



PROPERTY ASSET MANAGEMENT PLAN 2020



Property Asset Management Plan

Asset			
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Council Adoption			

Changes to be Incorporated in the Next Review		
Number	Date of Change	Reason for Change
A	07/08/2019	Change the team name to Property Team
B	07/08/2019	Add Commercial Property, Parks Toilets and Parks Buildings to assets and activities carried out by the Property Team

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Executive Summary

The Buildings Asset Management Activity underpins many of the other activities of Council. Ownership of property occurs because Invercargill City Council provides a range of services to its Community which help achieve community outcomes. By their nature, these services require specialist buildings that are not commercially viable, e.g. swimming pools and theatres. Council provides the buildings as an essential part of providing the Service Activity. To allow Service Activity Managers to focus on the services being delivered, the Property Team assists by managing the buildings on their behalf.

The Property Team also manages and maintains a portfolio of Commercial Property and maintains buildings and leases on behalf of the Parks Operation. It also manages and operates public toilets for use by the community and visitors to the city and its parks.

The portfolio has a fair value of \$170m (1 June 2019).

The Property Activity acts as “owner” and manages the following community and publicly used buildings for Invercargill residents and ratepayers:

- Corporate Buildings
 - Civic Administration Building
 - Bluff Service Centre
- Community Facilities
 - Animal Services Facility
 - Civic Theatre
 - Scottish Hall
 - Library and Archive
 - Southland Aquatic Centre (Splash Palace)
 - Southland Museum and Art Gallery (SMAG)
 - Parking Building
 - Bluff Senior Citizens Centre (Leased)
 - Solid Waste Transfer Station
 - Rugby Park Stadium
 - Anderson House
 - Surrey Park Grandstand
- Housing Care
 - Flats, 215 in 21 Complexes
- Public Toilets
 - Wachner Place Restroom
 - Automated Public Toilets, 11 total.
 - Manual Toilets, 14 total.
 - Environmental Toilets, 15 total.
- Investment Property
 - 20 Don St – Endowment – Commercial – land, building and 13 leases
 - Awarua – Commercial – land and 10 buildings
 - Commercial leases – land, 12 total.
 - Commercial leases - land and buildings, 3 total.
 - Commercial leases – Residential – land, 3 total.
 - Strategic Property – land and buildings, 6 total.



- Commercial leases – on behalf of ICC Departments, 15 total.
- Vacant land, 28 total.
- Parks Property
 - Buildings – Public Use, 3 total.
 - Buildings - Offices / Amenities, 6 total.
 - Buildings - Pavilions / Shelters, 13 total.
 - Buildings - Workshop / Storage / Equipment sheds, 40 total.
 - Buildings – Aviary, 7 total.
 - Buildings – Plants, 3 total.
 - Residences - 1 total.
 - Leases – Reserves, 99 total.
 - Licences – Cribs – on behalf of Parks, 23 total.
 - Leases – Grazing land – on behalf of ICC Departments, 16 total.

Community Outcomes (Section 2.1.1)

This table summarises how the Property Team contributes to Council's Community Outcomes

Community Outcome	Council's Role	How this Activity contributes
Enhance our City	Invercargill's economy continues to grow and diversify.	Land and buildings are available to foster commercial activity.
Preserve its Character	The building blocks, including water, sanitation and roading, for a safe, friendly city is provided for all members of the community.	The buildings are safe to use, accessible for those with disabilities and well maintained.
	Invercargill is celebrated for preserving its heritage character.	Our heritage buildings are maintained well and keep their heritage status.
Embrace innovation and change.	Technology is utilised in both existing and new City services.	New innovations are investigated during the building renewal process.

The principle objectives of the Property Assets Team (Section 2.1.3)

The principle objectives are to:

- Manage building assets in accordance with statutory and regulatory requirements;
- Progressively record and improve asset evidence for planning, delivery, operation, renewal and disposal of assets;
- Ensure the activity is operated in a prudent manner;
- Renew assets in a financially prudent manner, ensuring a lifecycle approach is taken for all decisions;
- Monitor and review levels of service to meet demand;
- Manage leases in accordance with statutory and regulatory requirements.

- Measure, advance and improve the asset management system to a level of maturity as set out in the Asset Management Policy (Appendix 2.01);
- Address resilience and manage our assets in a sustainable and environmentally conscious manner.
- Purchase and dispose of land to attain Council's strategic requirements.

Issue and Challenges (Section 2.3)

The key issues and challenges for Property Assets are:

- Multiple large competing projects on the horizon, many of which are dependent on Council's strategic direction.
- Providing the Housing Care portfolio in a sustainable manner.
- Rising expectation of the public for Property to provide a higher Level of Service.
- Requirement for further investment in Asset Management Maturity
- Many building structures have aged to about half their useful life and require capital renewals. This will create an increased demand on the Property Team.
- Further work required to document resilience and contingency strategies and plans.
- Ensuring clear strategic priorities for ownership, sale or purchase of commercial property.

Key Assumptions used to develop this plan (Section 2.4)

The Key assumptions are listed in Section 2.4. These derive from considerations of future population and its trends, the effect of the economy, social and cultural change, resilience, the environment and climate change, factors that impact on council operations and financial forecasting.

Levels of Service (Section 3.3)

This table provides a summary of the Service Levels agreed with Property Team customers

Levels of Service agreed with Leisure and Recreation Service Delivery Managers

Level of Service	Customer Performance Measures	Customer Target
The buildings are safe to use, accessible for those with disabilities and well maintained.	Legislative Compliance	100% of commercial buildings have current Building Warrant of Fitness.
		100% of Building Consents have Code Compliance.
	Health and Safety	Decreasing number of injury accidents because of building hazard reported per year.
		100% of public buildings are evaluated according to Earthquake Prone Building methodology and maintained above 67% NBS.
	Risk of Failure	Closure of Service Activity due to building failure is eliminated

		or minimised.
	Asset can meet demand of the (Service) Activity	100% of building Opening Hours are achieved.
		Overcrowding or over provision of space is not an issue.
	Quality, Comfort and Performance	Public and user satisfaction with the building facility.
		Condition rating for building is agreed upon with Service Activity Manager.
		Vandalism is repaired in a timely manner.
	Cost Efficiency	Rental and fees on buildings are sustainable and comparable to or less than market rate.
Our heritage buildings are maintained well in recognition of their heritage status	Retain 100 % of current heritage classifications	Civic Theatre – Class 1 Trooper Memorial - Class 1 Anderson House – Class 1 Scottish Hall – Class 2

The service level agreed with the Community for public toilets is:

The Public Toilets Activity **preserves the character** of the City Centre, suburbs and Bluff through ensuring public has access to clean, safe and accessible public toilet facilities. The Public Toilets Activity ensures an adequate number of well sign-posted public toilets are available in Invercargill and Bluff, with 24-hour automated facilities available at strategic locations.

MEASURE 2021-2031	TARGET
Automated toilets are located at strategic locations and available 24 hours a day	95% (2021-28 target)

Risk (Section 6.2)

The key risks are fully developed in the section on Risk (section 6.2). Health and safety of workers and the public is the highest risk posed to the Property Assets Team, there is no further known actions can be undertaken. Seismic vulnerability is rated medium risk to the activity; contingency planning and resilience will be part of the improvement programme for the activity.

Capital Expenditure Programme for Renewal and Improvement of Buildings (Section 7.6.3 and 7.6.4)

The age and condition of the portfolio is the most influential factor in the renewal programme. Many of Councils buildings are broadly half-way through their useful lives. The recommended renewal programme is detailed further in Section 7.6.3. and 7.6.4. The

following is the Summary of major Capital projects (>\$100,000) for the next 10 years of the Long Term Plan:

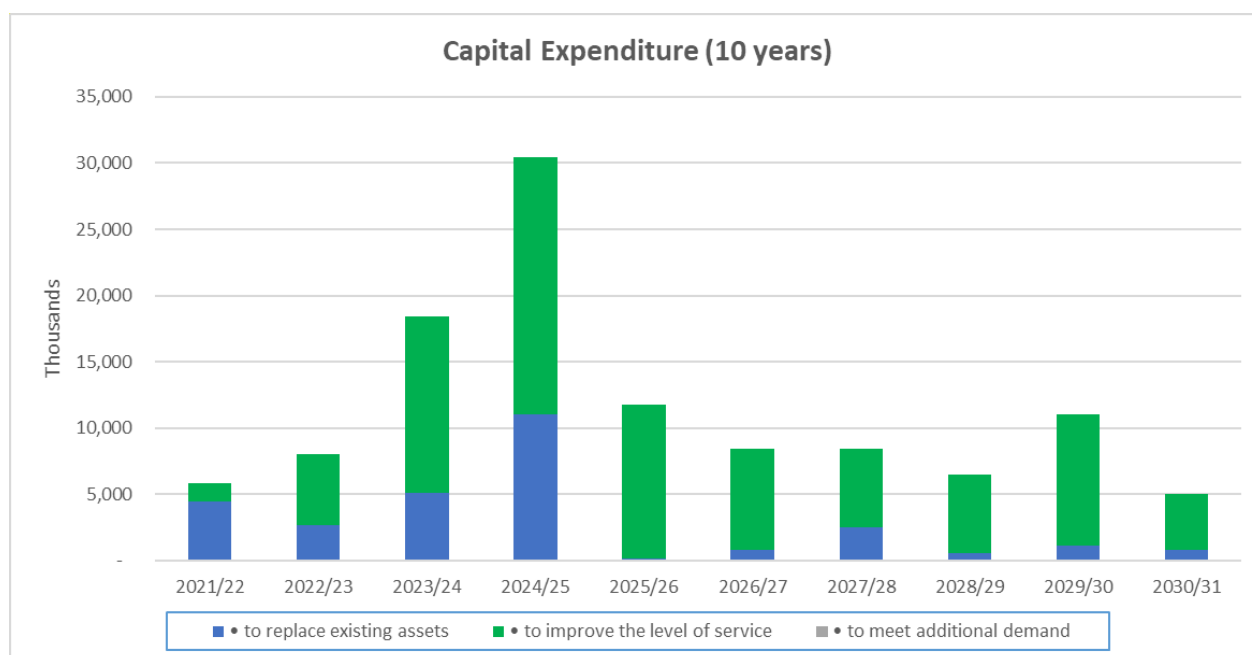
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Year	Building	Project	Rough Estimated Cost	Capital Type
2022	Rugby Park	Bleachers structural strengthening	2,000,000	Renewal
2022	Surrey Park Stadium	Seismic strengthening, structural repairs, renovations	\$1,000,000	LoS
2022	Animal Control	Security / heating / shower	100,000	Renewal
2022	SAC	New bulkhead for 50m Pool	650,000	Renewal
2022	Civic Administration Building	Admin Renewal Project, detailed design	250,000	Renewal
2022	Housing Care	Healthy Homes Standards	\$430,000	Service Level
2022	Library	Barrel Roof repairs	100,000	Renewal
2022	Library	Genset (approx. 30-40kW)	100,000	Service Level
2022	Library	Mechanical (Cemag Lift)	409,000	Renewal
2022	Anderson House	Seismic strengthening	400,000	Renewal
2022	Anderson House	External Maintenance	400,000	Renewal
2022	Anderson House	Fire and Accessibility upgrades	400,000	Renewal
2022	Pyramid	Lift renewal	\$200,000	Renewal
2022	Pyramid	Mechanical	\$700,000	Renewal
2022	Museum	Museum Redevelopment Stage 1	\$500,000	Service level
2022	Esk St West	Demolition	\$3,400,000	Demolition
2022	Esk St West	Security Alarm	\$100,000	Service Level
2022	Parks Sheds	Renewals as identified.	130,000	Renewal
2022	Parks Toilets	Renewals and improvements	150,000	Renewal
2023	Bluff Service Centre	Plaster & waterproof west wall (Demolition of Club Hotel)	400,000	Renewal
2023	Civic Administration Building	Admin Renewal Project	1,500,000	Renewal
2023	Housing Care	Healthy Homes Standards	\$430,000	Service Level
2023	Archive	Electrical Services	103,000	Renewal
2023	Pyramid	Mechanical	100,000	Renewal
2023	Museum	Museum Redevelopment Stage 1	\$2,500,000	Service level
2023	Crematorium	Renovation	150,000	Renewal
2023	Parks Sheds		130,000	Renewal
2023	Parks Toilets	Renewals and improvements	100,000	Renewal
2024	SAC	Diesel Boiler	108,000	Renewal
2024	SAC	Non-slip around pools	250,000	Renewal
2024	Rugby Park	Strengthen & Deferred Maintenance	1,600,000	Renewal
2024	Bluff Service Centre	Exterior and Interior Refurbishment	154,000	Renewal
2024	Civic Administration Building	Admin Renewal Project	8,825,000	Renewal
2024	Parks Sheds	Renewals as identified.	130,000	Renewal
2024	Parks Toilets	Renewals and improvements	100,000	Renewals
2024	Museum	Museum Redevelopment Stage 1	\$12,000,000	Service Level
2025	Museum	Museum Redevelopment Stage 2	\$17,500,000	Service Level
2025	Civic Administration Building	Admin Renewal Project	4,425,000	Renewals
2025	Civic Theatre	Interior Renewals	864,000	Renewal
2025	Rugby Park	Strengthen & Deferred Maintenance	3,000,000	Renewal
2025	Parks Sheds	Renewals as identified.	130,000	Renewal
2025	Parks Toilets	Renewals and improvements	100,000	Renewal
2026	Museum	Museum Redevelopment Stage 2	\$20,000,000	Service Level
2026	SAC	New 25m Pool and Building and rising floor	7,500,000	Service Level
2026	SAC	Extend Car Park, dependant on new pool	165,000	Service Level
2026	SAC	Exterior Cladding	146,000	Renewal
2026	Parks Sheds	Renewals as identified.	130,000	Renewal

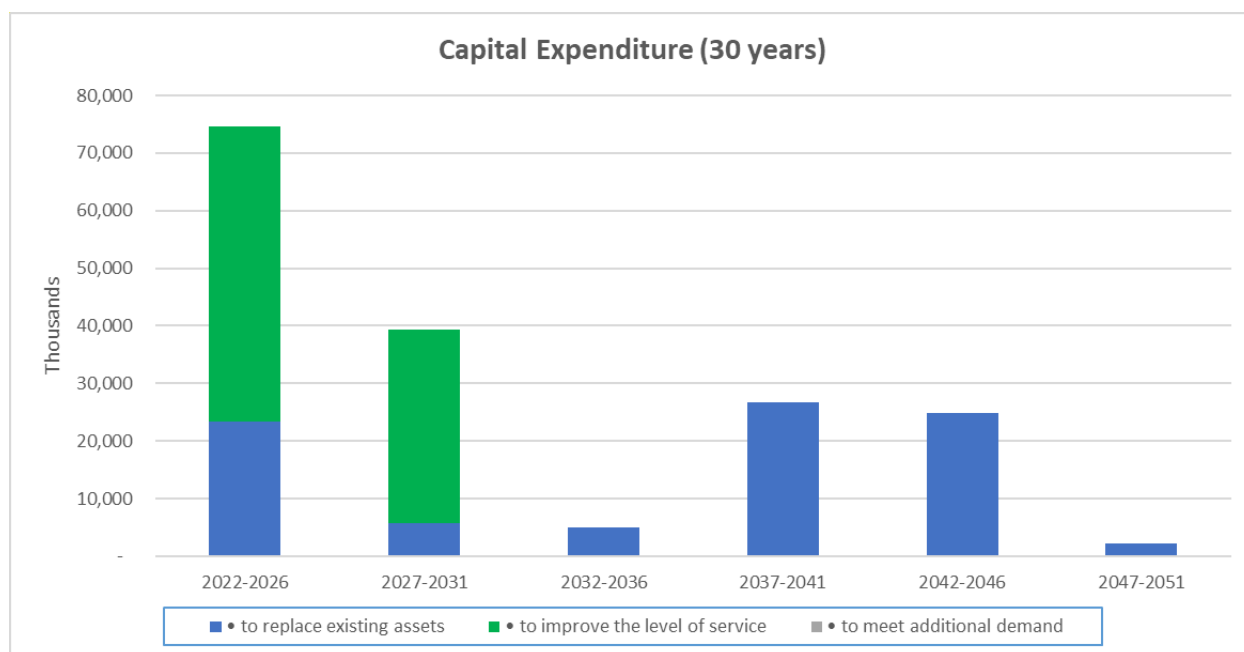
2026	Parks Toilets	Renewals and improvements	100,000	Renewals
2027	SAC	Existing Changerooms Refurbishment	244,000	Renewal
2027	Parks Sheds	Renewals as identified.	130,000	Renewal
2027	Parks Toilets	Renewals and improvements	100,000	Renewals
2028	SAC	Woodchip Boiler	262,000	Renewal
2028	ACI	Design & Construct	\$5,000,000	Service Level
2028	Civic Administration Building	HVAC	529,000	Renewal
2028	Civic Administration Building	Carpet	419,000	Renewal
2028	Archive	Archive Plant Renewals	768,000	Renewal
2028	Parks Sheds	Renewals as identified.	130,000	Renewal
2028	Parks Toilets	Renewals and improvements	100,000	Renewals
2029	Aurora Place	End of Life Assessment	\$970,000	Potential Renewal
2029	ACI	Design & Construct	\$5,000,000	Service Level
2029	Parks Sheds	Renewals as identified.	130,000	Renewal
2029	Parks Toilets	Renewals and improvements	100,000	Renewals
2030	SAC	Roof	488,000	Renewal
2030	SAC	Additional Pool	\$3,300,000	Service Level
2030	ACI	Design & Construct	\$4,700,000	Service Level
2030	Civic Theatre	Major Interior	5,565,000	Renewal
2030	Scottish Hall	Roof	118,000	Renewal
2030	Library	Roof	200,000	Renewal
2030	Parks Sheds	Renewals as identified.	130,000	Renewal
2030	Parks Toilets	Renewals and improvements	100,000	Renewals
2031	SAC	Additional Pool	\$3,300,000	Service Level
2031	Scottish Hall	Interior fit out	389,000	Renewal
2030	Car Park Building	Electrical	135,000	Renewal
2031	Parks Sheds	Renewals as identified.	130,000	Renewal
2031	Parks Toilets	Renewals and improvements	100,000	Renewals
2031	Glengarry Exeloo	Renovations	50,000	Renewal
2032	Elston Lea	Roof	150,000	Renewal
2032	Parks Sheds	Renewals as identified.	130,000	Renewal
2032	Parks Toilets	Renewals and improvements	100,000	Renewal

Financial Projections for Building Assets (Section 8.2)

The following graph shows the 10 year projected expenditure for the Property portfolio:



The following graph show the 30 year projected expenditure for the Property portfolio:



Strategic Projects (Section 8.2.2)

Council has a number of strategic projects to carry out. These are also listed in the Capital Development Programme.

Planned Year	Building	Project	Cost \$000	Capital Type
2021-22	Anderson House	Strengthening	1,200	Level of Service
2021-22	Surrey Park Grandstand	Re-development	1,000	Level of Service
2022-25	Administration Building	Re-development	15,000	Renewal
2022-26	Museum	Re-development	52,500	Level of Service
2024-25	Rugby Park Stadium	Strengthening and Deferred Maintenance	4,600	Level of Service
2027-30	Arts and Creativity	New	14,700	Level of Service
2030-31	Splash Palace	New 25sqm Pool and Building	6,600	Level of Service

Asset Management Improvement Programme (Section 10.1)

The Property Team is constantly looking for methods to improve the activity; a full improvement plan is in Section 10. The immediate focus on improvements is:

- Documenting the prioritisation of renewal and growth projects.
- Adding asset data about Investment and Parks buildings in to the IPS application.
- Adding Valuation information to the IPS application
- Development of contingency plans alongside Service Activity Managers.
- Ensuring asset hierarchy is formalised and condition, age and criticality is registered against assets in IPS.
- Investigating the cost to different levels of maturity.

