacity Issues	Planned Interventions
	<p>planned works will be included in the AMP financial plan.</p> <p>When required, work is assigned to individual contractors in accordance with Council Policy.</p>			<p>library, art centre, gallery and budget has been set aside for this.</p> <p>Pokeno is expected to require a major upgrade to the community facility (hall) around 2020 due to concentrated growth in the township.</p>
<b>Council Buildings</b>	<p>Staff carry out an annual inspection to identify one-off items that require repair or maintenance.</p> <p><i>Availability</i> - Buildings will be available for use during normal business hours. The main offices will always be available for CDEM purposes and will be used 24/7 when a crisis management activity is active.</p> <p><i>Cleaning</i> - Contracts by external service providers are in place for regular cleaning functions for all staffed office buildings.</p> <p><i>Safety</i> - Safety and evacuation systems regularly monitored and maintained to ensure building warrant of fitness compliance is always achieved.</p> <p><i>Furnishings and Fittings</i> - Furnishings and fittings will be maintained in good working order and appearance.</p> <hr/> <p><i>Reactive Maintenance</i> – Council has recently let a 10-year term contract for the maintenance of Council Facilities, which started 1 September 2020.</p> <p><i>Preventative Maintenance</i> – The new Maintenance contract includes planned move to increase preventative maintenance to improve efficiencies and enable improved planning.</p>	<ul style="list-style-type: none"> <li>An exterior building maintenance plan</li> <li>Ngaruawahia office requires repair of exterior cladding and roofing in some areas due to signs of degradation, this may include some cladding replacement.</li> </ul>	<p>With growth in the district boundaries there has been a consequential increase in demand on corporate property.</p> <p>As growth occurs throughout the district there will be more demand for dog pound facilities.</p> <p>The Ngaruawahia office was running at capacity prior to March 2020, and Council was required to look at options to accommodate more staff as the district grows. As a result of the COVID-19 pandemic, Council has recently implemented flexible working. A reconfiguration of the office has been undertaken incorporating “hot-desking” neighbourhoods and a separate “collaboration space”. This is a result of more staff working from home and less demand of dedicated office space. This is assisting in alleviating the previous capacity issues that were being experienced.</p>	
<b>Libraries</b>	<p><i>Availability</i> - Buildings will be available for use during normal business hours.</p> <p><i>Cleaning</i> – Contracts by external service providers are in place for regular cleaning functions for all staffed office buildings.</p> <p><i>Safety</i> - Safety and evacuation systems regularly monitored and maintained to ensure building warrant of fitness compliance is always achieved.</p> <p><i>Furnishings and Fittings</i> - Furnishings and fittings will be maintained in good working order and appearance.</p>	<ul style="list-style-type: none"> <li>An exterior building maintenance plan</li> </ul>	<p>Several projects have been identified or completed to provide additional capacity.</p>	



Facilities Asset	Operating and Maintenance Practices	Operating and Maintenance Deficiencies	Capacity Issues	Planned Interventions
	<p><i>Reactive Maintenance</i> – Council has recently let a 10-year term contract for the maintenance of Council Facilities, starting 1 September 2020.</p> <p><i>Preventative Maintenance</i> – The new Maintenance contract includes planned move to increase preventative maintenance to improve efficiencies and enable improved planning.</p> <ul style="list-style-type: none"> <li>• Staff carry out an annual inspection to identify one-off items that require repair or maintenance.</li> </ul>			
<b>Housing for the Elderly</b>	<p><i>Operations</i> – Tenancy management is dealt with by council staff.</p> <p><i>Safety</i> - Safety and evacuation systems regularly monitored and maintained to ensure building warrant of fitness compliance is always achieved.</p> <p><i>Furnishings and fittings</i> - Furnishings and fittings will be maintained in good working order and appearance.</p> <p><i>Reactive Maintenance</i> – Maintenance issues and requests are responded to by council staff and local contractors are arranged to effect repairs in a timely manner, depending on the urgency of the issue. There are no service arrangements or contracts in place with any trades for reactive maintenance works.</p> <ul style="list-style-type: none"> <li>• When a unit becomes vacant, staff take the opportunity to assess the condition of the interior, particularly about décor, fittings, and fixtures. Should redecoration be required the work is carried out prior to the occupancy of a new tenant.</li> <li>• The requirements of new tenants are generally brought directly to the attention of the staff officer responsible and appropriate action is taken to assess and remedy the situation. In rare cases this may result in a tenant being required to vacate the unit while the work is carried out. These situations are negotiated directly with the tenant concerned and in extreme cases may result in the tenant being accommodated elsewhere at Council's expense.</li> <li>• External maintenance is carried out when required and generally does not affect the operational performance of the units to the extent that tenants are inconvenienced anything other than a minor way.</li> </ul>	<ul style="list-style-type: none"> <li>• There are no known operational issues with elderly housing.</li> <li>• An exterior building maintenance plan.</li> </ul>	<p>Occupancy of elderly housing is stable at about <b>85%</b>. Although the number of elderlies is expected to increase as the population ages, Council is looking at divesting this portfolio due to its inability to provide wrap-around services and the cost of bringing them up to fit for purpose.</p> <p>Utilisation of elderly housing is steady at around 95%. Council is primarily concerned with managing potential under-utilisation; high utilisation is not a driver for increasing levels of provision. Current elderly housing is housing only and does not take into consideration wrap-around services that specialists can deliver in conjunction with government subsidies. Council will be looking at divesting this portfolio.</p>	<p>Due to the current demand and age of the current stock it is proposed that Council divests itself of this activity, due to the cost of upkeep and inability to provide wrap-around services.</p> <p>Currently the Elderly Housing portfolio is losing money. Council has indicated it is unable to make this part of their core business due to legislation, and it would be better provided by the private sector or another type of partnership where elderly people can receive a wrap-around service. Therefore, a project to divest this portfolio has been initiated.</p>

Facilities Asset	Operating and Maintenance Practices	Operating and Maintenance Deficiencies	Capacity Issues	Planned Interventions
	<p><i>Preventative Maintenance</i> – A specialist building asset management contractor will be engaged to progressively assess the condition and long-term maintenance requirements of all council buildings, and to produce a long term (10+ year) building maintenance plan. The financial requirements of implementing the planned works will be included in the AMP financial plan.</p> <ul style="list-style-type: none"> <li>• Staff carry out an annual inspection to identify one-off items that require repair or maintenance. This annual inspection is in addition to the post-departure inspection carried out when a tenant leaves the units.</li> </ul> <p>Except for lawn mowing and garden maintenance there are no maintenance contracts in place. When required, work is assigned to individual contractors in accordance with Council policy.</p>			
<p><b>Swimming Pools</b></p>	<p><i>Operations</i> – The operations of all the swimming pools are outsourced to private contractors who are responsible for all operations and minor maintenance. They retain all revenues and are paid a management fee. Operated by Belgravia, contract expires in 2026</p> <p><i>Opening Hours</i> - Access is available when desired by most customers and the operation remains effective and efficient based on actual user numbers. Opening hours determined on a pool-by-pool facility by the pool operator, with agreement by Council.</p> <p><i>Water Quality</i> - Water looks and feels clean and clear with no smell and the facility is safe to use. Water treatment and filtration systems designed to meet NZS 5826:2010.</p> <p><i>Water Temperature</i> - Water temperature of Huntly pool is warm for leisure and children’s pools and is appropriate for lap pool activity.</p> <p><i>Safety</i> - Pool supervision and lifeguarding are provided to ensure no accidental drowning occurs and all users are safe and injury free. NZRA Pool Safe accreditation always maintained. Annual hazard and risk assessment.</p> <p><i>Programmes</i> – Provide programmes that enable children to learn to swim at Huntly pool.</p> <p><i>Cleanliness</i> – All facilities maintained in a clean and tidy condition. Cleaning of changing rooms and toilets to be undertaken once daily, with hourly staff checks.</p> <p><i>Environment</i> – Internal environment at Huntly is comfortably warm, light, and welcoming.</p>	<ul style="list-style-type: none"> <li>• Proactive monitoring and reporting on the performance of the facilities and the contractors is required.</li> <li>• The pools are all relatively old, being built in the 1960s, therefore they are generally dated and “tired”.</li> </ul>	<p>The current performance of the swimming facilities has not been analysed to determine if there are any capacity issues. Anecdotally, there are no current demand issues, although two of the facilities are of a basic standard and coming to the end of their economic lives and only operational through the summer period. Under current forecasts they will have capacity for population growth in the short term. Longer term, an analysis of the facilities and district growth is required to assess future needs.</p> <p>The contractors have put in a system which can report back on swimming pool usage at Huntly Aquatic Centre. It is still early days to have the ability to analyse the overall utilisation and performance of the swimming pools. The Yardstick benchmarking program is another tool which would be of benefit in analysing and benchmarking against other facilities throughout the country.</p>	<p>The outdoor pools at Tuakau and Ngaruawahia are considered “high risk” in terms of ongoing maintenance costs and repairs.</p> <p>Ngaruawahia has very poor visibility and accessibility for users, operational hours are limited due to the pool being in a residential area and a future relocation to a more suitable site will be needed or whether a cross boundary contribution will be needed to develop a pool in the north east of Hamilton with Hamilton City Council.</p> <p>Further investigate the viability of providing new upgraded aquatic facilities in Tuakau or whether Council would consider a cross boundary contribution to further pool development at Pukekohe with Auckland Council.</p> <p>The pool at Te Kauwhata College is an opportunity for Council to develop a partnership that will add summer season capacity to its network and meet community demands. Currently there is no formal agreement with operators.</p> <p>A similar arrangement could be entered into with the Raglan Area School pool to provide swimming education and lane swimming in the Raglan area.</p> <p>Providing community pools can prove costly for asset owners, as identified by Sport NZ: “communities have found the money to build a</p>



