

# Richmond Aquatic Centre Activity Management Plan 2018



Quality Assurance Statement

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|--|--------------------------------|-----------------------------------|
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# 1 Executive Summary

The purpose of this Activity Management Plan (AMP) is to outline the Council's strategic long-term approach to the provision of service, operation and maintenance of the Richmond Aquatic Centre.

The facility was opened by Prime Minister Helen Clark on 10 September 2004, the adjoining 400 square foot sized Fitness Centre was opened in June 2011. The facilities include a 25 metre 8 lane competition pool, 20m 5 lane teaching pool, wave pool, lazy river, hydrotherapy pool, toddlers pool, family and adult spas, café and aquatic shop. The Centre provides a range of classes and services to promote and encourage aquatic skills, recreation, fitness and competition. The centre has approximately 300,000 users per annum.

The Activity Management Plan covers:

- A description of the activity.
- The activity management policies and strategies.
- The main risk issues identified for the activity.
- Intended levels of service and performance targets.
- Information on the assets involved in delivering services.
- The estimated cost for achieving and maintaining the target levels of service.

## 1.1 What We Do

The Council owned Richmond Aquatic Centre encompasses the provision and maintenance of a modern Aquatic Centre located in Richmond, which is open year-round. The facility operation is under a management contract with Community Leisure Management Limited. On top of casual users there are multiple programmes targeted to different user groups. Examples include swim lessons, aqua jogging, aqua fitness, Les Mills fitness, Wave Rave, Stand Up Paddle boarding, Waka-ama, Water Safety, Splash Time (pre-school), Legends (over 60's) and Wet & Wild Challenge.

## 1.2 Why we do it

By providing a high quality aquatic facility the Council supports the community's recreation, cultural, social, learning and leisure needs and delivers wide ranging benefits. Council's ownership and contracted management ensures the assets are available for the community's use.

We aim to provide an aquatic facility that:

- assists in meeting the community demand for aquatic activities and provides the level of service that the customer wants and are prepared to pay for,
- promotes physical, psychological, and social wellbeing of communities in Tasman District and to also provide amenities that meet the needs of residents and visitors,
- increases the number of users while maintaining the current level of service,
- provides sound forward planning through asset management, and
- ensures our facility meets the changing needs of our community.

## 1.3 Key Issues

### 1.3.1 Prioritisation

Council cannot afford to undertake all work at once due to financial and resource constraints. This means that Council needs to prioritise what work it undertakes first, and what work can wait until later.

There are multiple factors that affect the priority of individual works. These include:

- The need to protect public health & safety
- Statutory compliance
- Meeting the needs of tomorrow's population
- Readiness to implement works
- Co-funding opportunities
- Enabling pleasant community environments
- Benefits and risks
- District distribution
- Strategic fit

Council has taken all of the above into consideration when planning its programme of work. Generally, mandatory requirements such as statutory compliance take priority, and discretionary activities have been programmed second to this.

The most important issues relating to the Richmond Aquatic Centre activity are shown in Table 1 below.

**Table 1: Key Issues for the Richmond Aquatic Centre Activity**

| Key Issue   | Discussion   |
|---|--|
| <b>Pressure on facilities including; toilets, showers change rooms and car parking from growing user numbers.</b> | Managing peak demand; working with pool management to shift users from peak to quiet times.<br><br>Investigating options to reconfigure the customer services area to create space for additional change rooms, toilets and showers to cater for the different uses of the complex ie pool and gym users.                                      |
| <b>Ageing population</b>  | The number of retired people is forecast to increase significantly in the next 20 years and this will result in changing use and demand for recreation facilities. We anticipate an increase in demand on the Richmond Aquatic Centre.   |
| <b>Increasing population</b>  | Continuing population growth and increases in demand on the Richmond Aquatic Centre recreation activities will need to be managed cost effectively   |
| <b>Maintenance and renewals.</b>  | Council has allocated an additional \$20,000 per annum to the annual maintenance and renewals draft budget for the draft Long-Term Plan. The budget for 2018/2019 is \$97,280 which is inflation adjusted over the 10 years of the plan.<br><br>Council undertook a condition assessment of the assets at the Richmond Aquatic Centre in 2014. |
| <b>Management Contract</b>  | Council needs to prepare for the Contract period beyond 1 Dec 2025 period.<br><br>A review of the current funding arrangements to ensure cost effectiveness is undertaken during 2023.   |
| <b>Rates and water costs</b>  | Council currently pays the rates and water consumption for the facility. There is a possible increase of up to 20 cents per cm <sup>3</sup> in the cost of water if the Waimea Community Dam proceeds.   |

## 1.4 Responding to the Issues

The Council proposes to maintain the existing level of service provided to an increasing number of users. The Aquatic Centre is over 13 years old and will need ongoing renewals and maintenance to enable this. To help address this issue, Council has allowed the extra \$20,000 for maintenance and renewals in the draft budgets for the Long-Term Plan.

## 1.5 Operational Programme

Council's strategy is to maintain the Richmond Aquatic Centre to provide aquatic and fitness facilities to the community at the least long-term cost to Council. The complex is operated under contract by Community Leisure Management Limited, which is responsible for ensuring the facilities are adequately maintained and safely operated.

## 1.6 Capital Programme

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

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

The renewal programme has been developed by the following.

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

A condition assessment of the assets at the Richmond Aquatic Centre was completed in 2014 which has identified renewal expenditure for building components. This assessment is to be updated in 2018/19.

## 1.7 Key Changes

There are no key changes planned for the period. Council proposes to maintain the existing level of service.

Council installed the Wapotec water treatment system in the Competition and Wave Pools in 2017. This was to address concerns about the chlorine and chloramine levels. Wapotec was preferred over UV water treatment. This water treatment system improves water quality while reducing chlorine levels in the pools and chloramines in the environment. The previous AMP identified installation of photovoltaic cells for power generation with a budget of \$220,000. This project is not considered a current priority due to cost of installation and maintenance, while the value of selling power to the national grid has reduced. This money was reallocated to maintenance, renewals and improvements.

## 1.8 Key Risks and Assumptions

Risks associated with users of the Aquatic Centre are mitigated through compliance with standards and regular inspections and assessment.

The Council's risk management strategy in relation to the Aquatic Centre is:

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

- to monitor the structural aspects of the facility and ensure that they are maintained in a safe and sound condition that complies with the Building Act, where required; and
- to monitor the contractors' performance against the operations contract.



**Figure 1: Richmond Aquatic Centre frontage.**

## 2 Introduction

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

### 2.1 Rationale for Council Involvement

The Council's rationale for providing the Aquatic Centre is to provide a public service to its community for recreation, training, competition and to enable people to learn to swim for their safety. Council is required by the Local Government Act and by community expectation to promote the wellbeing of the community. The Aquatic Centre has a public value. Council's ownership and management ensures the assets are available for the community's use. Public swimming pool provision provides recreation facilities with wide ranging benefits, such as:

- learn to swim programmes, which are considered a vital public service given our coastal and river environment and high rate of accidental drowning in New Zealand;
- physical recreation activity to promote health and wellbeing;
- sports and competitive activity;
- leisure and play activity beneficial to families and children; and
- a recreation activity available to all ages, genders and abilities.

### 2.2 Description of Assets & Services

The Richmond Aquatic Centre facilities provides a modern Aquatic Centre in Richmond. The pool is open year round offering supervised swimming, aquatic fitness classes, gym classes, recreation and leisure uses. The facilities include a 25 m eight lane competition pool, 20m five lane teaching pool, wave pool, lazy river, hydrotherapy pool, toddler's pool, family and adult spas, sauna, gym, fitness class room, café and aquatic shop. The Richmond Aquatic Centre is located at 161 Salisbury Road, Richmond.



## 3 Strategic Direction

Our strategic direction is to provide the Richmond Aquatic Centre to contribute to community wellbeing and meet community expectations.

### 3.1 Our Goal

Table 2: Activity Goal

| Activity Goal   |
|---|
| We aim to provide an Aquatic Centre facility that assists in meeting the community demand for aquatic activities and that provides the level of service customers want and are prepared to pay for. |

### 3.2 Contribution to Community Outcomes

Table 3: Community Outcomes

| Community Outcomes   | Does Our Activity Contribute to the Community Outcome | Discussion  |
|--|---|---|
| <b>Our unique natural environment is healthy, protected and sustainably managed.</b>                                       | Yes   | The Aquatic Centre is operated in a way that ensures there is no detrimental impact to the surrounding environment  |
| <b>Our urban and rural environments are people-friendly, well-planned, accessible and sustainably managed.</b>             | Yes   | The Aquatic Centre is designed and managed to meet current and future needs of our community.   |
| <b>Our infrastructure is efficient, cost effective and meets current and future needs.</b>                                 | Yes   | The Aquatic Facility is managed, operated and maintained to meet the demands of customers in a cost effective way.  |
| <b>Our communities are healthy, safe, inclusive and resilient.</b>   | Yes   | The Aquatic Centre is designed and managed to ensure users safety and to cater for the needs of the whole community. The Aquatic Centre supports specific social needs and provides a venue for people to learn to swim for their ongoing safety. |
| <b>Our communities have opportunities to celebrate and explore their heritage, identity and creativity.</b>                | No  |   |
| <b>Our communities have access to a range of social, cultural, educational and recreational facilities and activities.</b> | Yes   | The Aquatic Centre is a high quality community and recreation facility that provides for a range of leisure opportunities.  |
| <b>Our Council provides</b>  | Yes   | We take opportunities to partner with a range of  |

| Community Outcomes  | Does Our Activity Contribute to the Community Outcome | Discussion                      |
|---|---|---------------------------------|
| leadership and fosters partnerships, a regional perspective, and community engagement |   | user groups, clubs and funders. |
| Our region is supported by an innovative and sustainable economy.                     | No  |                                 |

### 3.3 Financial Strategy

The Financial Strategy outlines Council’s financial vision for the next 10–20 years and the impacts on rates, debt, levels of service and investments. It will guide Council’s future funding decisions and, along with the Infrastructure Strategy, informs the capital and operational spending for the Long Term Plan 2018-2028.