1. INTRODUCTION

1.1 ABOUT THIS PLAN

1.1.1 Our Strategic Framework

Activity Management Plans underpin the activities in the Long Term Plan, they record the current and desired Levels of Service and Maintenance, Capital Works Programmes and budgets (if applicable) required to ensure the activity meets the desired Levels of Service.

Adoption of the budgets for these programmes is carried out through the Long Term Plan process. Changes to budgets for programmes may occur during the consultation process and adoption of Long Term Plan budgets.



Activity Management Plan Strategic Framework



1.1.2 The Building Assets Management Plan

The Property Asset Team is one of the Infrastructural Services activities addressed in the Invercargill City Council Long Term Plan (LTP). This Building Assets Management Plan (AMP) is, therefore, strongly linked to the overall strategic direction for the District. The LTP is the document and process that alerts the Community to the key issues and strategies contained in this document.

The purpose of this AMP is to outline Council's tactical planning response to the management of property and land assets. The AMP outlines the long term management approach for the provision and maintenance of Property Assets to support its Service Activities. It records the current and desired Levels of Service and determines the Maintenance and Capital Works Programmes and their associated budgets required to make assets meet their desired Levels of Service. Under Council's significance policy, some of the Property Assets are deemed to be strategic and therefore significant to ensuring Council's capacity to contribute towards Community Outcomes and the well-being of the Community.

The AMP demonstrates responsible management of the District's assets on behalf of customers and stakeholders, and assists with the achievement of strategic goals and statutory compliance. The AMP combines management, financial, engineering, technical, and property practices to ensure that the level of service required by customers is provided, and is delivered in a sustainable and efficient manner.

This AMP is based on currently available information and the existing knowledge and judgement of Council staff. Asset information and their conditions has not been gathered for Parks toilets and Parks Buildings as these have only recently been added to the property portfolio. This information will be gathered during the next three years in order to inform the next Long Term Plan.

A programme of Asset Management technical improvement is planned to improve the quality of decision making and to improve the knowledge of Council's assets and customer expectations. These future enhancements will enable Council to optimise life cycle asset management activities and provide a greater degree of confidence in financial forecasts.

The key outputs of the AMP are presented in the LTP, which is the subject of a public consultative process.

The Asset Management Plan has been prepared by the Property Team within Invercargill City Council and independently peer reviewed by AECOM New Zealand Limited. The signature page at the front of the document provides a panel for sign – off to occur.

1.2 ASSET OVERVIEW

The Property Team acts as “owner” of and manages the community owned and publicly used facilities of Council for the benefit of Invercargill residents and ratepayers.

The Property Team exists to support the provision of buildings as the base for Service Activities which contribute to the Community Outcomes. The Service Deliveries and their Activity Plans that the Property Assets team supports are:

Service Delivery / Activity Plan	Building Assets
Aquatic Services	<ul style="list-style-type: none"> • Southland Aquatic Centre (SAC)
Arts and Heritage	<ul style="list-style-type: none"> • Southland Museum and Art Gallery (SMAG)
Corporate Services	<ul style="list-style-type: none"> • Civic Administration Building (CAB) • Bluff Service Centre • Bluff Senior Citizens Centre
Housing Care	<ul style="list-style-type: none"> • 215 flats in 21 Complexes
Investments / Property	<ul style="list-style-type: none"> • Endowment Property, (20 Don St, 1 building and 13 leases) • Awarua, commercial land and 10 buildings • Strategic Property, 6 buildings
Library and Archives	<ul style="list-style-type: none"> • Invercargill Library and Archive
Parks and Reserves	<ul style="list-style-type: none"> • Buildings – Public Use <ul style="list-style-type: none"> ▪ Anderson House ▪ Surrey Park Grandstand • Buildings - Offices / Amenities, 6 total. • Buildings - Pavilions / Shelters, 13 total. • Buildings - Workshop / Storage / Equipment sheds, 40 total. • Buildings – Aviary, 7 total. • Buildings – Plants, 3 total. • Residences - 1 total.
Public Toilets	<ul style="list-style-type: none"> • Supervised Toilet and Restroom, 1 • Automated Public Toilets, 11 • Manual Toilets, 14 • Environmental Toilets, 15.
Roading	<ul style="list-style-type: none"> • Car Parking Building
Regulatory Services	<ul style="list-style-type: none"> • Animal Control Pound
Solid Waste Management	<ul style="list-style-type: none"> • Solid Waste Transfer Station
Venues Services	<ul style="list-style-type: none"> • Civic Theatre • Scottish Hall • Rugby Park Stadium

The Property Team ensures that the buildings are designed, constructed, developed and maintained for their specific purpose throughout their life-cycle.

The Property Team is further involved with some Activities of Council such that it has co-written the Activity Management Plans for:

- Housing Care
- Public Toilets
- Investment Property

The commercial property and leases provide premises for commercial use by private businesses and to contribute a commercial return to Council.

1.3 ASSET RESPONSIBILITY

It is important to emphasise the division of responsibility involved in these services, between Service Activity Management and the Property Team as shown in the table above. These can be described as follows:

- The Service Activity Manager manages the strategy and policy for the activity and all aspects of day-to-day operation. The Service Activity Manager sets and manages budgets for operational costs such as staff and consumables.
- The Property Team provides, maintains and improves the buildings which are required to house the service. The Property Manager sets and manages budgets for maintenance, renewal and new capital expenditures.
- Responsibilities for achievement of Levels of Service are similarly divided. These responsibilities are detailed in the Service Level Agreements (Appendix 4.02.1 to 4.02.8).

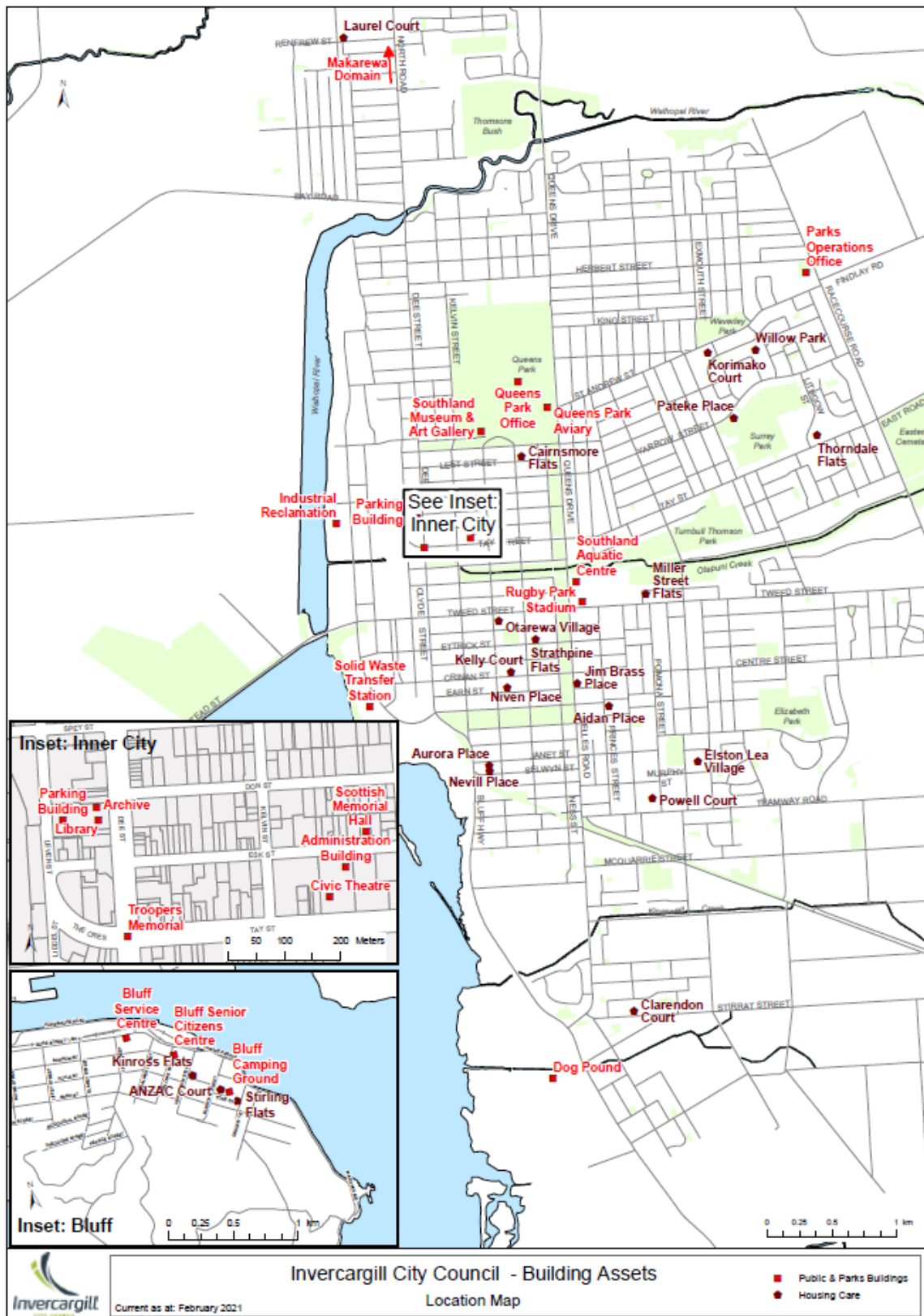
The Levels of Service required by Service Activity Managers are detailed in their Activity Management Plans or Statement of Intent for each Activity.