Facilities Asset	Operating and Maintenance Practices	Operating and Maintenance Deficiencies		Capacity Issues	Planned Interventions
	<p><i>Service</i> – Attentive, responsive customer – focused approach by all staff.</p> <p><i>Affordability</i> – Affordable for all. Pool admission and learn-to-swim charges no greater than 10% higher than industry average as measured by Yardstick</p> <p><i>Presentation</i> – Appearance of facility maintained to a good standard.</p> <p><i>Reactive Maintenance</i> – Minor maintenance issues (up to \$600 in value) are dealt with by the pool contractors. When required, for work above this value, it is either arranged by the contractor or Council, based on circumstances (urgency) and specific agreements.</p> <p><i>Preventative Maintenance</i> - Pools will be maintained on a regular, planned cycle to ensure life expectancy is maximised and to minimise the likelihood of maintenance issues affecting the operation of the facility.</p> <ul style="list-style-type: none"> <li>• A specialist building asset management contractor will be engaged to progressively assess the condition and long-term maintenance requirements of all council buildings, and to produce a long term (10+ year) building maintenance plan. The financial requirements of implementing the planned works will be included in the AMP financial plan.</li> </ul>				facility, only to struggle with the on-going operational and maintenance costs”. Council must be realistic about what level of provision it offers its communities, which is at an affordable capital cost and is financially sustainable.
<b>Fleet</b>	<p><i>Vehicle Maintenance</i> – Vehicles that are fuel-efficient, safe, and well maintained.</p>	<p>No deficiencies, fleet management is undertaken by Fleetsmart.</p> <p>An initiative is planned to align vehicle services with the WOF timing for budget savings.</p>		Current vehicle fleet at appropriate capacity, no need for additional vehicles based on current use.	<p>New electric charging point at the office. In discussion with Energy companies.</p> <p>Driver training – identifying drivers in high risk roles to roll out appropriate training.</p>
<b>Raglan Harbour</b>	<p><i>Operations</i> – The operation of the Raglan harbour assets is undertaken by Council staff.</p> <p><i>Reactive Maintenance</i> – Staff carry out an annual inspection to identify one-off items that require repair or maintenance. This annual inspection is in addition to the daily monitoring of maintenance items identified by tenants or users and reported through the Raglan Area Office Manager. Required work is assigned to individual contractors in accordance with Council policy.</p> <p><i>Preventative Maintenance</i> – There is no preventative maintenance undertaken.</p>	<p><b>Raglan Wharf Sheds</b></p> <p>No known issues</p>	<p><b>Papahua Footbridge</b></p> <p>There is potential to increase the usage of the Papahua Boat Ramp, and thereby relieve parking pressures on the Raglan Wharf by dredging the Opoturu Channel to the main harbour. This would increase the depth of the channel at low tide and improve navigation and maritime safety. The proposed dredging would involve a Resource Consent to the Regional Authority.</p>	<p>Peak foot traffic on the bridge occurs over January, driven by occupancy at the campground. The bridge has sufficient width to accommodate the peak and is well under capacity the rest of the year.</p>	

Facilities Asset	Operating and Maintenance Practices	Operating and Maintenance Deficiencies		Capacity Issues	Planned Interventions
		<b>Navigation Beacons</b>	The harbour bar moves gradually with time and sometimes suddenly in storms, due to tidal forces.	The hazardous harbour entrance means there is only a relatively small number of vessels that use the assets; therefore, growth is not an issue.	
		<b>Raglan Harbour Board Endowment Properties</b>	Council has limited options with these assets as they are endowed and cannot be sold. Some assets are land only, with the structures owned by the leases.		
		<b>Raglan Wharf</b>	Limited by size and age.		
<b>General Property</b>	<i>Old Teacher's House, Gordonton</i> - The Old Teacher's House is managed and operated by the Gordonton District Society, a community based charitable trust.			These properties are generally held for reasons other than service provision or supporting council activities, and demand and capacity are not relevant considerations for these types of assets.	Appropriate sites need to be found to future-proof for the increasing demand for corporate property as the district grows.
	<i>Old School Building, Gordonton</i> – The Old School Building is managed and operated by the Gordonton District Society, a community based charitable trust.				
	<i>District Visitor Information Centre, Huntly</i> – The Visitor Information Centre is operated by i-site staff and building related repairs and maintenance done by Council.				
	<i>Te Puea Avenue Church, Meremere</i> – Council responsible for repairs and maintenance.				
	<i>Old Meremere Library, Meremere</i> – Former library / part doctor's surgery. Council responsible for repairs and maintenance on building.				
	<i>Meremere Old Ambulance Station, Meremere</i> – Building is largely empty, with a few groups using it. Council responsible for repairs and maintenance on building.				
	<i>Meremere Tennis Court, Meremere</i> – Council responsible for repairs and maintenance on building.				
	<i>Old Flour Mill, Ngaruawahia</i> - Council responsible for repairs and maintenance on building.				
	<i>Dentists Rooms, Ngaruawahia</i> – Is leased by Twin Rivers Art Centre, who are responsible for repairs and maintenance.				

Facilities Asset	Operating and Maintenance Practices	Operating and Maintenance Deficiencies	Capacity Issues	Planned Interventions
	<i>Z Petrol Station, Ngaruawahia</i> - The entire building is leased to Z Energy Limited. The lessee is responsible for all interior and routine exterior maintenance. The Council is jointly responsible for significant exterior maintenance items in agreement with the lessee, including the driveways but excluding the forecourt.			
	<i>Residential Dwelling, Te Hutewai, Raglan</i> – The property is occupied under agreement. The occupant is responsible for all maintenance and capital expenditure.			
	<i>Museum and Information Centre</i> – Museum and Information Centre is staffed by i-site and museum staff. Council responsible for building repairs and maintenance.			
	<i>Raglan Kindergarten, Raglan</i> - The Raglan Kindergarten is managed and operated by the New Zealand Kindergarten Association.			
	<i>Old School Building, Raglan</i> – The Old School Building is managed and operated by Raglan Arts Council, a community-based charitable trust.			
	<i>Plunket Rooms, Raglan</i> - The Bow Street Plunket Rooms are managed and operated by the New Zealand Plunket Society.			
	<i>Residential Dwelling, Great South Road, Huntly</i> – Dwelling tenanted. Council responsible for repairs and maintenance.			
	<i>Cobourne Reserve</i> - Council is responsible for repairs and maintenance of the volunteers shed.			
	<i>Huntly Bridge Club</i> – The Huntly Bridge Club is responsible for cleaning. Council is responsible for repairs and maintenance.			
	<i>Huntly Gymnasium</i> – The Huntly Gymnasium is managed and operated by the Gym Club.			
	<i>Huntly West Sports Ground</i> – Council is responsible for repairs and maintenance.			
	<i>Te Kauwhata Scout Den</i> – The Te Kauwhata Scout Den is managed and operated by the Te Kauwhata Scouts, who want to divest it to Council.			

Facilities Asset	Operating and Maintenance Practices	Operating and Maintenance Deficiencies	Capacity Issues	Planned Interventions
	<i>Onewhero Old Post Office Residential Dwelling</i> - Council is responsible for repairs and maintenance.			
	<i>Woodlands</i> – Is managed and operated by Woodlands Trust. The Council is jointly responsible for significant capital expenditure.			
	<i>Naike School</i> – The Naike School Committee is responsible for day-to-day maintenance and operation. The Council is jointly responsible for significant capital expenditure.			
	<i>Orini Reserve</i> – Is managed and operated by the Orini Cricket Club.			
	<i>Port Waikato Lifeguard Tower</i> – Is managed and operated by the Port Waikato Lifeguards.			
	<i>Elbow Clubrooms</i> – Are managed and operated by the Elbow Ski club.			
	<i>14 Ralph Street</i> – The Fire Service leases the property and is responsible for all repairs and maintenance.			
	<i>327B Whangarata Road</i> – The Council is responsible for all repairs and maintenance.			
	<i>69 George Street</i> – Is managed and operated by the Tuakau Emergency Services.			
	<i>Wainui Reserve</i> – The Council is responsible for repairs and maintenance.			

## 4.2 Deferred Maintenance

If work is to be deferred, the impact on the assets and their ability to provide the required levels of service will be considered in the decision-making process. All deferred works will be reconsidered and re-prioritised in the following years annual plan programme or, if urgent, undertaken immediately.

The deferral of some items of work will not have a detrimental effect on the levels of service provided by the assets. Repeated deferral however may incur a liability in future years. There is evidence of deferred maintenance with our assets, although it is difficult to gather the data behind this.

There is an opportunity through the new Facilities Maintenance contract to improve existing data on what maintenance has been done and to better understand the needs to create maintenance plans. This will better inform a deferred maintenance strategy.



*Implement a system to track ongoing maintenance on assets from the FM contract*

## 5. Asset Renewal and Replacement Plan

Renewal forecasts are intended to provide for the progressive replacement of individual assets that have reached the end of their useful life.