Three key financial limits are established in the Financial Strategy that set Council’s overall financial boundaries for its activities. These include:

- Rates Income - limited to \$65 million per annum and targeted rates to \$60 million per annum.
- Rates Increases - limited to a maximum of 3% per annum, plus an allowance for annual growth in rateable properties.
- Debt - net external debt limited to a maximum of \$200 million

Infrastructure expenditure forms a large proportion of Council’s spending being 39% of operational expenditure and 80% of capital expenditure over the next 10 years. Because of this, the Infrastructure Strategy and Financial Strategy are closely linked to ensure the right balance is struck between providing the agreed levels of service within the agreed financial limits. Often these financial limits will influence how Council manages and develops existing and new assets. This is especially so for the next 10 years.

Over the next 10 years, forecast rate income increases and debt levels are projected to be near Council’s limits. Council has had to work hard to prioritise and plan a work programme which addresses key issues while staying within these limits. Given Council’s debt is projected to peak at \$199.6m in Year 2020/21 there is very little scope to add further work programmes in the next five years.

### 3.4 Prioritisation

Council cannot afford to undertake all work at once due to financial and resource constraints. This means that Council needs to prioritise what work it undertakes first, and what work can wait until later.

There are multiple factors that affect the priority of individual works. These include:

- The need to protect public health & safety
- Statutory compliance
- Meeting the needs of tomorrow’s population
- Readiness to implement works
- Co-funding opportunities
- Enabling pleasant community environments
- Benefits and risks
- District distribution
- Strategic fit

Council has taken all of the above into consideration when planning its programme of work. Generally, mandatory requirements such as statutory compliance take priority, and discretionary activities have been programmed second to this.

## 4 Key Linkages

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

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

## 4.1 Key Legislation

Key legislation related to the management of the Richmond Aquatic Centre include:

- Health & Safety at Work Act 2015
- Public Health Bill 2007
- Reserves Act 1977
- Fire Safety and Evacuation of Buildings Regulations 1992
- Fire Service Act 1975
- Hazardous Substances and new organisms Act 2004

Industry standards and guidelines affecting this activity:

- Pool Water Quality NZS 5826:2010
- Health and Safety in Employment Act 1992
- Pool Safe Scheme NZRA/ACC
- NZS 3910:2003 Conditions of Contract for Building and Civil Engineering Construction
- NZRA Swimming Pool Guidelines 2016
- Public Works Act 1981
- Resource Management Act 1991
- Hazardous Substances and new organisms Act 2004

## 4.2 Key Planning, Policies and Strategies

This plan is a key component in the Council's strategic planning function. Among other things, this plan supports and justifies the financial forecasts and the objectives laid out in the Long-Term Plan. It also provides a guide for the preparation of each Annual Plan and other forward work programmes.

**Table 4: Council plans and policies affecting the Services AMP**

| Plans, Policies and Strategies          | Discussion  |
|---|---|
| <b>Long Term Plan (LTP)</b>             | The LTP is Council's 10 year planning document. It sets out the broad strategic direction and priorities for the long term development of the District; identifies the desired community outcomes; describes the activities the Council will undertake to support those outcomes; and outlines the means of measuring progress.   |
| <b>Activity Management Plans (AMPs)</b> | AMPs describe the infrastructural assets and the activities undertaken by Council and outline the financial, management and technical practices to ensure the assets are maintained and developed to meet the requirements of the community over the long term. AMPs focus on the service that is delivered as well as the planned maintenance and replacement of physical assets. The Richmond Aquatic Centre activity has links with the Property Services AMP. |
| <b>Annual Plan</b>                      | A detailed action plan on the Council's projects and finances for each financial year. The works identified in the AMP form the basis on which annual plans are prepared. With the adoption of the LTP, the Annual Plan mainly updates the budget and sources of funding for each of the years between the LTP.   |

| Plans, Policies and Strategies                   | Discussion  |
|--|---|
| <b>Annual Report</b>                             | The Annual Report identifies the prior year's achievements against Long Term Plan/Annual Plan targets.  |
| <b>Annual Work Programme</b>                     | The expenditure projections for the annual work programme will be taken directly from the financial forecasts in the AMP.   |
| <b>Contracts and agreements</b>                  | The service levels, strategies and information requirements contained in the AMP are the basis for performance standards in current Maintenance and Professional Service Contracts for commercial arrangements  |
| <b>Corporate information</b>                     | Quality asset management is dependent on suitable information and data and the availability of sophisticated asset management systems which are fully integrated with the wider corporate information systems (e.g. financial, property, GIS, customer service, etc). Council's goal is to work towards such a fully integrated system.   |
| <b>Council bylaws, standards and policies</b>    | These tools for asset creation and subsequent management are needed to support activity management tactics and delivery of service.   |
| <b>Growth Supply and Demand Model</b>            | The Growth Supply and Demand Model predicts the population increases for the district over the coming 20+ years. These predictions influence the likely demand on Council activities, infrastructure and services.  |
| <b>Operational plans</b>                         | Operating and maintenance guidelines to ensure that the asset operates reliably and is maintained in a condition that will maximise useful service life of assets within the network.   |
| <b>Significance and Engagement Policy</b>        | This policy informs and determines the relationship the Council and community share with regard to engagement.  |
| <b>Te Tiriti o Waitangi – Treaty of Waitangi</b> | The Treaty of Waitangi is an agreement between Māori and the Crown. Under Section 4 of the Local Government Act 2002 local authorities are required to 'recognise and respect the Crown's responsibility to take appropriate account of the principles of the Treaty of Waitangi and to maintain and improve opportunities for Māori to contribute to local government decision-making processes'. Further sections of the Act, particularly 77 and 81, detail the scale of requirement for local authorities to seek contributions and involvement from Māori in consultation and decision-making processes. |

# 5 Levels of Service

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

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

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

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

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

## 5.1 Our Levels of Service

Table 5 summarises the levels of service and performance measures for this activity. Shaded grey rows are the levels of service and performance measures to be included in the Long Term Plan and reported in the Annual Plan. Unshaded white rows are technical measures that are only included in the Activity Management Plan.

**Table 5: Levels of Service and Performance Measures**

| Levels of Service   | Performance Measure   | Current Performance  | Future Performance Targets   |  |  |  |
|---|---|--|--|--|--|--|
|   |   |  | Year 1   | Year 2   | Year 3   | Year 10  |
|   |   |  | 2018/19  | 2019/20  | 2020/21  | 2028/29  |
| There is a high level of satisfaction reported from users of the facility   | At least 80% of users rate their satisfaction with Aquatic Centre facilities as fairly satisfied or better, in annual residents' surveys. | In 2017, 69% of respondents to the Council's residents' survey were satisfied or very satisfied with the Aquatic Centre and 14% not satisfied and 18% didn't know. 78% of users were satisfied or very satisfied with the Aquatic Centre and 13% were not satisfied. | At least 80% of users rate their satisfaction with Aquatic Centre facilities as fairly satisfied or better, in residents' surveys. | At least 80% of users rate their satisfaction with Aquatic Centre facilities as fairly satisfied or better, in residents' surveys. | At least 80% of users rate their satisfaction with Aquatic Centre facilities as fairly satisfied or better, in residents' surveys. | At least 80% of users rate their satisfaction with Aquatic Centre facilities as fairly satisfied or better, in residents' surveys. |
| The Richmond Aquatic Centre facility is well used.                          | Admissions to the Aquatic Centre pool facility increases over time.   | 231,301 admissions to the pool facility at Richmond Aquatic Centre in 2017.  | 230,000+ admissions  | 232,000+ admissions  | 234,000+ admissions  | 250,000+ admissions  |
| The Richmond Aquatic Centre is a safe environment for staff and the public. | The facility maintains "Poolsafe" accreditation, this audits all health and safety regulations and staff training being meet.             | New measure  | Poolsafe accreditation attained  | Poolsafe accreditation attained  | Poolsafe accreditation attained  | Poolsafe accreditation attained  |
|   | Free Available Chlorine average levels are maintained at 1.2mg/m <sup>3</sup> for the lane and wave pools.                                | New measure  | Free Available Chlorine average levels are maintained at 1.2mg/m <sup>3</sup> for the lane and wave pools.                         | Free Available Chlorine average levels are maintained at 1.2mg/m <sup>3</sup> for the lane and wave pools.                         | Free Available Chlorine average levels are maintained at 1.2mg/m <sup>3</sup> for the lane and wave pools.                         | Free Available Chlorine average levels are maintained at 1.2mg/m <sup>3</sup> for the lane and wave pools.                         |

# 6 Our Customers and Stakeholders

There are many individuals and organisations that have an interest in the management and/or operation of the Richmond Aquatic Centre. Council has a Significance and Engagement Policy which is designed to guide the expectations with the relationship between the Council and the Tasman community.