Note however that the Property team acts as both the Service Activity Manager and Asset Manager in the cases of:

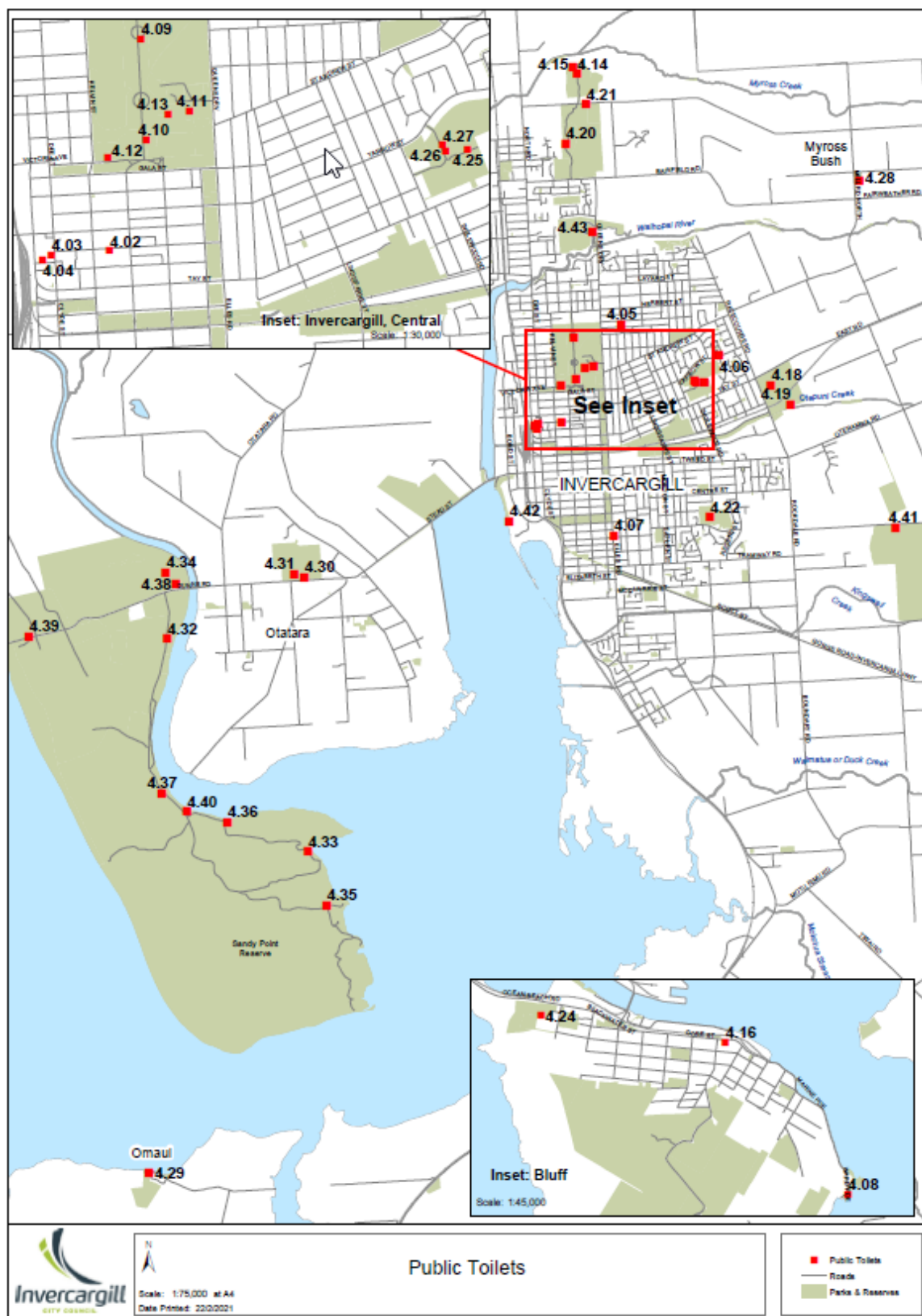
- Housing Care
- Public Toilets
- Investment Property

1.4 PROPERTY ASSET LOCATIONS

Locations of main Public and Parks buildings and Housing Care flats are shown in the following map.



Locations of Public Toilets are shown in the following map.



2. STRATEGIC CONTEXT

2.1 STRATEGIC GOALS

2.1.1 Community Outcomes

Council has developed its own Council-focused “Community Outcomes” for the Long-Term Plan that will fulfil the requirements of ‘Community Outcomes’ under the Local Government Act.

The Community Outcomes have been derived from Councils vision:

“To enhance our City and preserve its character while embracing innovation and change.”

Community Outcomes		
Enhance our City	Preserve its Character	Embrace Innovation and Change
We will know success when:		
Invercargill's population is over 1.2% of the New Zealand population.	Invercargill is celebrated for preserving its heritage character.	Invercargill's culture is embraced through Community projects.
New residents feel welcomed and embraced by Invercargill culture.	Ease of access throughout the City is maintained	The development of future industry is encouraged.
Healthy and active residents utilise space, including green space, throughout the City.	Our natural and existing points of difference are celebrated.	Technology is utilised in both existing and new City services.
Invercargill's economy continues to grow and diversify.	The building blocks, including water, sanitation and roading, for a safe, friendly city is provided for all members of the community.	Residents of, as well as visitors to, Invercargill give positive feedback and have great experiences.
Invercargill's business areas are bustling with people, activities and culture.	Strong, collaborative leadership of the City is demonstrated.	Invercargill has the 'wow factor' with the right facilities and events to enjoy.

2.1.2 Rationale for the Activity

The Invercargill City Council provides a range of services to its Community which help the Community to achieve its outcomes. Some of these services require specialist buildings that are not commercially viable developments, e.g. swimming pool and theatre. Therefore, the Council provides them as an essential part of providing the Service Activity; this allows the Service Activity Manager to focus on the service and not the asset requirements.

The Council also fosters commerce by owning and providing commercial buildings and property for lease by private business as a premises to carry out their activity.

There are a number of different types of building managed by the Property Assets Team that are grouped, referred to and described in this Plan as:

Corporate Buildings

These are the buildings provided for use by the administrative functions of the Invercargill City Council.

Community Facilities

These are the buildings provided for Community Services; these are generally specialist buildings which help the community achieve its social, economic and cultural sustainability outcomes.

Housing Care

These buildings contain flats which are provided as 'last resort' rental properties for elderly people of limited means.

Public Toilets

These facilities are provided for the public to have access to clean, safe, accessible toilets.

Investment Property

These are buildings which are suitable for a variety of uses such as commercial office and retail spaces and residences, which Council owns and leases to private business for a financial return.

Parks Property

These are Parks operational buildings and land leases that are managed on behalf of the Parks Operations.

2.1.3 Asset Objectives

The Property Assets Team exists to support the provision of Activity Services that contribute to the achievement of the Community Outcomes which have been identified in Section 2.1.1.

Community Outcome	Council's Role	How the Activity contributes
Preserve its Character	The building blocks, including water, sanitation and roading, for a safe, friendly city is provided for all members of the community.	The buildings are safe to use, accessible for those with disabilities and well maintained.
	Invercargill is celebrated for preserving its heritage character.	Our heritage buildings are maintained well and keep their heritage status.
Embrace innovation and change.	Technology is utilised in both existing and new City services.	New innovations are investigated during the renewal process.

The principle objectives of the Property Assets Team are to:

- Manage building assets in accordance with statutory and regulatory requirements;
- Progressively improve and integrate catchment of asset evidence for planning, delivery, operation, renewal and disposal of assets;
- Ensure activity is operated in a prudent manner;
- Renew assets in a financially prudent manner, ensure a lifecycle approach is taken for all decisions;

- Monitor and review levels of service to meet demand;
- Measure, advance and improve the asset management system to the maturity as set out in the Asset Management Policy (Appendix 2.01);
- Address resilience and manage of our assets in a sustainable and environmentally conscious manner.
- Monitor and manage leases over time.

How this activity achieves the Community Outcomes above is further developed in Section 3.3 – Levels of Service.

2.2 BUSINESS DRIVERS

2.2.1 Regulatory Framework

Council operates under many legislative frameworks, the Local Government Act 2002 and Health and Safety at Work Act 2015 are the most prevalent to Council core business.

The Local Government Act is the overarching framework that regulates what Council's scope is as well as their ability to conduct day-to-day business.

The Health and Safety at Work Act ensures that as an employer we are meeting all requirements to care for all workers in a safe manner at all times.

Both aspects of legislation are paramount to the day-to-day running of business and most departments within Council will operate under specific provisions of both Acts, alongside any other relevant legislation.

2.2.2 District Plan and Council Policies

Under provisions provided in the Local Government Act 2002, Council has the ability to create policies, bylaws and plans.

Council operates under a number of policies, some internal. These policies are reviewed regularly in line with legislative requirements.

Council currently operates under a number of bylaws, some that were created out of need to resolve nuisance and others that are requirements under the Local Government Act or were resolved to become a bylaw through Central Government.

2.2.2.1 *District Plan*

Council operates under a District Plan. This Plan is derived through the Resource Management Act 1991. It gives effect to national policy statements on a variety of environmental issues, and is about managing the use, development and protection of natural and physical resources in a way that enables the community to provide for their holistic wellbeing.

2.2.2.2 *Asset Management Policy*

This policy confirms the objective and responsibilities of asset management to appropriate levels of maturity at Invercargill City Council. It forms a statement of high level commitment to the asset management principles by which the organisation will operate, (Appendix 2.01).

2.2.2.3 *Closed Circuit Television (CCTV) Policy*

This policy defines the approach to of CCTV and maintenance of privacy.

2.2.2.4 *Energy Policy*

This policy defines the approach to energy efficiency, energy conservation and use of non-renewable energy in all of Council's activities.

2.2.2.5 *Electrical Safety Testing of Equipment within Property Assets Buildings*

Organisations are required by legislation to provide a safe working environment for their employees. Electricity can create significant hazards especially when electrical equipment is not maintained to a satisfactory standard.