The rate of asset renewal is intended to maintain the overall condition of the asset system at a standard which reflects its age profile and ensures that the community's investment and levels of service in the districts Council Facilities infrastructure is maintained.

Renewal works fall in two categories:

- **Rehabilitation:** Involves the major repair or refurbishment of an existing asset. Rehabilitation creates an extension in the life of an asset. It does not provide for a planned increase in the operating capacity or design loading.
- **Renewal:** Does not provide for a planned increase to the operating capacity or design loading. Some minor increase in capacity may result from the process of renewal, but a substantial improvement is needed before system development is considered to have occurred.

The level of expenditure on cyclic asset replacement varies from year to year, reflecting:

- The assets age profile of the asset class
- The condition profile of the asset class; (condition ratings are used to review the remaining life of assets prior to programming renewals)
- The on-going maintenance demands
- Customer service issues
- The differing economic lives of individual assets comprising the overall asset system

The key assumptions underlying the renewal forecasts are:

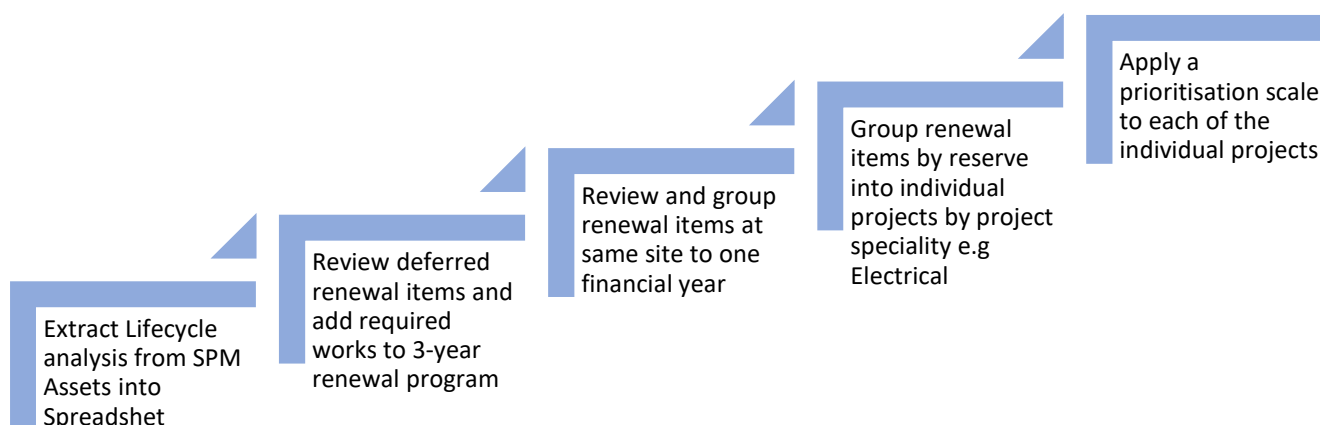
- Default lifecycles and costs for components in the Assets database were initially based on the NAMS Building Component Guidelines<sup>4</sup>.

<sup>4</sup> NAMS Property Manual – Version 1.0, 2006

- An additional review process also identified sites where default lives required modification (either an increase or a decrease). This is dependant on expected usage patterns and operating conditions.
- Site Importance levels are reviewed regularly by the Community Assets Team and are based on individual sites.
- Component Criticality levels are also reviewed regularly, both at a default level and for specific sites.
- Components are generally replaced at Condition Grade 4 (where they have between 11-24% of their useful life remaining).

Both the Building Importance Levels and Component Criticality Levels may shorten (or lengthen) component lifecycles at certain building. High Profile buildings are considered those with a site Importance Level of 5 (High).

When compiling the capex renewal programme the following process was undertaken:



The prioritisation scale for our Activity is as follows:

- 1 – Deferred Projects
- 2 – Building Structure
- 3 – Health and Safety / Compliance
- 4 – Building Weathertightness
- 5 – Building Environment
- 6 – Internal Finishes
- 7 – Administrative

Prior to producing the lifecycle analysis extract from SPM Assets, a ground-truthing exercise of the data was undertaken to establish validity of the renewal program it was suggesting. Suggested changes were then applied by the Community Assets team.

Key principles of the programme include:

- Condition Grade 5 components are compulsory renewals
- Bundling work where more cost effective or to minimise disruption
- Managing peaks to ensure they can be resourced, both operationally and financially

- Seeking input from Activity Managers where priorities differ
- Linking with capital upgrade programme
- For structural renewals – deferring maintenance / replacement leading up to it

## 5.1 Renewal / Replacement Strategies

### Identification of Renewal Needs

Renewal / replacement needs are identified by:

- analysing condition reports
- maintenance records (asset failure and expenditure history)
- request for service records
- observations of staff and contractors

The short and long-term asset renewal programmes are prepared from specific renewal needs identified from the above information.

In the longer-term renewal forecasts will be based on an assessment of remaining asset lives and condition (integrated with valuation process) once the Asset identification, condition grading improvements have begun.



### *Preparation of a Fleet Renewal Programme*

### Prioritisation of Renewal Projects

Renewal projects are justified and prioritised using a risk-based process. As outlined previously there is a prioritisation scale on a 1-5 basis. When reviewing each of the renewal projects the risk rating associated with the affected componentry is considered.

The risk rating is based on the same matrix as outlined in Part 4: Risk Management Planning, so hence higher the risk scores the higher risk the asset poses for Council and should be given priority for renewal.

Decisions on renewal works consider the short and long-term effects on the operating and structural integrity of the system. Renewal works are designed and undertaken in accordance with industry standards (or known future standards) and system design loadings.

Short-term renewal priorities are reassessed annually considering any additional information that becomes available.

### Deferred Renewals

The quantity and impact of deferred renewals (if any) is tracked within SPM Assets so that these can be prioritised for inclusion in future programmes.

### General

Condition grading based on the PRAMS/NAMS guidelines for all assets are used to determine the position in the lifecycle and end of life for assets.

Several factors influence the useful lives of assets, these include factors:

- such as the level of use



- location
- environmental factors such as weather, amount of vandalism in the locality.

### **Funding**

Renewals are funded from mostly depreciation with some exceptions regarding Direct Contribution spending.

### **5.2 What is included in the capital programmes?**

All building components are included in capital renewal programmes. Replacement of minor fittings will generally, be undertaken as part of reactive works or routine maintenance programmes.

Renewal of asset components may occur as part of building improvement programmes where it is more efficient to renew at that time.

### **5.3 Depreciation**

Buildings are depreciated on a straight-line basis. Depreciation is calculated on the key components based on standard useful lives.

### **5.4 What are New Asset Requirements?**

There is a need to provide extra facilities to meet the District's needs. There is also a necessity to:

- develop the infrastructure to support existing operations
- provide a suitable level of amenity for visitors

New capital assets for our facilities may be required to:

- Address performance gaps in the current levels of service
- Provide for the development of additional areas to meet demand
- Meet increases in levels of service
- Provide new technologies or innovations to improve efficiency/sustainability

It is anticipated that, overall, a similar level of service will continue to be provided into the future for our activity and this will be reflected in designs and infrastructure provision.

### **5.5 Prioritisation and Timing**

Prioritisation of new capital items has involved consideration of the following criteria:

- Level of usage of individual facilities
- Demand information
- Technical Assessments
- Issues identified in planning documents (e.g., Sanitary Services Assessment for Cemeteries)
- Risk Factors

## 5.6 Selection and Design

The following requirements are assessed when consideration is given to creating or acquiring new assets:

- service
- functionality
- price
- availability
- reliability
- aesthetics
- safety
- sustainability
- maintenance

## 6. Asset Development Plan

Asset development provides for a planned increase in service capability of the Council Facilities Activity to:

- Close any gaps between the current Council Facilities targets and target service standards
- Accommodate growth
- Ensure appropriate funding mechanisms are in place such as Development Contributions.

Asset development and asset renewal can occur simultaneously. The purpose of asset renewal is to prevent a decline in the service potential of the assets whereas asset development is concerned with the service improvements, measured by asset performance.

## 7. Management, Renewal and Operations Standards

Our activity management, renewal and operations and maintenance are managed in accordance with the following standards:

- Generally accepted accounting practice
- The International Infrastructure Management Manual
- Lifecycle renewals and finance;
- Relevant Resource Consents and the Resource Management Act 1991
- Health and Safety Plans

## 8. How do we dispose of assets?

As part of the whole life cycle management of assets, it is vital to consider the costs of asset disposal in the long-term financial forecasts for an asset. The cost of asset disposal is expected to be incorporated within the capital cost of new works, or asset renewals.

Disposal is the retirement or sale of assets whether surplus or superseded by new or improved systems. Assets may become surplus to requirements for any of the following reasons:

- Underutilisation
- Obsolescence
- Provision exceeds required level of service
- Assets replaced before its predicted economic life
- Uneconomic to upgrade or operate
- Policy changes
- Service provided by other means (e.g. private sector involvement)
- Potential risk of ownership (financial, environmental, legal, social)

## 8.1 Disposal Plan

The disposal plan recognises that there can be activities and costs associated with the decommissioning and disposal of assets which are no longer required as part our activity. In some situations, there can be revenue resulting from asset disposal.

The following assets were identified for removal and disposal.