The Council has made a promise to seek out opportunities to ensure the communities and people it represents and provides services to have the opportunity to:

- be fully informed;
- provide reasonable time for those participating to come to a view;
- listen to what they have to say with an open mind;
- acknowledge what we have been told; and
- inform contributors how their input influenced the decision the Council made or is contemplating.

## 6.1 Stakeholders and Consultation

### 6.1.1 Purpose of Consultation and Types of Consultation

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

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

- feedback from resident's surveys;
- other customer/user surveys;
- levels of service consultation on specific issues;
- feedback from staff customer contact;
- ongoing staff liaison with community organisations, user groups and individuals

### 6.1.2 Stakeholders

This AMP recognises stakeholder interest in ensuring legislative requirements are met and sound management and operational practices are in place. Key stakeholders include:

- iwi;
- District residents and ratepayers;
- community associations;
- community and resident groups;
- sports clubs and associations;
- schools and preschools.

## 6.2 Customer Satisfaction

### 6.2.1 Resident's Survey

Council regularly undertakes General Residents Surveys (NRB Communitrak™) comprising random household selection/telephone surveys to determine the level of satisfaction residents have with various services the Council provides.

The results from the most recent residents survey in 2017 showed that 69% of residents and 78% of users were either "very satisfied" or "fairly satisfied" with the Richmond Aquatic Centre.

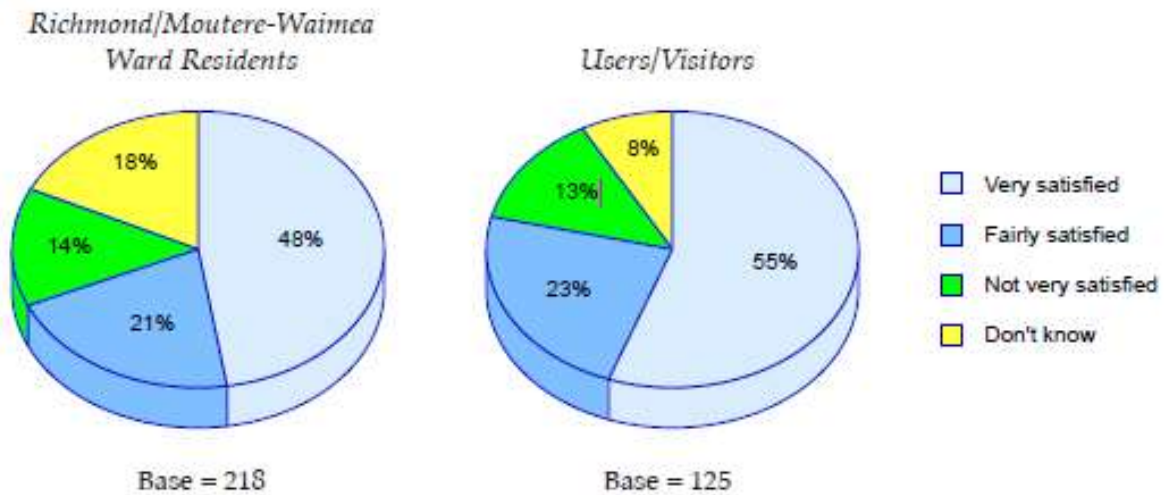


Figure 2: Satisfaction with the Richmond Aquatic Centre for Richmond/Moutere-Waimea residents and users from the resident's survey 2017.

The residents survey over time has shown an upward trend of residents that were either "very satisfied" or "fairly satisfied" with the Richmond Aquatic Centre.

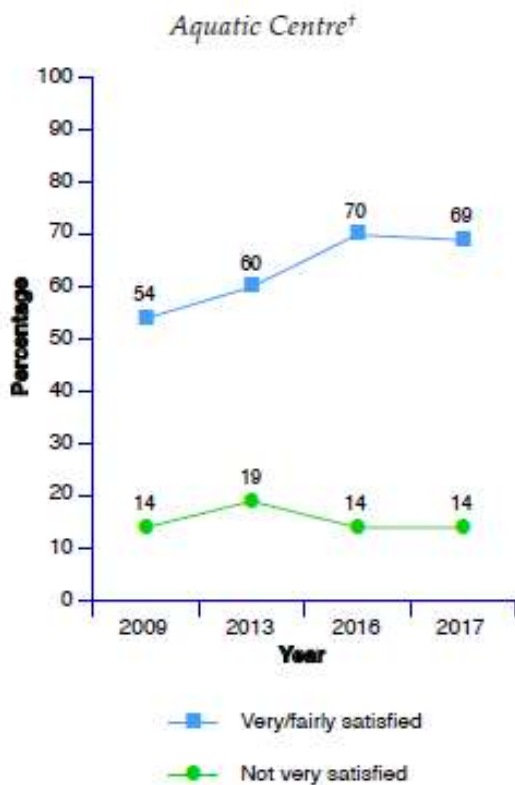


Figure 3: Users satisfaction with the Richmond Aquatic Centre from the resident's survey 2009 - 2017





**Figure 4: Residents satisfaction with Richmond Aquatic Centre 2017**

# 7 Current and Future Demand

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

## 7.1 Factors Affecting Delivery and Demand for Activity

Council recognises that future demand on the Richmond Aquatic Centre will be influenced by:

- Population growth and demographic change;
- Changes in type of use of Aquatic facilities;
- Social changes.

The impact of these influencing factors on the demand is discussed below.

### 7.1.1 Population Growth and Demographic Change

The rate of population growth anticipated in the District is likely to put pressure on the existing facility. This includes pressure on pools, water treatment, carparking, showers and toilets at peak times. The projected increase in the older age group is likely to also have an impact on the type of use. Retired people have more time to undertake community and leisure activities. The increased number of retired people may also lead to an increase in the demand for programmes designed for older people with specific social or health needs.

### 7.1.2 Changes in Type of Use of Facilities

The programmes and schedules need to be responsive to accommodate the changing needs of the community.

### 7.1.3 Social Changes

For many people the availability of leisure time is decreasing due to reasons such as longer working hours or increased family commitments. At the same time, there are more options for ways to spend their leisure time.

## 7.2 Assessing and Managing Demand

Changes to demand needs to be regularly monitored using attendance statistics, customer feedback and knowledge of trends in recreation and leisure use. Programming is limited by staffing resources, where possible we work with other community groups or individuals to assist us to deliver programmes and events.

### 7.2.1 Population Growth

The purpose of the growth model is to provide predictive information (demand and supply) for future physical development, to inform the programming of a range of services, such as network infrastructure and facilities, and district plan reviews. The model generates residential and business projections for 17 settlement areas and 5 ward remainder areas.

The key demographic assumptions affecting future growth are:

- Ongoing population growth over the next 30 years with the rate of growth slowing over time. The overall population of Tasman is expected to increase by 4,420 residents between 2018 and 2028, to reach 55,690.
- Higher growth in Richmond, Motueka, Mapua, Brightwater, and Wakefield for 2018-2028. For 2018-20208, Council has used Statistics New Zealand's high growth projections for Richmond, Brightwater, Wakefield, Motueka, and Mapua/Ruby Bay, and medium growth projections for the rest of the District. Medium growth projections have been used for the whole District for 2028-2048.
- An ageing population, with population increases in residents aged 65 years and over. The median age in the Tasman District in 2013 was 44. This is expected to increase to 53 (high projection) /54.1 (medium projection) by 2043. The proportion of the population aged 65 years and over is expected to increase from 18% in 2013 to 36% (high projection)/ 37% (medium projection) by 2043.

- A decline in average household size, mainly due to the ageing population with an increasing number of people at older ages who are more likely to live in one or two person households.

The following provides a summary of the outputs from the growth model that have been determined by using the above input assumptions and parameters.

- Residential growth is measured in the number of new dwellings. Council has estimated demand for 2,955 new dwellings over the next ten years, and a further 3,040 dwellings between 2028 and 2048. This is based on population and household size projections, and also allow for demand for dwellings for non-residents, such as holiday houses or temporary worker accommodation. The growth model projects demand for new dwellings to be an average of 365 a year for Years 1-3 (2018-2021), dropping to 266 a year for 2021-2028. In recent years, Tasman has experienced increased growth in the number of new dwellings, with an average annual increase in the last three years of 365 new dwellings. The average over the last ten years was 291 new dwellings a year.

Generally, population growth leads to intensification of the use of existing facilities. Demand for fit-for-purpose community facilities is likely to continue to increase. Existing facilities may require modification to cater for this intensification of use.

# 8 Lifecycle Management

The Richmond Aquatic Centre was opened in 2004 with the Council determining that the most effective way to operate the Richmond Aquatic Centre is to contract out the operation and general maintenance to a commercial contractor in order to procure the work at true market value. Council retains influence on the service delivery under the contract. Council, as building owner, retains responsibility for the capital asset.

## 8.1 Asset Condition and Performance

The Council's strategy is to maintain the Aquatic Centre to provide aquatic and fitness facilities to the community in an efficient and cost effective manner.

## 8.2 Operations and Maintenance

The Aquatic Centre is managed under contract to the Tasman District Council by Community Leisure Management Limited (CLM). CLM employ staff to meet the required levels of service and are required to report against those levels of service.