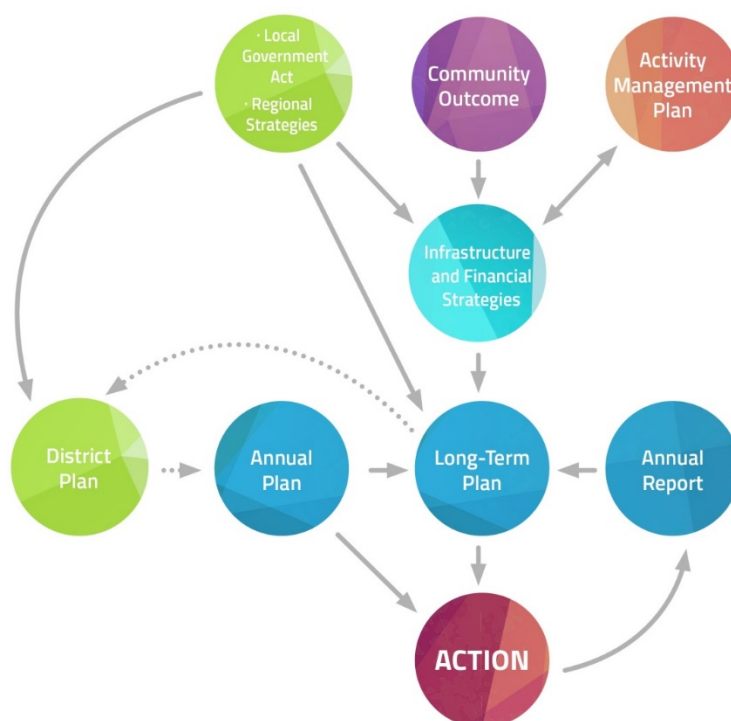
This policy seeks to explain the process for the Inspection and Testing of Electrical Equipment and residual current devices (RCD's) owned and/or operated within Property assets buildings, and falling within the scope of the AS/NZS 3760:2010 standard; In-service safety inspection and testing of electrical equipment.

2.2.3 Long Term Plan

The Asset Management Plan records the current and desired Levels of Service and determines the Maintenance and Capital Works Programmes and their associated budgets required to make assets meet their desired Levels of Service.

- The Long-Term Plan confirms Maintenance and Capital Works Budgets that are approved by Council to meet Community outcomes.
- Asset Management Plan underpins the activities in the Long-Term Plan and is implemented through expenditure programmes in asset areas. Adoption of the budgets for these programmes is carried out through the Long-Term Plan process. Changes to budgets for programmes may occur during the consultation process and adoption of Long-Term Plan budgets.

Variations between this Plan and the most recently adopted Long Term Plan / Annual Plan are recorded in the "Table of Changes to be Incorporated in Next Review" at the beginning of the Plan. The consequences of any variations will be reflected in subsequent reviews of the Long-Term Plan / Annual Plan.



2.2.4 Asset Management System Framework



The Asset Management System is the set of people, processes, tools and other resources involved in the delivery of asset management.

The Asset Management Policy (Appendix 2.01) outlines the principles, requirements and responsibilities for asset management.

The Asset Management Strategy (Appendix 2.02) sets the asset management objectives, practices and audit and review processes.

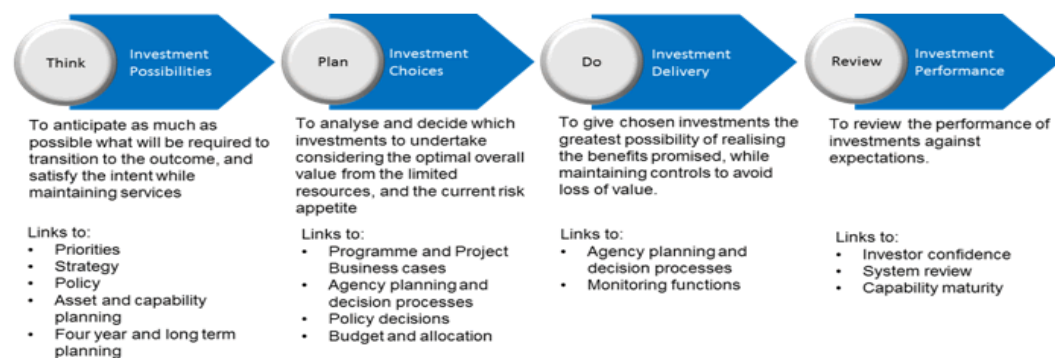
2.2.5 Better Business Case (BBC) Approach

The BBC approach has been approved by Treasury as a method to enable smart investment decisions for public value.

The Long-Term Plan working party has adopted this method to deliver the Asset Management Plans as the base documents for the 2020 Long Term Plan.

The BBC method is about managing change with strategic vision as the focus and a roadmap of how to get there.

The format of our Plan was developed with our Peer Reviewers at IAMC. Our expectation from developing our Asset Management Plans in this method will meet recognised best practice and form a better foundation in the plan phase of the investment lifecycle.



2.3 STRATEGIC ISSUES AND CHALLENGES

2.3.1 Council Strategic Issues and Challenges:

The key strategic issues and challenges facing the Invercargill City Council are:

- Responding to the changing environment (both natural and technological) and retaining Invercargill's character including the built environment. Three key areas of focus are:
 - Planning for the impacts of climate change
 - Responding to changing community requirements for water quality outcomes, reflected in changing Central Government regulations
 - Revitalising the inner city.
- Meeting our long-term renewal expectations for infrastructure
- Encouraging growth projects whilst ensuring financial and operational sustainability for future generations
- Ensuring the Council works in a financially prudent manner that promotes the current and future interests of the community
- The City's changing demographic profile and its ability and willingness to pay

2.3.2 Building Assets

The key strategic issues and challenges facing management of building assets are:

- Multiple large competing projects on the horizon, many of which are dependent on Council's strategic direction.
- Rising expectation of the public for us to provide a higher Level of Service.
- Requirement for further investment in Asset Management Maturity.
- Many building structures have aged to half or more of their useful life and require capital renewals. This will create an increased demand on expenditure and the project resources of the Property Team.
- No documented resilience or contingency strategies or plans.
- Further work required to document resilience and contingency strategies and plans.

2.2.3 Investment Property

The key strategic issues and challenges facing management of Investment Property are:

- 20 Don St Business House development is full tenanted, now in operating surplus but with high debt.
- Awarua Industrial Development land, diary lease is now in operating surplus but with debt.
- Ensuring clear strategic priorities for ownership, sale or purchase of commercial property.

2.4 Key Assumptions

The key assumptions which have been assumed in the Long Term Plan are as follows.

Assumption		Level of certainty	Impact of uncertainty	Management response
Population				
Significant Assumption	<p>Population growth</p> <p>At 30 June 2020, the estimated population of Invercargill was approximately 57,100¹².</p> <p>The population growth for Invercargill is around 1%³. This rate has been observed during eight of approximately the past twelve years, making it a reasonable assumption for the current plan.</p> <p>Based on a 1% growth assumption, the expected population for 2031 is estimated to be around 62,810.</p> <p>Covid-19 might significantly change the previous growth forecasts for Council. Population growth is expected to be minimal in the short term as a result of Covid-19 limiting the ability of students and migrant workers to travel, along with continued aging of the population.</p>	Medium	<p>Council is not planning for a major change in population during the life of the current plan.</p> <p>There are multiple uncertainties related to population growth in Invercargill:</p> <ul style="list-style-type: none"> • While International students currently in New Zealand are able to return to SIT for study, the number of EFTS⁴ to date for 2021 is only 337. This is compared to 775 in 2020. • Riding out recession impacts of Covid-19 Alert Levels 4 and 3 • Proposed Tiwai Aluminium Smelter closure • Mid-range population forecast but noting underlying increase in population that has already surpassed StatsNZ estimates 	<p>The critical infrastructure and resources that Council provides were designed for a city with a population larger than we are now. Council has appropriate infrastructure and resources to service our population without significant financial impact as we have plenty of room to grow.</p> <p>This is in line with the higher forecast of the Southland Regional Development Strategy.</p> <p>Council will continue to monitor change in population growth during the life of the current long term plan to prepare for/respond to any significant changes realised from the multiple uncertainties identified.</p>

¹ [Subnational population estimates \(TA, SA2\), by age and sex, at 30 June 1996-2020 \(2020 boundaries\) \(stats.govt.nz\)](#)

² [Stats NZ Overview of data quality ratings, interim coverage and response rates, and data sources for 2018 census](#)

³ As above.

⁴ EFTS – Equivalent Full Time Student

Assumption		Level of certainty	Impact of uncertainty	Management response
Significant Assumption	Diversity The population will continue to become more diverse. The Maori population will grow from 17% to 19% ⁵ . The Asian population will grow from 6% to 9% ⁶ .	Medium	Interruptions to travel may affect international migration although it is not expected to effect this assumption significantly. Impact of uncertainty is low.	Council continues to explore new ways of engaging and ensures a balanced sample in customer research to ensure it understands changing needs and expectations.
Significant Assumption	Ageing population Those aged 65 and older will form 23% of the population in 2031, which is higher than the current aged population in 2020 ⁷ (estimated at 10,000 of 57,100, or 17.51%) ⁸ .	High	The pattern of aging in the population is a long-term trend which is not expected to be disrupted.	The needs of older people and younger people are different from those in the working age and Council will continue to consider the needs of all users of its services.
Significant Assumption	Households The number of households will increase as the population ages. The size of households will decrease slightly and may vary between 2.35 and 2.25 people over the time of the infrastructure strategy ⁹	Medium	The impact of a potential decline in numbers of students and migrant workers on demand for housing is uncertain.	Council's infrastructure has sufficient capacity to accommodate the potential increase in population and/or demand.