- 14 Ralph Street - acquired through transfer. The property will be transferred in 2020/21 FY to allow road widening at 101 Tregoweth Lane and subsequent development and transfer of that property to enable of development of Stage 2 of the Huntly Railway Station Project. The transfer is being conducted in accordance with the Public Works Act.

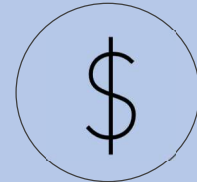
Table 31 - Disposal Strategies

Strategy	Objective / Description
<b>Asset Disposal</b>	Assess each proposal to dispose of surplus or redundant assets on in individual basis, subject to the requirements of the relevant legislation. Disposals are undertaken in accordance with the Disposal and the Reserves Act 1977, Playground Strategy, Public Toilet Strategy and Parks Strategy, Strategic Land Acquisition and Disposal Policy.
<b>Residual Value</b>	The residual value (if any) of assets, which are planned to be disposed of, will be identified, and provided for in financial projections

A process is underway to schedule Council-owned land that could be considered for disposal.

## Part 8: Financial Summary

*Council has planned a prudent financial approach to managing its assets and services. This section sets out financial statements, funding strategy, depreciation forecast, charges, for the Council Facilities in the Waikato District.*



### 1. Overview

The Local Government Act 2002 (Part 6(3)) requires local authorities to manage their finances

*“prudently and in a manner that promotes the current and future interests of the community.”*

This implies compliance with applicable Financial Reporting Standards, which include New Zealand equivalents to International Financial Reporting Standards (NZ IFRS).

In determining how activities will be funded we are required to take the following into consideration:

- Contribution to the achievement of Community outcomes (strategic alignment)
- Beneficiaries of each activity (beneficiary / user pays principles)
- Period over which benefits from the activity will occur (intergenerational equity issues)
- Extent to which identifiable individuals contribute to the need to incur expenditure (exacerbator and user pays principles)
- Costs and benefits of funding the activity compared to other activities (cost / benefit, prioritisation principles)
- Impact of funding the activity on the wellbeing of the community (ability to pay principles)

This Activity Management Plan provides the basis for meeting these requirements.

### 2. How much does our Activity cost and how is it funded?

Our activity is predominantly funded by rates, offset by income from rentals, leases and user charges.

Some activities e.g. housing for the elderly and harbour facilities, provide significant income to offset their operating costs, but other services e.g. community spaces (halls) and swimming pools are highly supported by rates income.

Table 32 summarises the ways in which we are funded.

Table 32 - Activity Funding Sources

Facilities Activity Category	Funding Source	Proposed Level	Average Last 3 Years	Changes from the Last Plan (If any)
<b>Corporate Buildings</b>	General Rates	100%	100%	No Change
<b>Community Facilities</b>	General Rates	56%	56%	No Change
	Targeted Rates (Halls Only)	44%	44%	
<b>Libraries</b>	General Rates	100%	100%	

### 3. Capital

With the transferring of our asset data from AssetFinda into SPM Assets in October 2019, the information that is available to staff with regards to renewal forecasting can now be completed with a higher degree of accuracy over the LTP term.

With this new level of precision available to staff we can forecast component renewals across the entire portfolio.

Capital and Renewals expenditure will be funded from the following sources:

- Depreciation
- Loans (either internal or external)
- Development / Financial contributions
- Private or Community contributions
- Government Subsidies (where applicable)

Table 33 summarises the ways in which the capital aspects of our activity are funded:

Table 33 - Capital Funding Sources

Facilities Activity Category	Funding Source	Proposed Level	Average Last 3 Years
<b>Corporate Buildings</b>	Depreciation	100%	No Change
<b>Community Facilities</b>	Depreciation	100%	No Change
<b>Libraries</b>	Depreciation	100%	No Change

Depreciation is provided on a straight-line basis on buildings. The depreciation is calculated at rates that will write off the cost (or valuation) of the assets to their estimated residual values over their useful lives.

## 4. Financial Statements and Projections

### 4.1 Cash Flow Forecasts

The financial summaries in this Activity Management Plan cover a minimum 10-year planning period. They are based on financial projections covering the lifecycles of the assets. Financial forecasts are based on the BERL index.

BERL is the leading provider of a broad range of economic research, analysis, advice and consultancy for business enterprises, organisations, iwi, institutions, community groups, industry associations and public sector clients in New Zealand.

Growth budget (capital works) identified is funded from Development Contributions for which Council has a policy for implementing charges to recover these costs.

Increased Level of Service (Capital Works) is new work requested by the public and generally results from the customer satisfaction surveys or consultation with communities who would like additional surveys. The Waikato District Blueprints which were publicly consulted in 2018 and then again in 2020 have assisted in defining priorities have also contributed to this as well.

Vested Assets are assets gifted to Council as part of a subdivisions and estates vesting native bush for which Council has accepted the ongoing liability for its maintenance and ultimately its replacement.

The 10-year renewal and operational requirements are detailed in the 2021-31 LTP.

## 5. Procurement Policy

A procurement strategy enables decision makers to understand longer term goals such as realising value for money and encouraging supplier improvement and to consider these goals when making procurement decisions. Councils Procurement Strategy is currently being developed, its aim will be to outline various engagement processes and how to select the appropriate method of procurement.

## 6. Key Financial Forecasts

The financial estimates below are preliminary work that has been completed by staff. The operating expenditure and revenue have been passed on the 2020-2021 annual plan that is considered the baseline for the development of the 2021-2031 estimates. Once council has been through the budgeting process Council approved budgets will replace what is currently displayed.

### 6.1 Financial Forecast Assumptions

The cost figures arrived at in Part 8 of this AMP are the best possible estimates at the time of preparation. More precise figures will be prepared during each consequential year's annual plan preparation. Some of the works in the current annual plan may require further investigation and therefore the works may vary depending on the options available.

The following activity management assumptions have been made in preparing the financial forecasts:

- **Growth** – Demand forecasts are made on population forecast predictions made by the University of Waikato. Refer Part 5: Managing Growth of this AMP for more details.
- **New developments** - Most of the infrastructure required to service new developments will be funded by developers.
- **Renewal** - timing assumes that assets will be replaced at the end of useful life or where specialist reports advise replacement is necessary to meet legislation and/or regulations/standards.
- **Level of Service** – There will be no significant changes in levels of service as per the Parks Strategy 2014.
- **Useful life of assets** - Is based on a mixture of manufacturers' recommendations and staff experience and judgements.
- **Natural Disasters** – No provision has been made for the cost of repairing damage or other additional costs consequential upon a natural disaster such as major flooding or substantial earthquake apart from the costs of insurance.
- **Climate change** – No provision has been made for the effects of climate change of current assets, going forward alignment with the Climate Response and Resilience Policy will be considered in the development of any new / replacement infrastructure.

- **Ownership** – Assets will remain in Council ownership throughout the planning period, except for those stated in the list of disposals outlined in Part 7: Lifecycle Management.
- **Expenditure** - All expenditure is stated in dollar values as of July 2021. No allowance has been made for inflation.
- **Operational costs** are based on historical expenditure.
- **Regulations** - It is assumed that regulations relating to this activity will remain essentially the same over the planning period (i.e. 30 years to June 2046).
- **Maintenance and operations allocations** are largely based on maintaining current service levels.
- **Delivery** - The present management system will remain the same. Any future contracts will retain the same specifications but there is a risk of pricing changes because of retendering.
- **Asset Values** - The determination of asset replacement value, depreciated value, and renewal projections are based on the valuation data as of 30 June 2020.
- **Depreciation** - The depreciation has been calculated on a simple straight-line basis.

### Risk to Significant Forecasting Assumptions

Table 34 below outlines the risks to significant forecasting assumptions. Should these assumptions prove to be incorrect there could be a significant effect on the level of rates to be collected from the community. If this were to occur, Council would re-evaluate the works programmes to determine if the expenditure is appropriate or whether the scope of the proposed works could be scaled down. Rates may then be altered accordingly.

Table 34 - Risks to Significant Forecasting Assumptions

Assumption	Risk	Likely Financial Effect	Consequence/ Mitigation Strategy
<b>Level of Service</b> – Changes in customer expectations regarding levels of service will not alter significantly	There is significant change in customer expectations	Impact on operating and capital budgets	Review levels of service and budgets at the next LTP round
<b>Growth Strategy</b> – Council has based its budgets on a sustainable growth strategy	Another growth scenario or a combination of growth scenarios is selected, which may impact on settlement patterns and intensification of development	Impact on demand projections of asset management plans and consequent impact on work programmes	Review demand management sections of AMP and work programmes and budgets.
<b>Depreciation expense</b> – Council is assuming that present estimates of depreciation are adequate.	Depreciation expense calculations prove to be inaccurate after revaluation	Impact on long-term financial forecasts	Review budgets during the annual plan process
<b>Planning Information</b> – Asset renewal is based on assumed useful economic life	Asset data results in overestimation or underestimation of the need for renewal or replacement	Depreciation costs and renewal programmes may be over or underestimated	Undertake performance and conditions monitoring programme for estimation of useful life of assets.
<b>Population Growth</b> – Over the next ten years the projected population growth	Should the population growth be higher than projected, then there would be extra pressure on Council to	Extra costs to attend to customer complaints and	Review population forecasts regularly and adjust work programmes accordingly



Assumption	Risk	Likely Financial Effect	Consequence/ Mitigation Strategy
for the district is estimated to be 1.5% per annum.	provide and maintain additional infrastructure. Should the population growth be lower than projected there would be extra pressure to maintain new infrastructure	maintain levels of service. Operations and maintenance costs higher than required	

### 6.2 Renewals Forecast

Renewal forecasting based on the approach outlined in Part 7: Lifecycle Management for the various asset componentry comprising Council Facilities has been carried out over a 10 year horizon.