The Council's Community Partnerships Coordinator manages the operations and service delivery components of the management contract with CLM and the Property Services Manager manages the physical assets.

Recommendations to Council are made through the Community Development Committee. These include but are not restricted to: operations and maintenance works; hours of operation; occupancy; and fees and other charges.

### 8.2.1 Operational Contracts

The Aquatic Centre is operated under contract by Community Leisure Management (CLM). The contract was renewed on 1 December 2010 for five years until Nov 30, 2015 with two five-year rights of renewal, expiring on November 30, 2025.

The following are a summary of the main service standards identified in the Pool operation contract with CLM:

- The Contractor shall manage and operate the Aquatic Centre so as to provide a high quality, efficient and effective service to the Council.
- The Contractor shall have in place and implement a system of ongoing customer feedback. The Contractor shall record and respond in a timely manner to comments, complaints and queries relating to the Aquatic Centre and its operation.
- Contractor shall provide the Council with monthly and annual reports that meet the requirements of Clause 14 of this Agreement.

#### Operations

- The Contractor shall ensure that appropriate levels of staffing are provided in order to meet the standards of supervision recommended in the NZRA Swimming Pool Guidelines 1999. All lifeguards shall hold a minimum qualification of a current first aid certificate and a current National Lifeguard Award (Pools).
- The Contractor shall maintain water quality in all pools to the standards prescribed in NZS 5826:2000 Pool Water Quality. The Contractor shall arrange and provide to the Council on a weekly basis results of water testing completed by an independent registered laboratory approved by the Council, in order to demonstrate compliance.
- The Contractor shall maintain environmental conditions to ensure the comfort of pool patrons and this shall include satisfactory levels of relative humidity and air temperature appropriate for the season. Water temperatures shall be maintained as follows:
  - 25 m lap pool            26oC ± 1oC
  - Tots pool                    32oC ± 1oC
  - Wave pool                 32oC ± 1oC
  - Hydrotherapy pool       32oC ± 1oC
  - Spa pools                  38oC ± 1oC

- The Contractor shall maintain a high standard of cleanliness to ensure the Aquatic Centre is maintained in a hygienic condition and is presented to a high standard.
- The Contractor shall disclose to the Council, and keep detailed records of, all revenues received from admissions, charges and other sources together with details of all expenses.
- The Contractor shall meet all the costs of operation of the Aquatic Centre. The Contractor shall disclose to the Council, and keep detailed records of all such costs.

#### Maintenance Standards

- a) The Contractor shall maintain the interior of the Building in the same clean order repair and condition as it is in at practical completion of the Building, accidents and damage from fire, flood, lightning storm, earthquake and fair wear and tear (all without neglect or default of the Contractor) expected. “Practical completion” has the meaning given to those words by NZIA Standard Conditions of Contract 1 Second Edition 2000.
- b) The Contractor shall operate and maintain all Plant in good repair and working order, and in accordance with manufacturer’s recommendations.
- c) The Contractor shall inspect and provide to the Council annually in December of each year a detailed evaluation of the condition of Plant together with recommended revisions to the Council’s asset renewal programme. The inspection shall be carried out by an appropriately qualified person having expertise in the Plant being assessed.
- d) The Contractor shall take all practicable steps to ensure no breakdowns in Plant occur that result in closure of the Aquatic Centre.

### 8.2.2 Maintenance Contracts

Minor repairs and operational servicing of the plant, cleaning and other minor maintenance is the responsibility of the contractor.

Maintenance works are scheduled in accordance with the following priorities:

- safety or health of building users;
- service to the users of the building is compromised or affected; and
- it is likely that the area of repair may expand or the method of repair change such that the cost of any repair may increase.

The Council is responsible for planned maintenance and renewals.

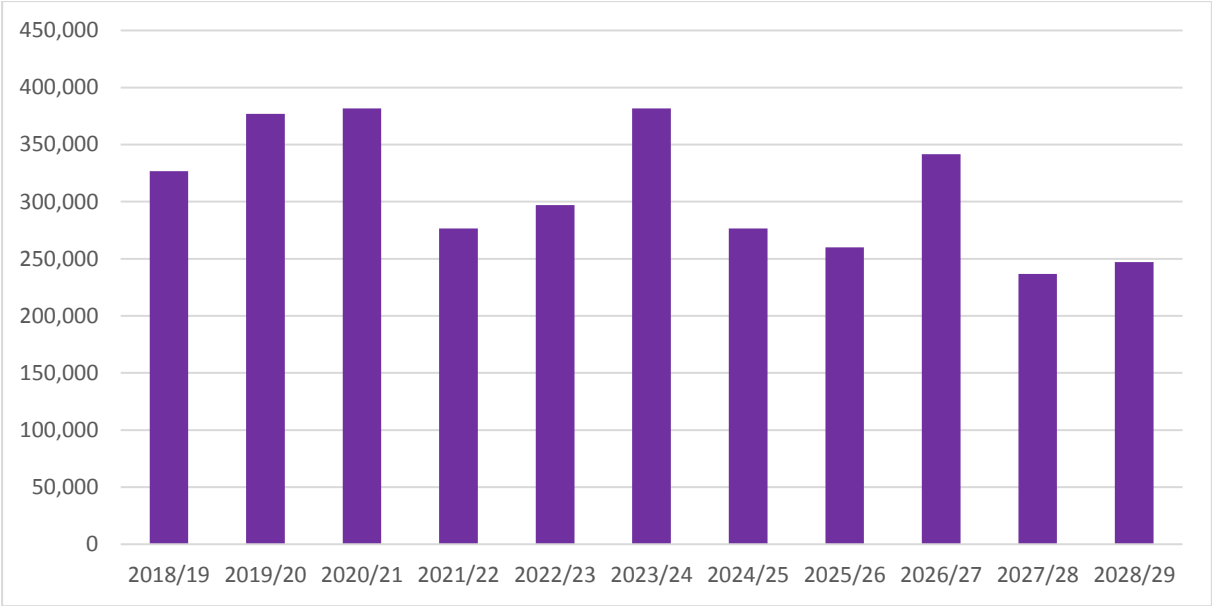
The programme and priority for work is based on condition inspections and reporting to monitor asset condition, identify emerging risks, and identify the need for maintenance and repair work, both current and predicted future failure. The priority of work is based on the consequences of asset failure on levels of service, costs, safety or corporate image.

The planned maintenance programme will be reviewed and updated every three years based on condition inspections, maintenance trends and risks.

### 8.2.3 Maintenance Strategies

Council’s strategy is to maintain the Aquatic Centre to provide aquatic and fitness facilities to the community in an efficient and cost effective manner. The complex is operated under contract by Community Leisure Management Limited which is responsible for ensuring the facilities are adequately maintained and safely operated. Planned maintenance may also be defined as preventative or programmed maintenance. Typical work includes repainting of external surfaces, repainting and redecoration of interiors, sanding and recoating of wooden floors, minor repairs and replacement of plant and building components that are failing or will fail but do not require immediate repair. The programme and priority for work is based on condition inspections and reporting to monitor asset condition, identify emerging risks, and identify the need for maintenance and repair work, both current and predicted future failure. The priority of work is based on the consequences of asset failure on levels of service, costs, safety or corporate image.

**8.2.4 Forecast Operations & Maintenance Expenditure**



**Figure 5: 2018-2028 Richmond Aquatic centre forecast operations and maintenance expenditure**

The planned maintenance programme will be reviewed and updated every three years based on condition inspections, maintenance trends and risks.

**8.3 Asset Renewal/Replacement**

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

**8.3.1 Key Renewal Issues**

The Richmond Aquatic Centre opened in 2004 and has been operating constantly for approximately 15 hours a day for 360 days per annum since opening. Plant and equipment has been renewed as required and before there is any disruption to the operation of the facility. The planned renewals for the term of this AMP have been determined by the maintenance contractor in conjunction with the facility manager and Councils property officer for maintenance and facilities. There is ongoing assessment of all plant and equipment during routine maintenance activities to ensure that the planned renewals are undertaken at the most appropriate time.

The tiling and joint sealant to the lane pool at the Richmond Aquatic Centre is in a very poor state of repair. The sealant typically lasts for 7-10 years and this sealant has now been in place for 13 years. In many areas, the sealant is no longer adhering and the joint integrity is compromised. There is significant tiling damage along construction joints, which has caused numerous foot lacerations. A firm specialising in public pool design and maintenance has inspected the lane pool. The inspection report recommends that retiling and resealing of the lane pool be undertaken. An independent quantity surveyor has costed the tile and sealant replacement. Their estimate put the value of these works at \$497,600 excluding GST. Officers have made cost estimates for design work, project management, pool emptying and refilling, heating and water treatment, and a scope risk contingency which is estimated at \$79,735. This equates to a total project cost of \$577,335. This work has been programmed to be completed 2018/2019 financial year. This will be funded via a mix of carry forward budget of approximately \$304,000 and loan funding. It is estimated that an additional \$273,335 will be required to complete the full tile replacement project. The additional funding for the project is from a ten-year loan to be funded from the Shared Facilities Rate.

**8.3.2 Renewal Strategies**

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

The following is considered when prioritizing renewals:

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

### 8.3.3 Delivery of Renewals

Renewals at the Richmond Aquatic Centre are a mix of planned and responses to plant failure delivered on a case by case basis, in consultation with the facility manager and maintenance contractors.