⁵ Growth in line with NZ stats estimate of 2% growth in the Southland region (NZ. Stats, population projections)

⁶ Growth in line with NZ stats estimate of 3% growth in the Southland region (NZ. Stats, population projections)

⁷ NZ Census Area unit forecast

⁸ [Subnational population estimates \(TA, subdivision\), by age and sex, at 30 June 2018-20 \(2020 boundaries\)](#)

⁹ To calculate the projected average occupancy rates we took past and projected population data from Statistics New Zealand and cross referenced this to past and projected number of households. The average occupancy is the total population divided by the total occupied households.

Economy				
	Assumption	Level of certainty	Impact of uncertainty	Management response
Significant Assumption	COVID-19 The lockdown and potential future impacts of COVID-19 may negatively impact residents' ability to pay rates. This could lead to a short term cashflow impact and increased rates arrears. Rates arrears could increase further.	Medium	To date there has been little impact on our rates receipts and the response to the new rates postponement and remission policy has led to a number of ratepayers contacting Council to go onto a payment plan for their rates.	Council has adopted an additional policy for postponement and remission of rates. This policy allows ratepayers financially impacted by COVID-19, to delay payment of up to 1 year's rates. Council staff will work with affected ratepayers to set up affordable payment plans.
Significant Assumption	Economy A recessionary period is expected for the first five years of the LTP and longer-term structural changes to the economy beyond this time. This will lead to higher unemployment and lower GDP. ¹⁰	Medium	The shape of the recession (u or v) is as yet unknown. The relative impact across regions, based on industries impacted most by COVID-19, as well as potential impacts of proposed Tiwai closure and SIT becoming a subsidiary of Te Pūkenga needs to be better understood by Council in order to reduce this uncertainty. Significant errors in this area could have a significant impact on Councils budgets over the forecast period ¹¹ .	Council will focus on efficiency savings. Investment will only be made in activities which can be serviced. Council will continue to review its work programme and priorities as the level of uncertainty reduces.
Significant Assumption	Community funding Council can expect to see increased funding applications from groups as a result of Covid-19 and its impact on Community Trust of Southland and Invercargill Licencing Trust's ability to fund.	Medium	The immediate impact of Covid-19 has been seen in the local community, with reduced funding available from major community funders including the Community Trust of Southland and Invercargill Licencing Trust and Foundation.	Council acknowledges the potential community expectation that Council will be positioned to distribute grants to fund community wellbeing related activities.

¹⁰ BERL Local Government Cost Adjustor Forecasts – Three Scenarios Reference No: #6109

¹¹ <https://www.infometrics.co.nz/industry-concentrations-and-the-fall-of-think-big/> ; <https://www.infometrics.co.nz/examining-the-nz-industries-hit-hardest-by-the-covid-19-pandemic/> ; BERL Local Government Cost Adjustor Forecasts – Three Scenarios Reference No: #6109

Significant Assumption	Economic diversification Volatility in the global economy may affect one or more of Invercargill's key export industries. This will drive diversification but will slow growth. There may be a delayed effect through the risk of impacted industries abandoning properties.	Medium	The relative impact needs to be better understood by Council to reduce uncertainty, as significant errors could have a significant impact on Council budgets over the forecast period ¹² . This may directly impact rates and ability of Council to fund projects.	Council will continue to monitor changes in the global markets.
Activity Report Level	Central Business District Following a period of static activity until 2023 when the City Block development is complete, the CBD will become more vibrant and have increased connectivity. Council will work in collaboration with others to enable strategic activities and initiatives to support the success of the CBD.	High	The city centre is at the centre of Council's vision. As with any major investment of this type there is a level of uncertainty as to the impact of the development on future use patterns within the city. If the development does not succeed in drawing people to the city centre it will have an impact on Council strategy.	Council strategic activities and economic development activities delivered through Great South will align to support the success of the city centre projects Streetscape works will be designed to support connectivity to the city centre. Council will need to plan for the structural change this is anticipated to involve. Council has support for heritage buildings through the Regional Heritage Strategy and associated funds to support businesses managing high costs of older buildings.
Significant Assumption	Tourism Tourism numbers will slowly increase, returning to 2019 levels by 2031.	Low	The tourism sector is the hardest hit in the economy and is not expected to fully recover out to 2030. This may have an impact on the Airport and other infrastructure needs that may or may not be required in short term as tourist numbers reduce.	Council expects some impact, but tourism is not a major proportion of Invercargill's GDP so the effect is expected to be relatively minor.
Significant Assumption	International education The numbers of International students studying at the Southern Institute of Technology will slowly increase back to 2019 levels by 2031.	Low	Students are an important part of the economy, creating significant demand. The impact on retail, hospitality and housing could be significant.	Council is working with Great South on economic development.

¹² <https://www.infometrics.co.nz/industry-concentrations-and-the-fall-of-think-big/> and <https://www.infometrics.co.nz/examining-the-nz-industries-hit-hardest-by-the-covid-19-pandemic/>

Social and cultural				
	Assumption	Level of certainty	Impact of uncertainty	Management response
Activity Level	Māori culture Māori culture will become more visible in the city.	Medium	Increased awareness of the need to recognise Maori culture and tikanga (methodology), with a particular focus on partnership, participation and protection.	Council will invest more in Maori engagement to ensure strategic projects reflect Maori culture in the city.
Activity Level Significant Assumption	Socio-economic The impact of COVID-19 is yet to be realised, and there may be changes in Invercargill's socio-economic patterns over time. Māori have been disproportionately affected by the economic crisis brought about by the COVID-19 containment measures, and it is expected to continue to play out over the ten year recovery period. ¹³	Medium	With GDP softening the long range economic outlook will hinge largely on the ability for the current and successive governments to provide economic stimulus. This may have an impact on Council activities that rely on users discretionary spend for revenue	Council acknowledges the potential community expectation that Council will be positioned to distribute grants to fund community wellbeing related activities.

¹³ BERL (July 2020). Economic Scenarios to 2030. The post-COVID-19 scene.

Resilience				
	Assumption	Level of certainty	Impact of uncertainty	Management response
Significant Assumption	Community wellbeing The COVID-19 response measures will have long term impacts on the wellbeing of communities, requiring a long term perspective response.	Medium	The situation is evolving and will continue to be monitored.	Council has tasked Great South, the regional development agency, to focus on resilience and economic diversification. A Community Wellbeing Fund has been established.
Asset/ Activity Plan level	Community resilience The amalgamation of Southern Institute of Technology with Te Pūkenga, and the potential loss of zero fees advantage, will have an uncertain long-term effect on Invercargill's population and economy.	Medium	The effects of COVID-19 on immigration will impact student numbers in the short to medium term. The risk of losing the zero fees advantage could have an impact on our growth strategy.	Council funds Great South to promote the region and continues to monitor and plan for the impact.
Asset/ Activity Plan level	Community resilience Tiwai Point Aluminium Smelter will continue to operate until 31 December 2024.	Medium	A transition plan will be developed to prepare for the eventual closure. It is not yet clear where and how the impact will be felt in the community.	Council is working with the Just Transition team and Great South on economic diversification.
Significant Assumption	Natural disaster No natural disaster is expected to impact the City during the life of the plan.	Medium	The impacts of a disaster will be assessed at the time and an appropriate response prepared. Infrastructure renewals are undertaken using resilient design practices.	Council has a focus on resilience. Council continues to support and invest in Emergency Management Southland.

Environment

Climate change impacts will vary across regions in Southland. The following is a summary of impacts taken from the *Southland climate change impact assessment, August 2018* report.

	Assumption	Level of certainty	Impact of uncertainty	Management response
Significant	Mean annual and extreme temperatures (days where temp. exceeds 25°C) are expected to increase with time: By 2040: mean annual temperature increase of 0.5-1°C with 0-10 more hot days per annum. By 2090: mean annual temperature increase of 0.7-3°C, with 5-55 more hot days per annum.	High	Water - Longer period of drought may result in increased demand, whilst flood events create turbidity and increase the cost to treat for consumption. Flood Banks – increased temperature results in more extreme weather events, with a corresponding increase in height and frequency of storm surges.	A planned pathway for the review of these assumptions and the impacts will minimise large impacts upon activities.
Significant	Annual rainfall is expected to increase: By 2040: +0-10% By 2090: +5-20% Increased frequency of high rainfall days, i.e. increase in intensity of rainfall.	High	Rooding - increased frequency and intensity of rainfall may require extra drainage works in the road network that may alter long-term maintenance costs Stormwater – increased frequency and intensity of rainfall events resulting in increased demand on the network. Wastewater - Increased frequency and intensity of rainfall events results in infiltration and inflows that increase volumes to be treated.	A planned pathway for the review of these assumptions and the impacts will minimise large impacts upon activities.

Significant	<p>Mean sea level is expected to rise.</p> <p>By 2040: 0.2-0.3 m</p> <p>By 2090: 0.4-0.9 m</p>	High	<p>Errors in modelling will have significant impact on capital works programme required</p> <p>Stormwater – increased tailwater levels require consideration for outfall design.</p> <p>Flood Banks – Renewals need to consider increased sea level during design life.</p> <p>Sewerage – Clifton outfall may need to be pumped long term.</p>	<p>A planned pathway for the review of these assumptions and the impacts will minimise large impacts upon activities.</p>
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Council operations				
	Assumption	Level of certainty	Impact of uncertainty	Management response
Significant Assumption	Council services and structure Council is planning for the current structure to deliver the current set of services, with the exception of water and sewerage.	Medium	If amalgamation does occur, costs to the ratepayer will remain the same, although revenue and financing will be done by a different operator.	Council will proactively engage with neighbouring authorities and central government to ensure that the best result is achieved from any amalgamation.
Asset/Activity Level	Water Reform As a result of the Central Government directed Waters Reform, it is assumed there will be a change in water reticulation and sewerage delivery services within the life of the plan. This will result in a structural change for Council in relation to the ownership of assets and associated debt capacity. The services will continue to be delivered, but these will be provided by another party. This will include increased regulatory requirements as required by the new regulatory authority.	High	The services will continue to be delivered but these will be provided by another party. This will be managed in line with Government best practice, and will remain within the Council financial and 10-year assumptions.	Council will assess proposed reform options when Central Government has provided their final recommendations to Local Government entities. Council will proactively engage with neighbouring authorities and central government to ensure that the best result is achieved from any reforms. Council is incorporating management of this potential outcome through planning for management of debt.
Asset/Activity Level Significant Assumption	Legislative changes There will be changes to legislation that have an impact on how Council will provide services. These changes may affect the Council organizational structure but not change the level of service received by the customer/ratepayer.	High	Changes may affect the Council organizational structure but not change the level of service received by the customer/ratepayer.	Management will continue to engage with Government and plan for changes in services in response to policy and regulation changes as these arise.
Asset/Activity Level	Consents Council will continue to carry out legislation-directed ordinary functions while factoring in an increase to required quality for consent conditions.	Medium	If unexpected consent conditions are imposed there may be unexpected costs to compliance.	Council will work with the Regional Council early to minimise the risk of unexpected consent conditions. The cost of obtaining consents, knowing environmental standards are increasing, will be built into activities.