- Community Facilities in Figure 38
- Corporate Buildings in Figure 39 a
- Libraries in Figure 40.

#### 10 Year Renewals Forecast - Community Facilities

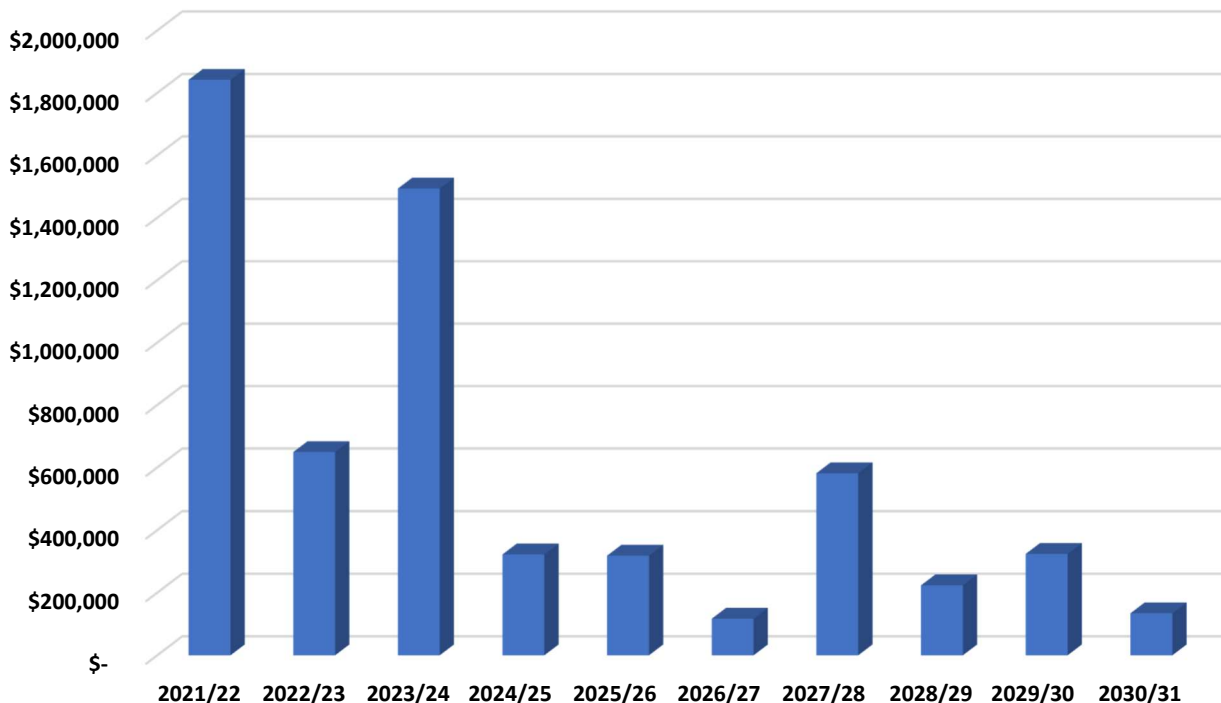


Figure 38 - 10 Year Renewal Forecast - Community Facilities (does not include deferred works)

### 10 Year Renewals Forecast - Corporate Property

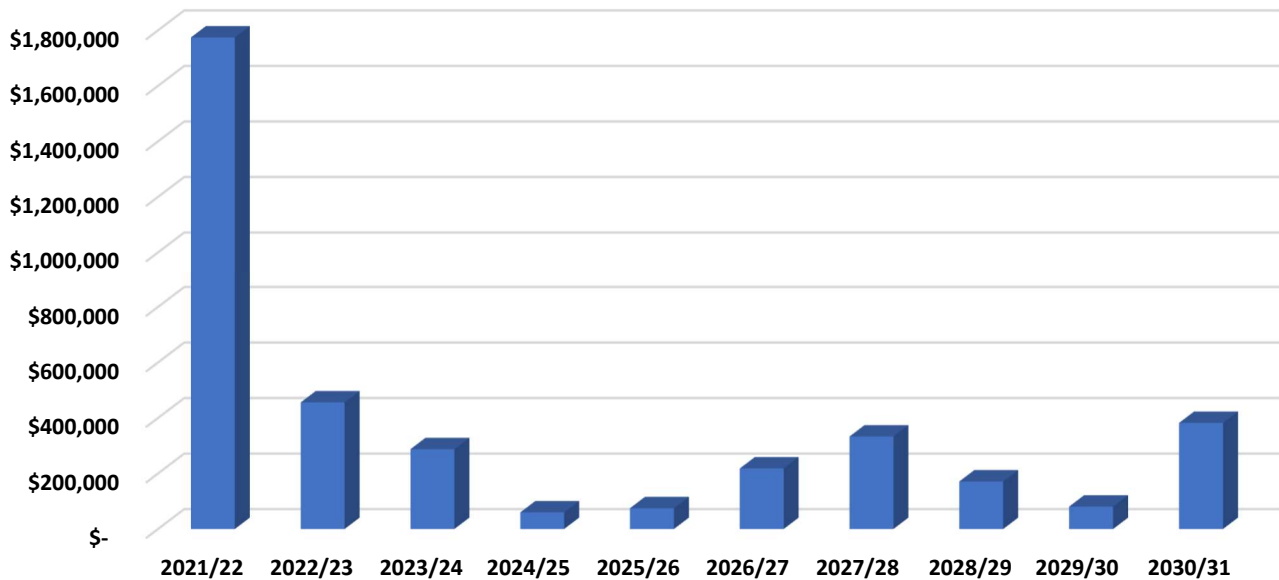


Figure 39 - 10 Year Renewal Forecast - Corporate Buildings (does not include deferred works)

### 10 Year Renewals Forecast - Libraries

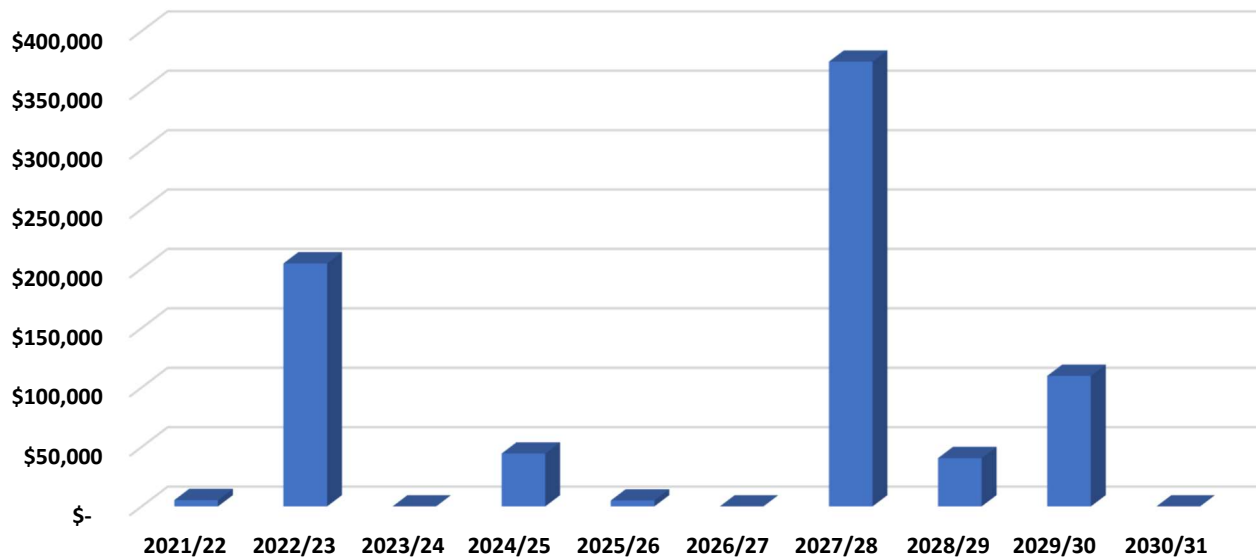


Figure 40 - 10 Year Renewal Forecast - Libraries (does not include deferred works)

A renewal forecast divided into a ward by ward breakdown for the next 10 years is provided in Table 35, this identifies anticipated renewal costs on a ward basis. Table 36 provides the renewal forecast by facility category. More details of the actual renewal projects is available in the Appendices. The renewal expenditure program reflects both the ageing of some assets and the planned improvements and new assets that will mean our assets will be in new or as new condition.