### 8.3.4 Forecast Renewals Budget

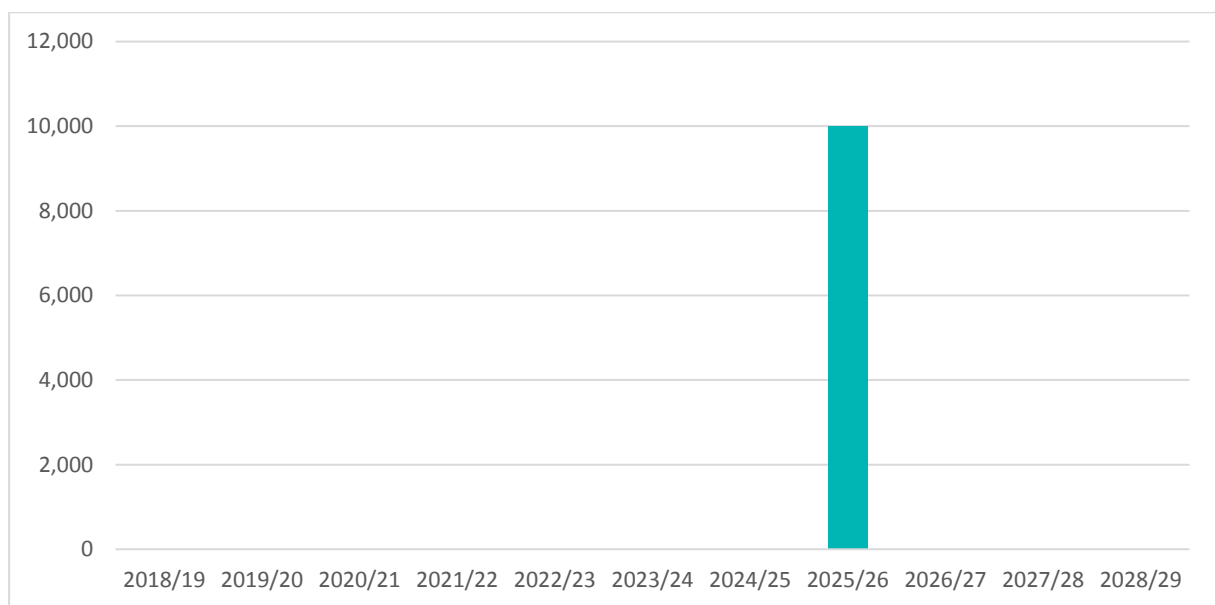


Figure 6: 2018-2028 Richmond Aquatic Centre Annual Renewals Expenditure Forecast

## 8.4 Capital Expenditure

### 8.4.1 New Capital Expenditure

There are no current new capital works planned. Future new capital works will be considered on the ability to reduce operating expenditure for the Aquatic Centre or enhance user experiences.

# 9 Financials

The Financial Strategy outlines Council's financial vision for the next 10–20 years and the impacts on rates, debt, levels of service and investments. It will guide Council's future funding decisions and, along with the infrastructure strategy, informs the capital and operational spending for the Long-Term Plan 2018-2028.

Three key financial limits are established in the Financial Strategy that set Council's overall financial boundaries for its activities. These include:

- Rates Income - limited to \$51 million per annum and targeted rates to \$46 million per annum.
- Rates Increases - limited to a maximum of 3% per annum, plus an allowance for annual growth in rateable properties.
- Debt - net external debt limited to a maximum of \$200 million

Over the next 10 years, forecast rate income increases and debt levels are projected to be near Council's limits. Council has had to work hard to prioritise and plan a work programme which addresses key issues while staying within these limits. Given Council's debt is projected to peak at \$199m in Year 2021/22 there is very little scope to add further work programmes in the next five years.

## 9.1 Funding Policy, Fees and Charges

The Aquatic Centre activity is currently funded through a mixture of target rates (91%) and debt (9%):

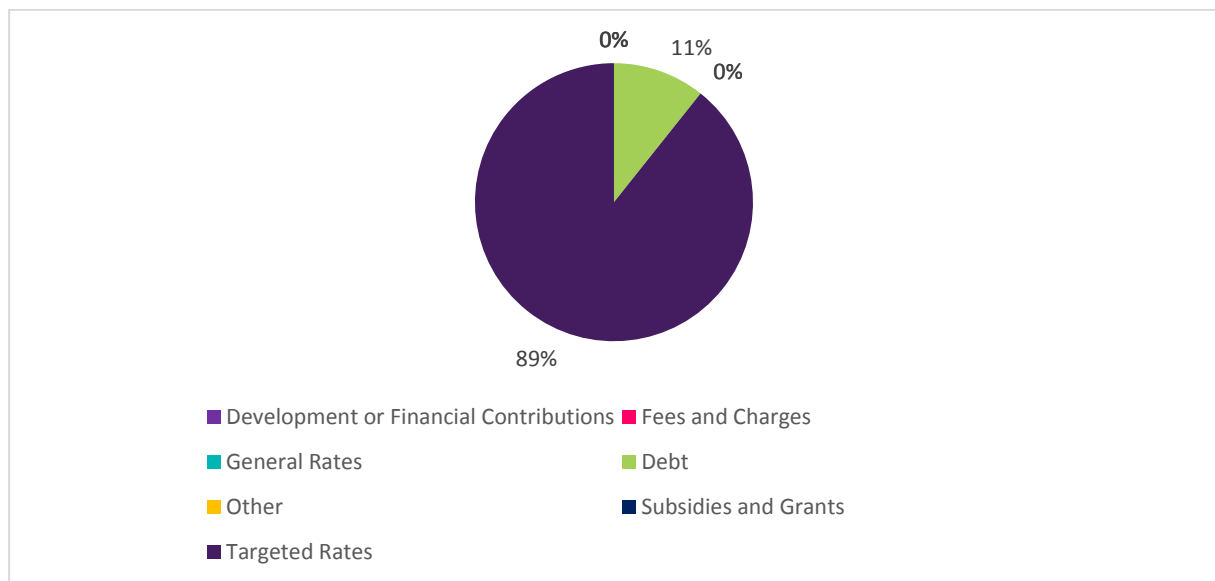


Figure 7: Funding sources for the Richmond Aquatic Centre Activity

## 9.2 Asset Valuation

The Local Government Act 1974 and subsequent amendments contain a general requirement for local authorities to comply with Generally Accepted Accounting Practice ("GAAP"). The Council requires its infrastructure asset register and valuation to be updated in accordance with Financial Reporting Standards and the AMP improvement plan. The valuations summarised below have been completed in accordance with the following standards and are suitable for inclusion in the financial statements for the year ending June 2016:

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



The Richmond Aquatic Centre was valued at \$9.5 million in the TDC Land and Buildings revaluation as at 30 June 2016.

### 9.3 Depreciation

The book value of the Richmond Aquatic Centre as at 30 June 2017 is \$8,904,000.

Depreciation of assets is charged over their useful life. Depreciated Replacement Value is the current replacement cost less allowance for physical deterioration and optimisation for obsolescence and relevant surplus capacity. Where the remaining life of the asset can be assessed, the Depreciated Replacement Value has been calculated as:

|                       |  |
|-----------------------|--|
| Remaining useful life | x (Replacement cost – residual value) + residual value |
| Total useful life     |  |

- Depreciation is a measure of the consumption of the economic benefits embodied in an asset. It distributes the cost or value of an asset over its estimated useful life. Straight-line depreciation is used in this valuation.
- Total Depreciation to Date is the total amount of the asset’s economic benefits consumed since the asset was constructed or installed.
- The Annual Depreciation is the amount the asset depreciates in a year. It is defined as the replacement cost minus the residual value divided by the estimated total useful life for the asset.
- The Minimum Remaining Useful Life is applied to assets which are older than their useful life. It recognises that although an asset is older than its useful life it may still be in service and therefore have some value. Where an asset is older than its standard useful life, the minimum remaining useful life is added to the standard useful life and used in the calculation of the depreciated replacement value.

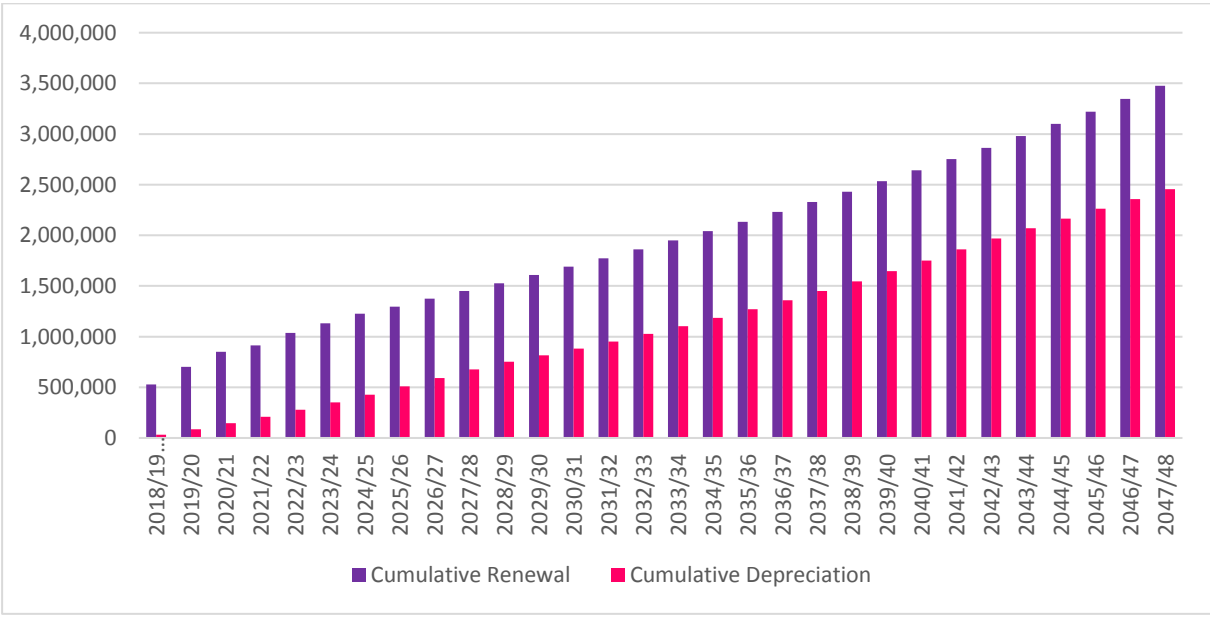


Figure 8: Comparison of Cumulative Renewal Expenditure and Cumulative Depreciation (note these figures are inflated)

### 9.4 Financial Summary

#### 9.4.1 Project Drivers

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

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

This is necessary for two reasons as follows.