Asset/Activity Level	The Funding Assistance Rate (as advised from Waka Kotahi NZTA) will reduce by 1% each year until reaching 51% funding assistance in the 2023/2024 and then remain at 51% for the life of the plan.	High	Increase in demand on rate funding for roading activities, including the forecast NZTA portion of the city centre streetscape project.	Continue to engage with NZTA on funding assistance.
Asset/Activity Level Significant Assumption	Asset life Assets will remain useful until the end of their average useful life, assuming asset average life expectancy assumptions are correct. ¹⁴ Infrastructure installed in the 1920s are nearing the end of their lives and require renewal within the term of the Infrastructure Strategy.	High	Assets may need renewal earlier if this assumption is incorrect and change the renewal profile. Or may allow delayed renewal in other cases.	Review the appropriateness of assets at the time of renewal including, where appropriate, whole of life cycle assessment. Increase knowledge of asset conditions to better predict the average use of life if assumptions are lower than expected.
Asset/Activity Level Significant Assumption	Investment Property and Forestry Investment Property and Forestry Assets are valued on a yearly basis. They are expected to increase in line with inflation. This is reflected in our Financial Strategy, and Accounting policies.	High	Variation in valuations have no cash flow implications for Council.	Continue to value Investment Property and Forestry assets on an annual basis.
Asset/Activity Level	Capital programme delivery Implementation of a Project Management Office will increase effectiveness of delivery of the capital programme over the Long-term Plan. 75% of the capital programme will be delivered In Year 1, 80% in Year 2, 85% in Year 3.	High	It may take longer to implement the Project Management Office than expected, including as a result of challenges in attracting qualified personnel. Availability of contractors may have a greater impact than expected. Delay in the programme will result in higher costs as a result of inflation.	Active management of project processes, including engaging consultants as required, active and early engagement with contractors. Management of the programme rather than individual projects will enable contractor availability as well as funding levels to be actively managed. The financial risk of higher levels of delivery than expected across multiple areas will be monitored. Any impact of delayed capital expenditure on renewals on maintenance budgets will be actively managed.

¹⁴ Council will use national standards is asset revaluation.

Financial forecasting				
	Assumption	Level of certainty	Impact of uncertainty	Management response
Significant Assumption	Inflation Operational forecasts and capital work programmes will increase by the accumulated Local Government Cost Index inflation forecast by BERL.	Medium	Cost change factors are based on information developed for Council's by Business and Economic Research Limited (BERL). Significant variations to inflation would have an impact on Council's financial management.	Council will continue on the planned pathway for the Capital Works programme and review operational revenue & expenses each year.
Significant Assumption	Asset revaluation Asset values will increase by the accumulated Local Government Cost Index inflation forecast by BERL on the last valuation value. Revaluation occurs in 2021/22 and every third year therefore.	Medium	Changes in the valuation or life of Council assets may have a significant impact on Council's financial management and capital programme.	Council will continue on the planned pathway for the Capital Works programme and monitor with after each revaluation cycle.
Activity Report Level	Interest rates - Borrowing Expected interest rates on borrowing will be 2.5%.	High	The treasury report from Bancorp projects the ICC Borrowing interest rate are currently at 2.20% in 2020, and is expected to fall and remain under 2% for the next 10 years. Significantly higher interest rates would impact Council's financial position.	2.5% would allow some upside if the situation changed (interest rates increase or credit rating decreases); but Council have potential to go to 2.25% or 2% to lower costs.
Activity Report Level	Interest rates – Cash and Deposits Return on cash and term deposits are forecasted to expect a negative rate at some stage within 2020/2021.	Medium	Term deposit rates currently vary from 0.5% for under 6 months to a flat 1% for longer. Most forecasts still expect a negative rate at some stage within 2020/2021.	An assumption of 0.5% should be comfortable and if rates do increase again in the future, this will put Council in a more positive position.
Activity Report Level	Dividends from ICHL will be \$4.8m + CPI.	Medium	This would have a negative impact on Council's overall revenue and cash position, which would increase the burden on ratepayers.	Council will consider strategic reliance on dividends noting increased levels of economic uncertainty.
Activity Report Level	External Funding It is assumed Council will achieve the level of external funding as estimated.	High	The immediate impact of Covid-19 has been seen in the local community, with reduced funding available from major community funders including the Community Trust of Southland and Invercargill LICencing Trust and Foundation.	Council acknowledges the challenge of obtaining external funding at this time. Should Council not be able to obtain funding as indicated this would impact project scope and in some cases require further consultation.

Additional specific assumptions which are considered in the development of this plan include:

Assumption	Level of Uncertainty	Area of Impact
The Property Team will have additional resource to cope with additional assets to care for.	Medium – This has been included in a revised organisational structure.	Inability to carry out all aspects of the Asset Management Activity.
Each building's current use and tenant will remain the same.	Moderate – One of the main issues and challenges of this activity.	CAB, Library and Archive, Museum, Wachner Place Restrooms and Investment Property
Good communication between Service Activity Manager and Property Asset Team is maintained.	Low – Service Level Agreements are formed and communication is kept open, respectful and honest.	All buildings except Public Toilets and Investment Buildings.

As assumptions deal with matters of uncertainty and complexity, actual results will likely vary, but are based on the best information available. If actual future events differ from the assumptions, it will result in material variances to this Plan. The Long Term Plan Background and Assumptions 2020-30 identifies the risks that underlie those assumptions, the reason for that risk and an estimated potential impact is the assumption is not realised.

3. THE SERVICE WE PROVIDE

3.1 CUSTOMER PROFILE

3.1.1 Our Stakeholders and Community

The Property Asset Team has involvement with a large range of the community and infrastructure activities. The customers and stakeholders are:

<i>External Stakeholders</i>	<i>Area of Interest</i>	<i>Engagement</i>	<i>Customer Needs and Expectation</i>
Audit New Zealand	Governance and operation	Audit	Clear documentation for the Activity.
Contractors, Consultants	Building maintenance and assessments	Liaise	Possibility to tender for work and a safe work environment.
Invercargill Community	Building comfort and performance	Liaise with Activity Manager	Building and facilities which are safe and fit for purpose, which does not have a negative impact.
Invercargill Ratepayers	Rates Impact	Consult through surveys and plans	
Iwi Groups	Environmental impact and sustainability		
Great South	Regional development	Liaise	Ease of doing business, they help to enable significant projects for the region.

<i>Internal Stakeholders</i>	<i>Area of Interest</i>	<i>Engagement</i>	<i>Expectation</i>
Activity Managers	Provide buildings adequate for their activities	Liaise	Building environment supports their service activity.
Councillors, Directors	Governance and leadership	Report	Building and facilities which are safe and fit for purpose, which does not have a negative impact and are prudently managed.
Finance and Corporate	Financial assistance and direction	Liaise	Budgets are provided in a timely manner.
Finance and Corporate	Commercial return	Report	Planned rate of return is achieved.
Information Technology	Technical support	Liaise	Server rooms are keep in safe operation.
Regulatory and Planning	Compliance	Liaise	Regulatory requirements are adhered to.
Staff	Building comfort and performance	Liaise	Building and facilities which are safe and fit for purpose.

3.1.2 How We Engage our Communities

The Property Assets Team carries out community engagement for the services that it provides and supports Service Activity Managers with the engagement that they undertake. Each Activity has their preferred methods to engage with their communities.

3.1.3 Key Service Attributes Valued by Customers

3.1.3.1 *Corporate and Community Facilities, Housing Care and Other Infrastructure*

Key attributes for the Service Activities which operate in the Property assets area are addressed and managed by the Service Activity Manager; these are addressed in their plans.

The Service Activity Managers see the following as the most important attributes:

- The ability to focus on running the activity and not have the concerns of managing the building.
- Assurance that the building conforms to design standards and legislated requirements.
- Assurance that the property maintenance, regulatory requirements, upgrades, renewals, and data to support a lifecycle approach to the management of the building.
- Reducing the risk of asset failure to the activity.
- Building overhead costs to the Activity are less than or equal to market rates.

3.1.3.2 *Public Toilets*

Our customers see the following as the most important attributes in customer surveys:

- Cleanliness of the facility.
- Well maintained.

3.2 **SERVICE DRIVERS**

3.2.1 Community Expectations

The community expectations for our buildings have not been specifically surveyed. These expectations are usually communicated to the Service Activity Manager in the first instance; there is an expectation that public properties will:

- Comply with relevant statutory codes.
- Have an efficient floor layout and are in a convenient location.
- Have sufficient parking available to customers.
- Are accessible to people with disabilities.
- Ensure that cost is not a barrier to use the facility.
- Be made safe from vandalism in a timely manner.
- Be in good condition, are clean and well presented.
- Satisfy customer requirements with air temperature, lift wait times, etc.
- Have the capacity to cater for their requirements.
- Have opening hours which are convenient.

The expectations of the Property Asset Team are further developed in the Service Level Agreements (Appendix 4.02.1 to 4.02.8) for each Service Activity.