Table 35 - 10-Year Renewal Forecast by Ward - DRAFT

Ward	2021/22 Yr 1	2022/23 Yr 2	2023/24 Yr 3	2024/25 Yr 4	2025/26 Yr 5	2026/27 Yr 6	2027/28 Yr 7	2028/29 Yr 8	2029/30 Yr 9	2030/31 Yr 10
<b>Awaroa ki Tuakau</b>	\$47,889	\$95,228	\$1,163,602	\$6,533	\$145,085	\$24,651	\$357,770	\$0	\$115,760	\$0
<b>Eureka</b>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Hukanui-Waerenga</b>	\$181,396	\$28,112	\$0	\$14,600	\$0	\$0	169,375	\$0	\$0	\$53,764
<b>Huntly</b>	\$162,606	\$172,652	\$176,419	\$203,642	\$25,563	\$66,611	\$69,660	\$67,462	\$133,597	\$80,536
<b>Newcastle</b>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Ngaruawahia*</b>	\$2,848,009	\$1,309,416	\$955,446	\$898,753	\$1,508,530	\$1,114,522	\$905,974	\$1,136,660	\$1,692,504	\$1,493,135
<b>Onewhero-Te Akau</b>	\$0	\$0	\$0	\$30,700	\$0	\$0	\$0	\$0	\$0	\$0
<b>Raglan</b>	\$1,520,000	\$539,812	\$10,820	\$0	\$30,269	\$95,299	\$245,648	\$93,129	\$29,662	0
<b>Tamahere</b>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Whangamarino</b>	\$2,056	\$4,560	\$0	\$37,340	\$0	\$0	\$144,653	\$18,075	\$50,797	\$0
	<b>\$4,761,956</b>	<b>\$2,149,780</b>	<b>\$2,306,287</b>	<b>\$1,191,568</b>	<b>\$1,709,447</b>	<b>\$1,301,083</b>	<b>\$1,893,080</b>	<b>\$1,315,326</b>	<b>\$2,022,320</b>	<b>\$1,627,435</b>

\*Includes Fleet Renewals

Table 36 - 10- Year Renewal Forecast by Category – DRAFT

Category	2021/22 Yr 1	2022/23 Yr 2	2023/24 Yr 3	2024/25 Yr 4	2025/26 Yr 5	2026/27 Yr 6	2027/28 Yr 7	2028/29 Yr 8	2029/30 Yr 9	2030/31 Yr 10
<b>Council Offices</b>	\$100,166	\$269,570	\$264,880	\$24,621	\$44,829	\$139,622	\$215,401	\$171,375	\$36,105	\$382,235
<b>Dog Pounds</b>	\$0	\$150,000	\$0	\$4,451	\$0	\$0	\$0	\$0	\$0	\$0
<b>Farm</b>	\$20,000	\$0	\$0	\$0	\$0	\$27,112	\$0	\$0	\$0	\$0
<b>Fleet</b>	\$1,140,000	\$840,000	\$525,000	\$765,000	\$1,311,000	\$966,000	\$603,750	\$879,750	\$1,507,650	\$1,110,900
<b>Hall - Council Run</b>	\$1,537,800	\$0	\$7,978	\$20,460	\$36,199	\$0	\$0	\$0	\$29,205	\$0
<b>Hall - Community Run</b>	\$42,956	\$525,000	\$1,025,000	\$0	\$112,872	\$53,854	\$138,850	\$0	\$54,258	\$0
<b>Heritage Buildings</b>	\$9,037	\$0	\$0	\$14,600	\$0	\$0	\$169,375	\$0	\$0	\$53,764
<b>Housing for the Elderly</b>	\$128,360	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Leases</b>	\$1,674,415	\$36,484	\$22,830	\$30,700	\$30,269	\$24,651	\$117,951	\$0	\$44,818	\$0
<b>Libraries</b>	\$5,333	\$204,423	\$0	\$44,493	\$4,972	\$0	\$374,302	\$40,623	\$109,790	\$0
<b>Museum</b>	\$0	\$0	\$0	\$0	\$0	\$68,187	\$22,190	\$84,612	\$0	\$0
<b>Open Space Amenities</b>	\$0	\$19,075	\$25,309	\$12,585	\$38,244	\$0	\$0	\$0	\$19,230	\$0
<b>Rec Centre &amp; Pools</b>	\$73,687	\$30,000	\$430,047	\$266,010	\$131,062	\$21,657	\$242,950	\$125,827	\$221,264	\$80,536
<b>Residential Housing</b>	\$30,202	\$75,228	\$5,243	\$8,648	\$0	\$0	\$8,311	\$13,139	\$0	\$0
	<b>\$4,761,956</b>	<b>\$2,149,780</b>	<b>\$2,306,287</b>	<b>\$1,191,568</b>	<b>\$1,709,447</b>	<b>\$1,301,083</b>	<b>\$1,893,080</b>	<b>\$1,315,326</b>	<b>\$2,022,320</b>	<b>\$1,627,435</b>

For a full detailed breakdown of the renewal programme see Appendix D.

### 6.3 New Capital Forecast

Several new capital works are planned over the 10-year planning period. These capital projects will allow Council to continue to provide Council Facilities services to the desired service level standards and to meet the needs of additional capacity requirements that are forecast to occur.

Included are several initiatives that were established and prioritised during the development of the Community Blueprints, these are outlined in Table 10 of Part 3: Levels of Service.

**Table 37 - Community Blueprint Initiatives - Council Facilities**

<b>Initiative</b>	<b>Description</b>	<b>Priority</b>
<b>TU4.1</b>	Support the local initiative to establish a community hub, which may be partially privately funded.	Top
<b>TU4.3</b>	Develop a sports and recreation facility, including consideration of incorporation of the Council's pool facility.	Top

Table 38 - New Capital Works Summary Forecast by Ward - DRAFT

Category	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
<b>Council Offices</b>	\$70,000	\$214,500	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Dog Pound</b>	\$1,500,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Leases</b>	\$180,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Libraries</b>	\$0	\$0	\$500,000	\$6,000,000	\$500,000	\$6,000,000	\$0	\$265,000	\$1,994,000	\$0
	<b>\$1,750,000</b>	<b>\$214,500</b>	<b>\$500,000</b>	<b>\$6,000,000</b>	<b>\$500,000</b>	<b>\$6,000,000</b>	<b>\$0</b>	<b>\$300,000</b>	<b>\$1,994,000</b>	<b>\$0</b>

#### 6.4 Projected Operational Expenditure

Operations and maintenance cost projects are summarised in Table 39. The costs shown assume no change in the method of service delivery and take no account of inflation. They are based on analysis of historical costs and estimated costs for maintaining new assets resulting from growth and future capital development programmes.

Table 39 – Projected BAU Operations and Maintenance Expenditure for the Facilities Activity (excluding depreciation and interest) - DRAFT

Area	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
<b>Council Offices</b>	-\$3,511	-\$5,144	-\$8,653	-\$9,155	-\$9,494	-\$17,242	-\$108,600	-\$113,891	-\$124,075	-\$161,903
<b>Libraries</b>	-\$15,708	-\$16,932	-\$17,902	-\$22,476	-\$24,937	-\$25,353	-\$28,881	-\$32,968	-\$33,136	-\$37,542
<b>Aquatic Centres</b>	\$1,007,924	\$1,034,132	\$1,067,416	\$1,086,803	\$1,224,104	\$1,163,251	\$1,191,189	\$1,217,733	\$1,300,401	\$1,330,759
<b>Properties Other</b>	\$721,389	\$822,824	\$855,060	\$889,036	\$907,273	\$917,857	\$943,997	\$953,747	\$959,435	\$942,245
<b>Residential Housing</b>	\$104,708	\$107,460	\$113,675	\$116,620	\$119,538	\$130,271	\$124,615	\$127,835	\$156,582	\$151,812
<b>Housing for the Elderly</b>	-\$752,489	-\$110,296	-\$107,633	-\$100,186	-\$100,028	-\$98,569	\$90,247	-\$92,732	-\$92,042	-\$104,950
<b>Huntly Civic Centre</b>	\$95,758	\$97,067	\$100,406	\$100,656	\$101,643	\$109,318	\$110,146	\$108,225	\$121,251	\$122,005

Area	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
<b>Raglan Wharf</b>	\$410,787	\$419,019	\$500,526	\$454,764	\$529,005	\$508,629	\$575,871	\$531,510	\$647,762	\$615,385
<b>Halls</b>	\$437,560	\$515,980	\$616,134	\$602,278	\$599,834	\$749,525	\$738,198	\$792,769	\$1,014,580	\$967,657
<b>Cafeteria</b>	\$295,621	\$311,150	\$321,233	\$339,054	\$350,278	\$354,244	\$361,932	\$366,741	\$373,200	\$387,288
<b>Fleet</b>	\$160,832	\$160,659	\$41,830	-\$69,459	-\$379,941	-\$445,798	-\$226,187	\$83,567	-\$244,423	-\$399,320
<b>Minor Plant</b>	-\$27,822	-\$16,080	-\$18,211	-\$18,290	-\$18,290	-\$16,290	-\$20,290	-\$13,636	-\$15,636	-\$15,636
<b>Personal Safety Devices</b>	\$69,523	\$70,913	\$72,332	\$73,706	\$75,033	\$76,383	\$77,682	\$79,002	\$80,345	\$81,631
	<b>\$2,504,572</b>	<b>\$3,390,752</b>	<b>\$3,536,213</b>	<b>\$3,443,351</b>	<b>\$3,374,018</b>	<b>\$3,406,226</b>	<b>\$3,829,919</b>	<b>\$4,007,902</b>	<b>\$4,144,244</b>	<b>\$3,879,431</b>

Detailed cost estimates are prepared for each of the building category taking into consideration specific asset and operational requirements. The forecast costs also reflect the predicted increase in usage and growth over the planning period and the associated maintenance and servicing costs. A scheduled maintenance programme is indicated that provides for works necessary to extend the life and serviceability of assets and manage them in a sustainable manner.