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

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

### 9.4.2 Total Expenditure

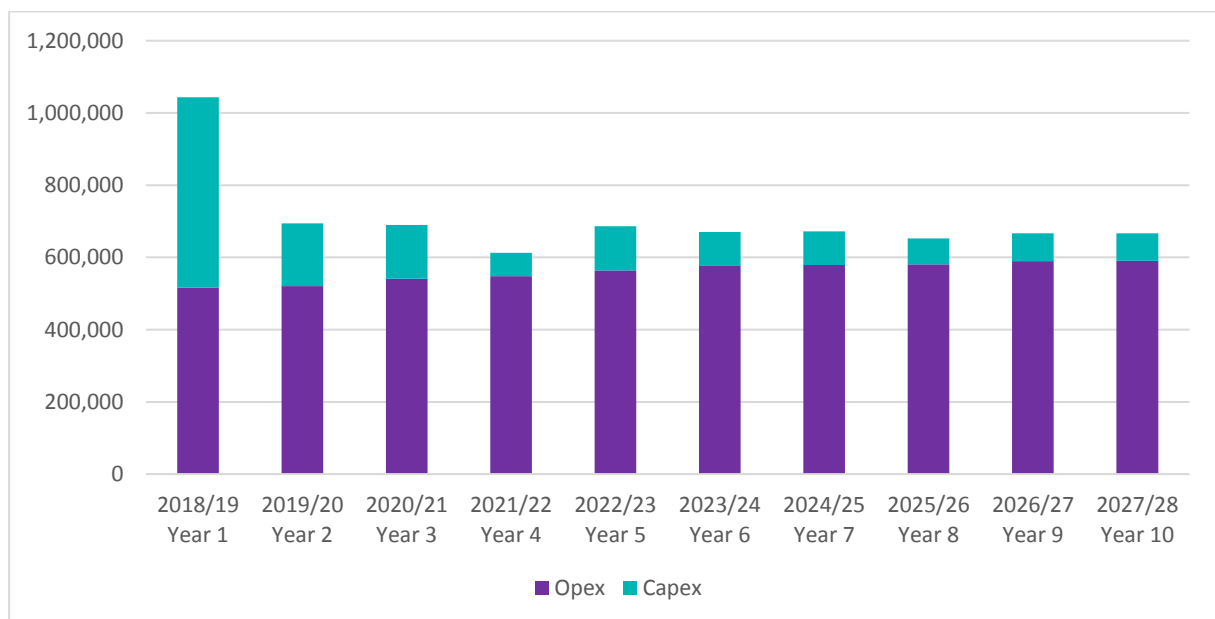


Figure 9: Total Expenditure for the Richmond Aquatic Centre activity (2018-2028)

### 9.4.3 Total Income

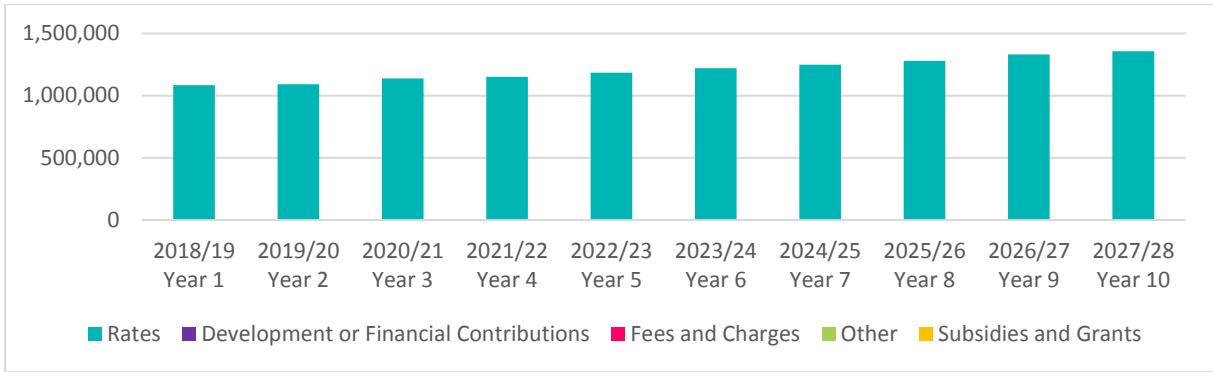


Figure 10: Total Income for the Richmond Aquatic Centre activity (2018-2028)

#### 9.4.4 Operational Costs

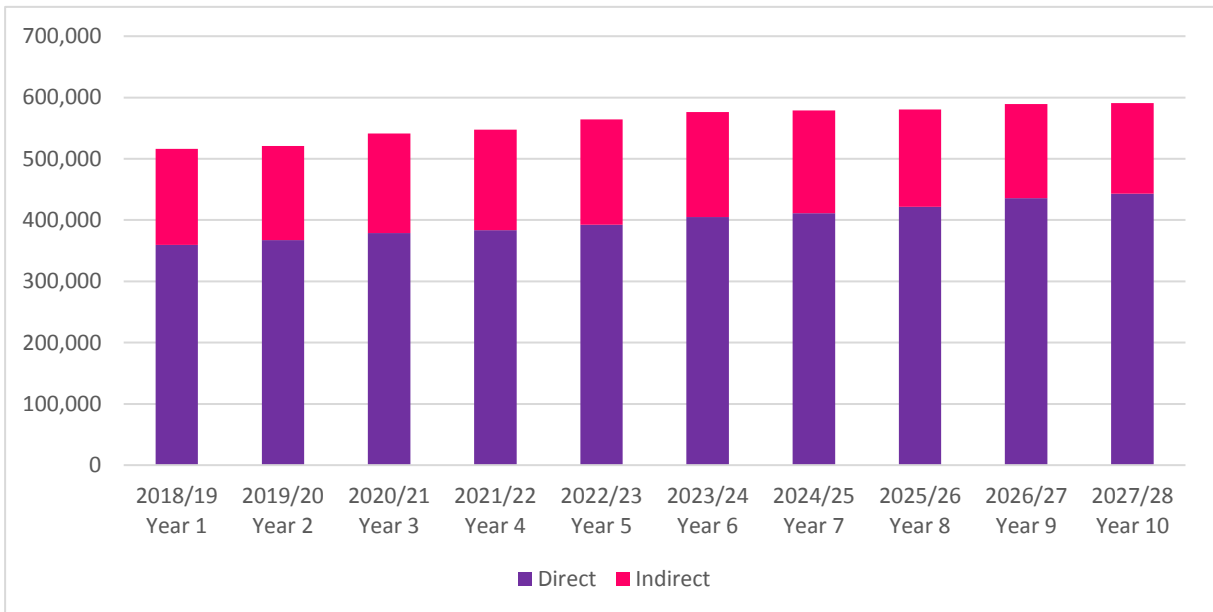
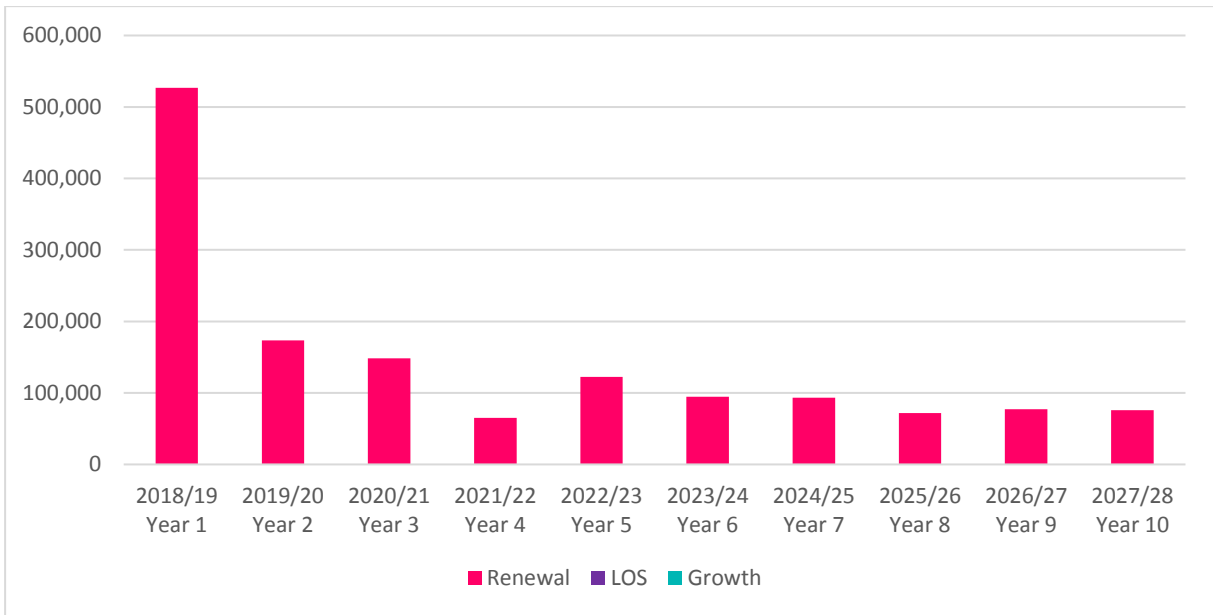


Figure 11: Total Operating Expenditure for the Richmond Aquatic Centre activity (2018-2028)

#### 9.4.5 Capital Expenditure



**Figure 12: Total Capital Expenditure for the Richmond Aquatic Centre activity (2018-2028)**

# 10 Sustainability

Sustainability is managing resources in a considered way so that current and future generations can enjoy them. Council is both guardian and a consumer of resources and as such has responsibility to ensure that Council shows leadership in management of its activities.

Council uses the triple bottom line framework that incorporates three dimensions of performance, often referred to as people, planet, profit.

The Council uses the financial strategy to assess the economic viability on a project by project basis but also on a whole of Council perspective. The debt limit and the limit on annual rates rise provides tension to ensure that activities are worthwhile and priorities before proceeding.

Social dimensions are important to the Council, with almost all decisions being made having due consideration for impact on the residents. Council is guided by the Community Outcomes to assist in determination of social wellbeing.

The environment is affected in almost any physical change. The balance of determining whether the effect on the environment is worthwhile is often assessed against the Tasman Resource Management Plan (TRMP).

## 10.1 Negative Effects

Potential significant negative effects and the proposed mitigation measures are listed below in Table 6.

**Table 6: Negative Effects**

| Effect   | Description  | Mitigation Measures  |
|--|--|--|
| The main negative effect from this activity is the cost on ratepayers associated with delivering the activity. | A negative impact from ongoing population growth and resulting asset growth is the increasing operations and maintenance cost of Council facilities. | Council has reduced its overall capital expenditure programme in order to reduce Council debt and keep rates affordable over the long term.  |
| Injuries arising from the use of recreational assets (e.g. sports injuries)                                    | Potential for safety risks from our aquatic facilities are hazards of drowning and chemical exposure.  | Council is able to mitigate to varying degrees most of these potential negative effects through a mix of good operational management, education and supervision by trained lifeguards; alongside regular review of hazards, maintenance and safety to ensure potential issues are mitigated. |

## 10.2 Positive Effects

Potential significant positive effects are listed below in Table 7.

**Table 7: Positive Effects**

| Effect          | Description  |
|-----------------|--|
| Community value | <p>The most significant positive effects from this activity are the opportunities available for residents to enjoy Council-owned community facilities.</p> <p>Aquatic facilities provide health benefits, by providing spaces for people to improve fitness, engage in active recreation, learn to swim, recovery from injury, social participation in group activity.</p> |

## 10.3 Environmental Management

The statutory framework defining what activities require resource consents is the Resource Management Act (RMA) 1991. The RMA is administered locally by Tasman District Council, a unitary authority through the Tasman Resource Management Plan (TRMP) which sets out policies, objectives and rules controlling activities to ensure they meet the purpose and principles of the RMA.

### 10.3.1 Resource Consents

Examples of resource consents that may be required in association with Reserves and Facilities activities include land use consents and discharge permits. The current resource consents specific to the Reserves and Facilities activity are listed in Table 8 below.

**Table 8: Resource Consents**

| Consent No | Applicant               | Location                   | Type               | Use  | Effective Date | Expiry Date |
|------------|-------------------------|----------------------------|--------------------|--|----------------|-------------|
| 100971     | Tasman District Council | 141 Salisbury Rd, Richmond | Land use           | To construct ASB fitness Centre whereby one side of new building exceeds permitted 15m length by | 03/02/2011     |             |
| 100969     | Tasman District Council | 141 Salisbury Rd, Richmond | Discharge to water | To discharge rainwater from roof of new ASB fitness facility to Reservoir Creek.                 | 07/01/2011     |             |
| 070273     | Tasman District Council | 141 Salisbury Rd, Richmond | Land use           | Erect an indoor sports centre and extend existing onsite parking.                                | 11/05/2007     |             |

| Consent No | Applicant               | Location                   | Type                          | Use   | Effective Date | Expiry Date |
|------------|-------------------------|----------------------------|-------------------------------|---|----------------|-------------|
| 050168     | Tasman District Council | Lot 3 DP 18824, Richmond   | Land use                      | Erect a directional sign for Aquatic Centre | 16/01/2006     |             |
| NN020306   | Tasman District Council | 141 Salisbury Rd, Richmond | Land use - hazardous facility | Store hazardous goods at Leisure Pool site. | 16/09/2002     | 23/08/2022  |
| 020337     | Tasman District Council | 141 Salisbury Rd, Richmond | Land use                      | Regional leisure pool                       | 19/07/2002     |             |

# 11 Risk Management and Assumptions

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

## 11.1 Our Approach to Risk Management

A risk is any event that has the potential to impact on the achievement of Council's objectives. The potential impact of a risk is measured by a combination of the likelihood it could occur, and the magnitude of its consequences on objectives.

Council adopted a Risk Management Policy in November 2017 and is in the process of improving our risk management processes. The main purpose of these improvements is to support better planning and decision-making, and to increase the chance of achieving Council's objectives.

Council's Risk Management Framework is still being developed but key components will be:

- Risk Categories:
  - Service delivery
  - Financial
  - Governance and Leadership
  - Strategic
  - Reputation
  - Legal
  - Regulatory
  - Health & Safety
  - Security
  - Business Continuity
- Table of Consequences which help set the Risk Appetite
- Enterprise Risk Register
  - identifying risks
  - measuring likelihood, consequence and severity
  - documenting controls, actions and escalation
- Monitoring and Reporting, including to Senior Management and Audit and Risk Committee as appropriate

Council has adopted an approach to risk management following the Australian/New Zealand Standard ISO 31000:2009 Risk Management – Principles and guidelines.

Refer to Council's Risk Management Policy for further information.

## 11.2 Activity Risks and Mitigation

In order to identify the key activity risks, a secondary filter has been applied to the outcomes of the risk management framework. This is necessary to overcome the limitations of the framework. To apply this secondary filter the asset management team have used their knowledge and judgement to identify the key activity risks. The key risks relevant to the Richmond Aquatic Centre are summarised in **Error! Reference source not found.**



**Table 9: Key Risks**

| Risk Event   | Mitigation Measures   |
|--|---|
| The greatest risks associated with the Aquatic Centre activity are health and safety issues, particularly for users. | These risks are mitigated through supervision by qualified lifeguards, compliance with standards and regular inspections and assessment.                      |
| A major potential risk is significant damage to the buildings/structures/facilities from earthquakes.                | Council mitigates this risk by meeting appropriate design standards for its buildings and facilities.<br><br>We also have building evacuation plans in place. |
| Impacts from climate change (e.g. coastal erosion, storm damage, flood events).                                      | Building evacuation plans in place.   |

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

- a preventative maintenance programme;
- routine structural inspection;
- an allowance for routine maintenance of structures;
- monitoring potential hazards on a regular basis, and taking appropriate action to reduce possible risks by eliminating, mitigating or isolating the hazard as soon as any potential hazard is identified;
- maintaining and ensuring compliance with up to date Health and Safety Plans for all staff and contractors and managing the contractors' response to new Health & Safety issues;
- ensuring compliance with NZS 5826:2010 Pool Water Quality; and
- monitoring structures and public buildings and ensuring they are maintained in a safe and sound condition that complies with the Building Act, where required.

### 11.3 Assumptions and Uncertainties

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

Table 10 documents the uncertainties and assumptions that the Council consider could have a significant effect on the financial forecasts, and discusses the potential risks that this creates.