## 7. Confidence Levels

Confidence ratings are made using the criteria outlined below:

Grade	General Meaning
<b>A</b>	<b>Highly Reliable</b> - Data based on sound records, procedure, investigations, and analysis which is properly documented and recognised as the best method of assessment.
<b>B</b>	<b>Reliable</b> - Data based on sound records, procedure, investigations, and analysis which is properly documented but has minor shortcomings.
<b>C</b>	<b>Uncertain</b> - Data based on sound records, procedures, investigation, and analysis which are incomplete or unsupported, or extrapolations from limited sample for which grade A or B data is available.
<b>D</b>	<b>Very Uncertain</b> - Data base on unconfirmed verbal report and/or cursory inspection and analysis.

Accuracy ratings are made using the criteria outlined below:

Grade	Description	Accuracy
<b>1</b>	Accurate	100%
<b>2</b>	Minor inaccuracies	+ / - 5%
<b>3</b>	50% estimated or medium risk of changing market influencing pricing changes	+ / - 20%
<b>4</b>	Significant data estimated or high risk of changing market influencing pricing changes	+ / - 30%
<b>5</b>	All data estimated or severe risk of changing market influencing pricing changes	+ / - 40%

The confidence in the asset data used as a basis for the financial forecasts is detailed below which provides an assessment of the confidence in, and the accuracy of, the 10-year financial forecast and supporting asset data:

Table 40 – Confidence Levels for each expenditure type

Activity	Reason	Confidence Grade			Accuracy		
		Years 1-3	Years 4-10	Years 10+	Years 1-3	Years 4-10	Years 10+
<b>Operations – Fixed</b>	High level of historic information supports this expenditure.	C	C	C	3	3	3
<b>Operations – Variable</b>	Expenditure has been derived from a combination of actual and extrapolated data which is based on assumptions.	C	C	C	3	3	3

Activity	Reason	Confidence Grade			Accuracy		
		Years 1-3	Years 4-10	Years 10+	Years 1-3	Years 4-10	Years 10+
<b>Revenue</b>	Expenditure has been derived from a combination of actual and extrapolated data which is based on assumptions.	B	C	C	3	3	3
<b>Renewal</b>	Expenditure has been derived from a combination of actual and extrapolated data which is based on assumptions.	B	B	B	2	2	2
<b>Capital</b>	Expenditure has been derived from a combination of finalised and draft programmes which have been determined through either robust analysis or collated based on assumptions.	C	C	C	3	3	3

The overall confidence level is C indicating that the confidence of the financial forecast is Uncertain. The overall accuracy is 3 indicating that the accuracy of the financial forecasts is Significant Data Estimated.

## 8. Funding Strategies

### 8.1 Policies for Funding the Facilities Activity

Expenditure on the facilities activity falls into the category of Sustainable Communities within the 2018-28 Long Term Plan. Sustainable Communities represented a 17.3% of overall council spend. Table 41 below explains how council is funded.

Funding sources available for the Council Facilities activity include:

- Rates (uniform, per hectare, special)
- User charges
- Property rental

### 8.2 Property Rental

All property rentals reflect market rates, irrespective of the tenant. Properties identified by the Finance and Corporate Committee for community benefit may be exempt from this policy.

Rents on all licenses are assessed by the Property manager where there is sufficient market evidence, and the rental is less than \$10,000 per annum. In other cases, a registered valuer's assessment must be obtained and a minimum of 90% of this assessment agreed.

Rent from housing for the elderly is used directly for the funding of these units.

Table 41 - Council Funding

Council Funding	Operating Expenditure	Renewal Expenditure	Levels of Service Expenditure	Growth Capital Expenditure	Development Contributions
<b>Council Reserves</b>	Is funded from general rates.		These reserves have been established by council for specific purposes and have specific conditions of use on these funds.  Capital works that will improve levels of service is funded from targeted rates and loans.	Capital works that are required to service growth are funded from development funds and loans. Developers themselves fund most infrastructure works.	Provide a source of funding for future capacity upgrading work. These works offset the cumulative depletion of any spare capacity within each network caused by new users. Development contribution charges are calculated as per Council's development contribution policy and reflected in Council Fees and Charges documents.
<b>General Rate</b>	The general rate is based on the capital value of rateable properties. It is levied on all properties and funds things that all ratepayers benefit from. Examples include roads, libraries, and transfer stations and open spaces.				
<b>Replacement Reserves</b>		The total yearly depreciation expense (less non funded depreciation) is put into replacement fund reserves. Only capital works and loan repayments can be funded from this source.  Renewal works are funded from replacement fund reserves. The replacement fund reserve is funded from revenue at a rate equal to depreciation. Assets are depreciated on a straight-line basis over their remaining life with depreciation recognised as an operating expense.			
<b>Targeted Rate – Capital</b>	A targeted rate is applied to the catchment area for the Huntly aquatic centre following the upgrade project to make it an indoor heated facility.		Capital works that will improve levels of service is funded from targeted rates and loans.	Contributions under the LGA are levied in circumstances where the effects of growth require council to incur capital expenditure to provide new or additional infrastructure. Reserves exist for Structure Plans, Development Contributions, Financial Contributions and Capital Targeted rates.	
<b>Targeted Rate – Operational</b>	Legislation states that if we rate for a specific reason, the income received can only be used for that specific purpose. The reserves monitor operational costs in relation to special rates and user pays.  The Council sets targeted rates for community halls based on the				

Council Funding	Operating Expenditure	Renewal Expenditure	Levels of Service Expenditure	Growth Capital Expenditure	Development Contributions
	provision based on catchment areas for each hall. The rate is set as a fixed charge per property.				
<b>Loans Raised</b>			Loans are raised for level of service improvements. The expectation is that future ratepayers will benefit from the improvements and hence should share in paying for the improvement.  Capital works that are required to service growth are funded from development funds and loans. Developers themselves fund most infrastructure works.		
<b>Income applied to Capital</b>		User charges like admission fees to pools, property leases.			

### 8.3 Proposed Changes to LTP 2021/2031

No changes to the funding policies are proposed.

### 9. Assessment between AMP and Adopted LTP 2021/31

*To be completed upon adoption of the LTP.*

## Part 9: Continuous Improvement

This section identifies the:

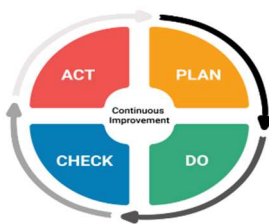
- maturity of Councils asset management practices
- improvements made since the last Activity Management Plan review
- plan for future asset management improvement areas for improvements identified in earlier sections



### 1. Overview

Council is committed to fostering an environment of continuous improvement and our activity adheres to this approach.

The following continuous improvement functions fall into the four parts of the Plan, Do, check, Act process:



- **Plan** – Set an Asset Management Maturity Target
- **Do** – Assess current practice
- **Check** – Compare current practice against target
- **Act** – Set improvement actions

Figure 41 - Generic Approach to Continuous Improvement

### 2. What Asset Management Information System do we use?

Our activity now uses SPM Assets, so the Community Connections portfolio of assets are held in one central portal, since the migration of the portfolio asset information from Asset Finda. The product is web-based and provides comprehensive life cycle analysis that is based on unit rates / base and remaining lives. This now provides robust reporting for the assets that have been recently condition graded.

The system can also provide asset condition grading in the field via GPRS connection to the database and as such allows staff with almost real time asset upgrades and information to the system. This provides a significant step forward for the Community Assets department, especially with regards to the renewal and valuation / depreciation information that is now available.

Processes for the processing of new or upgraded assets are being developed for each asset class as they are being entered into the SPM Assets database. The application is web based that provides seamless extraction of data and reporting but has no linkages to Councils present IT systems.

### 3. What is the status of Asset Management Practices?

#### 3.1 Activity Management Policy

Council developed and adopted its inaugural Activity Management Policy in 2017. The policy establishes the first level of Council's asset management framework for managing infrastructure assets in a structured, coordinated, and financially sustainable manner. The objectives of this Policy:


- Outline the target level of activity management practice appropriate for each activity.
- To provide a consistent approach to asset management planning within Council and to ensure plans reflect the strategic direction of Council.
- Demonstrate to the community that Council recognises the critical importance of managing the District's assets and activities in an efficient and cost-effective manner to deliver levels of service appropriate to current and future generations.

#### 3.2 What is the Current and Target Maturity scores for our activity?

Asset management maturity is the extent the maturity of the organisation's asset management practices are able to meet the current and future needs of the organisation. It is a lead indicator of future performance.

This element is important because it reveals the extent of the difference (if any) between current targets of asset management maturity in each asset class. It also identifies improvement actions that can lift performance to the target level. The rationale is that:

- sustainable, cost effective asset or investment performance is likely to be function of the quality of underlying asset management practices, systems, and culture in the organisation.

The Council has set the appropriate level of asset management required for our activity within the Activity Management Policy .

A self-assessment was undertaken by one of the Facilities Asset Engineers who is qualified in the New Zealand Diploma of Infrastructure Asset Management in late 2020 and peer reviewed externally by Steve Browning, Associate of Morrison Low with asset specialisation.

The assessment scored 55 out of a target of 67, or a percentage of 82% of the target. This level will be reviewed for appropriateness when the policy is next reviewed.