**Table 10: Generic Assumptions and Uncertainties**

| Type      | Uncertainties  | Assumption   | Discussion  |
|-----------|--|--|---|
| Financial | Unless stated it can be unclear whether financial figures include inflation or not, as well as whether GST has been included or not. | That all expenditure has been stated in 1 July 2017 dollar values and no allowance has been made for inflation and all financial projections exclude GST unless specifically stated. | The LTP will incorporate inflation factors. This could have a significant impact on the affordability of each activity if inflation is higher than allowed for. The Council is using the best information practically available from Business and Economic Research Limited (BERL) to reduce this risk. |

| Type                 | Uncertainties   | Assumption   | Discussion  |
|----------------------|---|--|---|
| Asset Data Knowledge | The Council has inspection and data collection regimes in place for assets. These regimes do not allow for entire network coverage at all times. The Council's aim is to strike the right balance between adequate knowledge and what is practical. | That the Council has adequate knowledge of the assets and their condition so that planned renewal works will allow the Council to meet the proposed levels of service. | There are several areas where the Council needs to improve its knowledge and assessments, but there is a low risk that the improved knowledge will cause a significant change to the level of expenditure required.   |
| Growth Forecasts     | Growth forecasts are inherently uncertain and involve many assumptions. The Council uses Stats NZ projections as the basis for its growth planning, but these will vary depending on actual birth and death rates as well as net migration.         | That the district will grow or decline as forecast in its Growth Model.  | Growth forecasts are used to determine infrastructure capacity and when that capacity will be required. If actual growth varies significantly from what was projected, it could have a moderate impact on the Council's plans. If higher, new or additional infrastructure may be required quicker than anticipated. If lower, Council may be able to defer the delivery of new or additional infrastructure.                     |
| Project Timing       | Multiple factors affect the actual timing of projects e.g.: <ul style="list-style-type: none"> <li>• Consents</li> <li>• Access to land</li> <li>• Population growth</li> <li>• Timing of private developments</li> </ul>                           | That projects will be undertaken when planned.   | The risk of the timing of projects changing is high due to factors like resource consents, third party funding, and land acquisition and access. The Council tries to mitigate these issues by undertaking the investigation, consultation and design phases sufficiently in advance of when construction is planned. If delays occur, it could have an impact on the levels of service and the Council's financing arrangements. |
| Project Funding      | The Council cannot be certain that it will receive the full amount of anticipated subsidy or contribution. It depends on the funder's decision making criteria and their own ability to raise funds.  | That projects will receive subsidy or third party contributions at the anticipated levels.   | The risk of not securing funding varies and depends on the third party involved. If the anticipated funding is not received it is likely that the project will be deferred which may impact levels of service.  |

| Type                       | Uncertainties   | Assumption  | Discussion  |
|----------------------------|---|---|---|
| Climate Change             | <p>Continued emissions of greenhouse gases will cause further warming and changes in all parts of the climate system. The International Panel on Climate Change (IPCC) has developed four scenarios named RCPs (Representative Concentration Pathways). They represent different climate change mitigation scenarios with varying levels of CO2 emission (low – medium – high). The likelihood of any of the scenarios occurring as predicted is uncertain and depends on many different factors.</p> | <p>Council uses the latest climate predictions that have been prepared by NIWA for New Zealand and more specifically for the Tasman District.</p> <p>The anticipated effects from climate change in Tasman District include:</p> <ul style="list-style-type: none"> <li>• An increase in seasonal mean temperature and high temperature extremes</li> <li>• An increase in rainfall in winter for the entire district and varying increases of rainfall in other seasons in different areas.</li> <li>• Rising sea levels, increased wave height and storm surges.</li> </ul> <p>Floods, landslides, droughts and storm surges are likely to become more frequent and intense</p> | <p>It is likely that risk of low lying land being inundated from the sea, and damage to Council property and infrastructure from severe weather events, will increase.</p> <p>Council will need to monitor the level of sea level rise and other impacts of climate change over time and review its budgets, programme or work and levels of service accordingly.</p> |
| Accuracy of Cost Estimates | <p>Project scope is often uncertain until investigation and design work has been completed, even then the scope can change due to unforeseen circumstances. Even if the scope has certainty there can be changes in the actual cost of work due to market competition or resource availability.</p>   | <p>That project cost estimates are sufficiently accurate enough to determine the required funding level.</p>  | <p>The risk of large underestimation is low; however, the importance is moderate as the Council may not be able to afford the true cost of the project. The Council tries to reduce this risk by undertaking reviews of all estimates and including an allowance for scope risk based on the complexity of the project.</p>   |

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

# 12 Asset Management Processes and Practices

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

## 12.1 Appropriate Practice Levels

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

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

## 12.2 Service Delivery

### 12.2.1 Activity and Asset Management Teams

The Council has an organisational structure and capability that supports effective asset management planning. Multiple teams across Council are responsible for the different aspects of activity and asset management. The focus of the teams ranges from a strategic focus at the Long Term Plan/Infrastructure Strategy level which involves a cross-Council team, through to detail/operational focus at the Operational team level. With the Richmond Aquatic Centre, the Community Development Department manage the activity and service delivery and the Corporate Services Department's Property Section looks after the asset management function.

## 12.3 Service Delivery Review

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

Table 11 summarises the reviews that have been completed to date and when the next review is required for this activity.

**Table 11: Summary of Review**

| Scope of Review         | Summary of Review   | Review Date | Next Review |
|-------------------------|---|-------------|-------------|
| Richmond Aquatic Centre | <p>An initial review found that the most cost-effective option at the current time is to continue with a publicly tendered delivery contract and with Council continuing to govern and fund the Richmond Aquatic Centre activity. The only practical alternative would be for Council to invest in its own contracting capability at considerable expense. Staff recommended that a full s.17A review not be undertaken for the delivery of this activity in 2017 because:</p> <ul style="list-style-type: none"> <li>• the contract at the Aquatic Centre is to 1 December 2020, with a further possible extension and a further s.17A assessment may need to be carried out then, if CLM does not exercise its right to renew the contract or if the performance standards in the contract are not met.</li> <li>• alternative delivery of operations and maintenance of the Aquatic Centre in-house would require a substantial capital investment in plant, machinery and staff.</li> </ul> | May 2017    | 2023        |

## 12.4 Demand Management

The objective of demand management is to modify customer demands for services in order to:

- optimise utilisation/performance of existing assets;
- reduce or defer the need for new assets;
- meet the organisation’s strategic objectives (including social, environmental and political);
- deliver a more sustainable service;
- respond to customer needs; and
- provide a facility that will meet user’s requirements.

## 12.5 Council’s Approach to Demand Management

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

- **Community involvement:** Involve the community in future development of the Aquatic Centre facility through consultation using the LTP process.
- **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.
- **Multiple use:** The Council will actively promote the development of flexible, multi-use facilities and open spaces.
- **Fees and charges:** Consider options to recover costs through user charges, taking into account the ability to pay, assessment of public and private benefit, and Council’s objectives with respect to community participation in recreational activity. Consider discount incentives to promote the use of the facilities (to encourage and spread demand).
- **Promotion:** Encourage participation in a range of recreational experiences actively promoting opportunities for all levels of age, ability and gender.

## **12.6 Asset Management Systems and Data**

### **12.6.1 Information Systems and Tools**

The Council has a variety of systems and tools that support effective operation and maintenance, record asset data, and enable that data to be analysed to support optimised life-cycle management. There is a continual push to incorporate all asset data into the core asset management systems where possible; where not possible, attempts are made to integrate or link systems so that they can be easily accessed.

## **12.7 Quality Management**

Council has not implemented a formal Quality Management system across the organisation. Quality is ensured by audits, checks and reviews that are managed on a case by case basis.

# 13 Improvement Planning

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

## 13.1 Assessment of our Activity Management Practices

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

- identification of improvements
- prioritisation of improvements
- establishment of an improvement programme
- delivery of improvements
- ongoing review and monitoring of the programme.

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

Note – table to be developed during LTP consultation.



# Appendices

# Appendix A: Operating Budget

| ID       | Name                | Total Budget | Financial Year Budget (\$) |         |         |         |         |         |         |         |         |         | Total Budget |         |
|----------|---------------------|--------------|----------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|--------------|---------|
|          |                     | 2018-48      | 2018/19                    | 2019/20 | 2020/21 | 2021/22 | 2022/23 | 2023/24 | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028-38      | 2038-48 |
| 28122203 | Consultants         | 30,000       | 0                          | 0       | 3,000   | 0       | 0       | 3,000   | 0       | 0       | 3,000   | 0       | 9,000        | 50,000  |
| 28122401 | Maintenance         | 2,850,000    | 95,000                     | 95,000  | 95,000  | 95,000  | 95,000  | 95,000  | 95,000  | 95,000  | 95,000  | 95,000  | 950,000      | 0       |
| 28122404 | Management Contract | 6,687,450    | 222,915                    | 222,915 | 222,915 | 222,915 | 222,915 | 222,915 | 222,915 | 222,915 | 222,915 | 222,915 | 2,229,150    | 186,900 |
| 28122508 | RR POOL RATES       | 1,035,000    | 34,500                     | 34,500  | 34,500  | 34,500  | 34,500  | 34,500  | 34,500  | 34,500  | 34,500  | 34,500  | 345,000      | 200,000 |

# Appendix B: Renewals Budget

| ID       | Name                             | Total Budget | Financial Year Budget (\$) |         |         |         |         |         |         |         |         |         | Total Budget |         |
|----------|----------------------------------|--------------|----------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|--------------|---------|
|          |                                  | 2018-48      | 2018/19                    | 2019/20 | 2020/21 | 2021/22 | 2022/23 | 2023/24 | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028-38      | 2038-48 |
| 28126102 | Aquatic Centre – Furn & Fittings | 276,000      | 276,000                    | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0            | 0       |
| 28126103 | Aquatic Centre - Plant           | 313,100      | 84,100                     | 80,000  | 53,000  | 0       | 50,000  | 23,000  | 20,000  | 0       | 3,000   | 0       | 0            | 0       |
| 28126106 | Aquatic Centre - Cap - Building  | 1,949,500    | 156,500                    | 86,500  | 86,500  | 60,000  | 60,000  | 60,000  | 60,000  | 60,000  | 60,000  | 60,000  | 600,000      | 600,000 |