**Overall results**

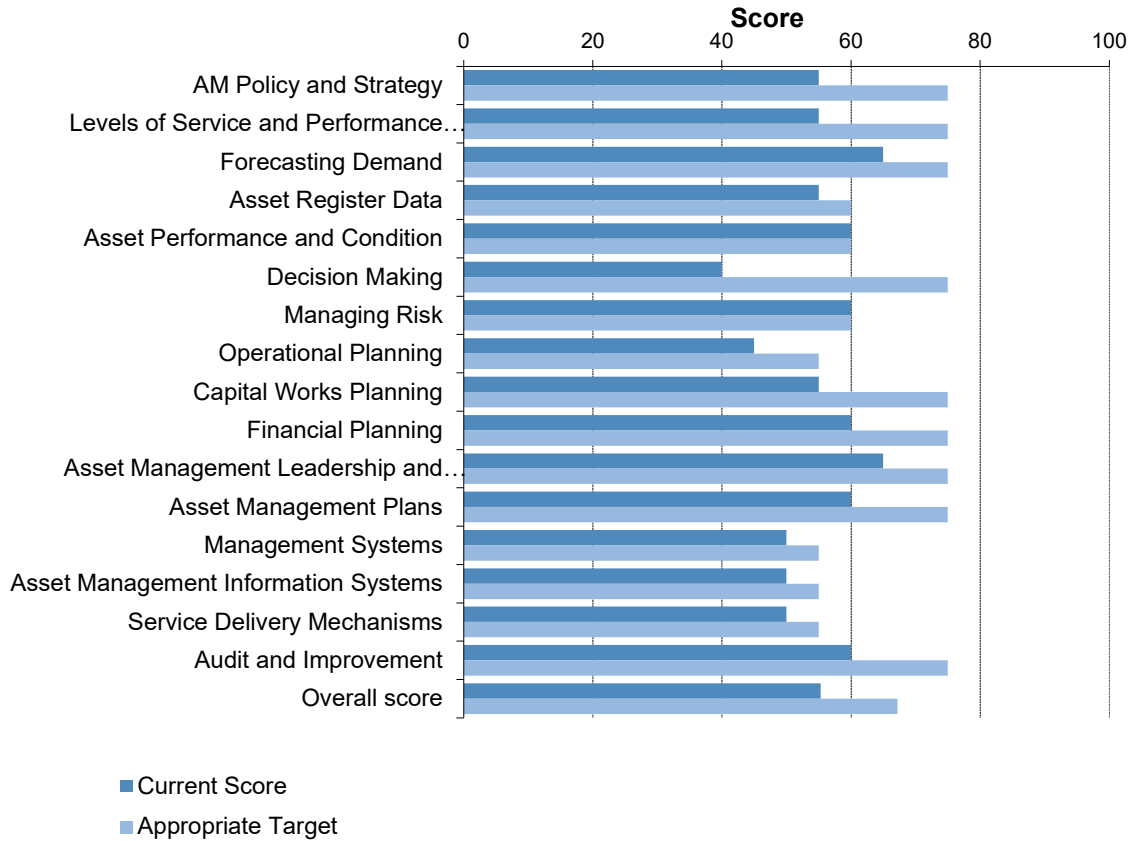


Figure 42 – Comparison of current and target maturity scores

**4. How are we going to improve?**

**4.1 Historical Improvement Plan**

The improvement programme for the previous Long Term Plan period (2018-2028) has been updated to reflect what improvements have been achieved and where work still needs to be done. Many of the items have been identified as on-going works. These cannot be considered complete and have been included in the programme for 2021-2031 to ensure the continual improvement in these areas.

**4.2 Proposed Actions and Timetable**

Council is committed to on-going improvement in the quality of its Council Facilities management practices. The improvement tasks shown in the current improvement plan.

Table 43 will be undertaken as identified below in the timeframes shown. They highlight the fact that, generally, we are light in Policy, Strategy and some procedures for our assets once completed.

The proposed improvements are identified to improve current management practices for:

- Activity Management Plan processes and information systems
- bring data into line with desired management practices



- optimise the way that the activity is carried out

The purpose of the Improvement Plan is to:

- Identify, develop, and implement AM planning processes
- Identify and prioritise ways to cost-effectively improve the quality of the AM plan
- Identify indicative timeframes, priorities, and human and financial resources required to achieve AM planning improvements

The 2021-2031 Improvement Plan is subject to constant reappraisal and change. While reappraisal is an on-going-process, the Improvement Plan will form the basis of our annual business planning.

The criteria in Table 42 is used to prioritise actions identified to meet the desired business practice for asset management processes, data and information, information systems, and implementation tactics.

**Table 42 - Priority Ranking**

Priority Ranking	Description
1	Needs to be implemented urgently to support current LTP processes and / or poses a significant risk.
2	Needs to be implemented as soon as practicable to meet “core” asset management practice.
3	Needs to be addressed in developing the next version of the plan for the next LTP cycle.
4	No immediate need for implementation but should be addressed over time.
5	Desirable to implement at some time but will not adversely affect the quality of the plan or asset management practice.

## 4.3 Current Improvement Plan

Table 43 - 2021-31 Improvement Plan

Improvement No.	Activity Area	AMP Ref.	Improvement Action	Maturity Assessment Category	Priority	Status	% Complete	2021/22	2022/23	2023/24	Council Person / Team Responsible	Cost Estimate
1	Key Strategic Issues	1	Develop a contract management plan for management of the Facilities Maintenance Contract	Service Delivery Mechanisms	1	Not Started	0%				Council Facilities	\$0
2	Key Strategic Issues	1	Implement actions from the Hall Catchment Review	Forecasting Demand	3	In Progress	10%				Community Events	\$0
3	Risk Management	4	Continue to develop the Seismic programme - complete the DSA's required	Managing Risk	1	In Progress	25%				Council Facilities	\$300,000/year
4	Risk Management	4	Complete the register for buildings with asbestos - inspections for all buildings	Managing Risk	1	In Progress	10%				Council Facilities / Community Projects / Community Assets	\$225,000
5	Condition and Performance Overview	5	Development of ongoing condition assessment programme	Asset Performance and Condition	3	Not Started	0%				Community Assets	\$50,000
6	Assets Description	2	Physical inventory of all assets is managed to the organisations data needs and the capacity of the operational staff	Asset Register Data	3	In Progress	5%				Council Facilities / Community Assets	\$0
7	Assets Reliability	2	Develop a land acquisition / disposal strategy	Decision Making	5	Not Started	0%				Strategic Property	\$120,000
8	Assets Reliability	2	Complete the Community Spaces (Halls) Strategy	Forecasting Demand	3	In Progress	5%				Community Events	\$60,000
9	Assets Reliability	2	Seek Council adoption of the Aquatic Facilities Strategy	Forecasting Demand	3	Not Started	0%				Council Facilities	\$0
10	Assets Reliability	2	Complete the viability / sustainability review for Elderly Housing	Asset Performance and Condition	3	In Progress	10%				Strategic Property	\$50,000
11	Assets Reliability	2	Complete the actions from the Fleet rationalisation project	Asset Performance and Condition	4	Not Started	0%				Council Facilities	\$0
12	Legislation, Industry Guidelines and Strategies	3	Develop a more comprehensive plan for policy and strategy development	AM Policy and Strategy	5	Not Started	0%				Community Connections / Policy & Strategy	\$0
13	Linkage of Levels of Service to the Organisation	3	Develop a specific strategy for Council Facilities to guide expectations in delivering Community Outcomes, including a plan of land that is fit-for-purpose for future facilities.	Decision Making	5	Not Started	0%				Community Connections	\$120,000
14	Critical Assets	4	Establish a more extensive approach to defining critical assets and associated inspection programmes for these groups	Managing Risk	3	Not Started	0%				Community Assets / Council Facilities	\$0

Improvement No.	Activity Area	AMP Ref.	Improvement Action	Maturity Assessment Category	Priority	Status	% Complete	2021/22	2022/23	2023/24	Council Person / Team Responsible	Cost Estimate
15	Risk Register	4	Establish a process for reviewing risks and updating the risk registers in PROMAPP at least quarterly	Managing Risk	4	Not Started	0%				Community Connections	\$0
16	Meeting Future Demand	5	Explore opportunities for enhancing the community facilities bookings and events portal on Council's website and encourage local news media coverage to demonstrate the wide range of activities and programmes available at the facilities	Forecasting Demand	5	Not Started	0%				Community Events	\$120,000
17	Sustainability Initiatives for the Future	6	Develop the facilities energy efficiency and sustainability plan	Operational Planning	5	Not Started	0%				Council Facilities	\$40,000
18	Operations and Maintenance	7	Implement a system to track ongoing maintenance on assets from Facilities Maintenance contract	Service Delivery Mechanisms	3	In Progress	5%				Community Assets / Council Facilities	\$0
19	Improvement Plan	9	Review the Asset Maturity assessment and develop plan to delivery on the requirements to achieve target maturity levels	Audit and Improvement	3	Not Started	0%				Community Assets	\$0

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## **Appendices**

**Appendix A – Community Facilities Overview**

**Appendix B – Corporate Buildings Overview**

**Appendix C – Componentry Breakdown of Building Categories**

**Appendix D – Detailed Renewal Program by Ward**

**Appendix E – Council Facilities Risk Registers**