3.2.1.1 Public Toilets

In the 2020 research project 93% of respondents thought that the public toilets were an essential service. 6% more people wanted more money spent on public toilets than in 2016. As well as the above expectations the public toilets are expected to:

- Be available to the public 24 hours a day.
- There are an adequate number of public toilets in Invercargill and Bluff.
- They are well located.
- Be well sign-posted.

3.2.2 Legislative Requirements

Legislation applicable to the Property Assets Team is:

Legislation	Relevant Requirements	Impacts on Levels of Service
Resource Management Act 1991	Sustainability of natural and physical resources. Avoid, remedy or mitigate adverse effects on the environment. Compliance with district and regional plans. Take into account the principles of the Treaty of Waitangi. Compliance with resource consents issued by the Southland Regional Council.	Any projects comply with the Act and obtain resource consent.
Building Act 2004	Compliance with building consents and warrant of fitness issued under the Act and relevant regulations and standards.	Processes required keeping buildings to the required standards and complying with the building code. This may end the duration of use if not permitted causing restriction of the activity.
Health and Safety at work Act 2015	Ensure the safety of the public and all workers (including contractors) when carrying out works.	Protocols required to ensure workers/public are safe on site to maintain standards of assets or penalties may occur.
Hazardous Substances and New Organisms Act 1996	Store hazardous substances in compliant facilities.	Protocols required to ensure workers/public are safe on site to maintain standards of assets or penalties may occur.
Public Bodies Contracts Act 1959	Requirements for entering into contracts and delegation of powers.	Council decisions and consultations with those affected may cause delay with activities taking place on Council land.
Fencing Act 1978	Responsibilities in relation to mutual boundary fences.	Consultation between owners for mutual consent of arranging and maintaining boundary fences.

Legislation	Relevant Requirements	Impacts on Levels of Service
Heritage New Zealand Pouhere Taonga Act 2014	Protection of sites and features which have been associated with human activity for more than 100 years.	Consultation with Iwi.
Historic Places Act 1993	Protect sites and buildings of historic and cultural significance.	Retain Heritage classification on building assets.
Health Act 1956	Provide 'sanitary services'.	Provide hygienic, safe and accessible toilet facilities in public places.
Public Records Act 2005	Store records in a secure facility with environmental control.	Archiving in the Library and CAB comply with requirements.

3.2.3 Industry Standards and Guidelines

Standards, Guidelines and place obligations on building owners which control building operations to certain levels of service to be provided. These requirements, where applicable, are incorporated into the Service Level Agreements (Appendix 4.02.1 to 4.02.8) technical Levels of Service are documented for each building.

Standard/Specification	Content/Purpose	Impacts on Levels of Service
International Infrastructure Management Manual	Details best practice in Asset Management.	This manual details the best practice in the Asset Management System from governance to operations.
ISO 55000 – Asset Management Standards	Details best practice in Asset Management.	Building Assets do not intend to get approved as an ISO, but are intending to align to the standard.
New Zealand Asset Management Support (NAMS) Property Manual	Details best practice in property and buildings asset management.	This guideline sets precedence for developing service levels and performance measures for speciality buildings.
IPWEA Building Condition and Performance Assessment Guidelines – Buildings	Building Condition and Performance Assessment Guidelines.	This guideline will set a standard for developing condition and performance measure for buildings.
Urban Design Protocol – Ministry for the Environment	Implements the principles of the Protocol. Ensuring the design of buildings, places, spaces and networks are successful through quality urban design.	Public Consultation and Council decisions made around proposed designs of assets. This will set a standard for developing and maintenance and management for provision of levels of service.

Standard/Specification	Content/Purpose	Impacts on Levels of Service
Crime Prevention Through Environmental Design (CPTED) – National Guidelines under the Ministry for the Environment	Implements the CPTED (crime prevention through environmental design) principles. Safety design guidelines for developments. Provides guidelines to take account of safety issues for design and landscaping.	Public Consultation and Council decisions made around proposed designs of assets. This will set a standard for developing and maintenance and management for provision of levels of service.
NZS 4241:1999 New Zealand Standard Public Toilets	Provides design information and advice on the numbers, location, type and quality including features and fittings for public toilets in any location. Guidance on cleaning and sanitation is also provided.	Following procedures for installing and maintaining toilets and using certified equipment and contractors when obtaining new toilets on Council land.
NZS 3910:2013 – Capital Projects - Conditions of contract for building and civil engineering construction	Requirements for entering into contracts and delegation of powers.	Framework for capital projects and engaging contracts when undertaking capital projects.
NZS 4121:2001 – Design for access and mobility	Gives requirements for making buildings and facilities accessible to and useable by people with physical disabilities. Provides a means of compliance with the New Zealand Building Code.	Ensuring buildings comply with the standard, when doing renewals bring buildings up to or as close to the code as possible.
AS/NZS ISO 31000:2009 – Risk management – Principles and Guidelines	The standard provides organisations with guiding principles, a generic framework, and a process for managing risk.	This is a project for the 2018/19 year to evaluate and assess if we meet these standards.
Society of Local Government Management (SOLGM)	To promote and support professional management in local government, focusing on providing professional leadership.	Groups allow staff to connect with other council staff working in similar roles or with similar interests across the country.

3.3 LEVELS OF SERVICE

The Levels of Service for the Property Team and the Property Assets Management Plan are the sum of service levels from three considerations. These are:

- Community Levels of Service, which are the responsibility of Service Activity Managers. These have been identified in their Activity Management Plan or Statement of Intent referred to in Section 1.2. These are also linked and documented in Individual Service Level Agreements (Appendix 4.02.1 to 4.02.10).
- Customer Levels of Service, which are the responsibility of the Property Team Manager, these refer to the expectations of the Service Activity Manager.
- Technical Levels of Service, which refer to specific measures and Key Performance Indicators (KPI's) which achieve the customer levels of service.

3.3.1 Community Levels of Service

Community Levels of Service Required by the Community for Public Buildings and Leisure and Recreation Services

Current Community Outcomes, Activity Contributions and related Levels of Service are detailed in Service Level Agreements with Service Delivery Managers, see Appendixes 4.02.1 to 4.02.10.

Community Outcome	Activity Contribution	Level of Service
Enhance our city	The buildings are safe to use, accessible for those with disabilities and well maintained.	Activity specific Levels of Service
Preserve its character	Activity specific contributions.	Activity specific Levels of Service
Embrace innovation and change	Activity specific contributions.	Activity specific Levels of Service

Community Levels of Service Required by the Community for Public Toilets

Current Community Outcomes, Activity Contributions and related Levels of Service are detailed in Service Level Agreements, see Appendixes 4.02.1 to 4.02.10

Community Outcome	Activity Contribution	Level of Service
Preserve its Character	The facilities are safe to use, accessible for those with disabilities and well maintained.	Activity specific Levels of Service

Community Levels of Service Required by the Community for Investment Property

Current Community Outcomes, Activity Contributions and related Levels of Service are detailed in Service Level Agreements, see Appendixes 4.02.1 to 4.02.10

3.3.2 Customer Levels of Service

Current Service Levels and the related performance measures and targets for each group of assets are detailed in Service Level Agreements, see Appendixes 4.02.1 to 4.02.10. See also Table 7.6.4 for a list of capital projects which are planned to address Level of Service issues with buildings.

Community Outcomes for Public Buildings are:

Activity Contribution	Level of Service	Customer Target
The building is safe to use, accessible for those with disabilities and well maintained.	Legislative Compliance	100% of public buildings have current Building Warrant of Fitness.
		100% Completion of Building Consents.
		100% of public buildings are evaluated according to Earthquake Prone Building methodology and maintained above 67% NBS.
	Health and Safety	Decreasing number of injury accidents because of building hazard reported annually.
	Risk of Failure	0% closure of Service Activity due to building failure.
	Asset can meet demand of the (Service) Activity	Achieve 100% of building Opening Hours.
	Quality, Comfort and Performance	Public and user satisfaction with the building facility.
		Condition rating for building is agreed upon with Service Activity Manager.
	Cost Efficiency	Rental and fees for core buildings are sustainable and comparable to or less than market rate.
		Rental and fees on commercial buildings and leases provide a return of return that is equal to the current market interest rate
Our heritage building are well maintained in recognition of their heritage status	Retain 100% of current heritage classifications	Classifications by Heritage New Zealand and Invercargill City Council District Plan 2019, Appendix 5

3.3.3 Technical Levels of Service

Current Technical Levels of Service and the related Performance Measures and Targets for each group of assets are detailed in Service Level Agreements, see Appendixes 4.02.1 to 4.02.10.

General Technical Performance Measures for Property are:

Level of Service	Technical Performance Measures	Technical Target
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Level of Service	Technical Performance Measures	Technical Target
Legislative Compliance	100% of public buildings have current Building Warrant of Fitness.	100% of Building warrant of fitness certificates issued before expiry (Commercial)
	100 % Completion of Building Consents	0 Outstanding
	Fire Evacuation Plan	100% of Buildings have Fire Evacuation Plans
	Existing buildings are seismically improved to be above 67%NBS at Importance Level 2.	100% of public buildings have EPB Methodology Assessment and earthquake design.
	Healthy Homes Standards (Housing Care)	Heating and extract fans installed to regulations in Housing Care flats by July 2023
Health and Safety	Decreasing number of injury accidents because of building hazard reported annually	0 Injuries
	Hazardous Substances and New Organism are stored safely	100% of HSNO Location Inspection Certificate renewed annually
	Security and surveillance system requirements	100% as per Service Level Agreement
	Pool-SAFE Certification (Southland Aquatic Centre)	Annual Certification
Risk of Failure	0% closure of Service Activity due to building failure	0 hours per annum
	Emergency generator can withstand required demand	As per Service Level Agreement
Asset can meet demand of the (Service) Activity	Achieve 100% of building Opening Hours.	As per Service Level Agreement
		Building Availability during open hours
	Overcrowding or excessive provision of space is avoided	Capacity as per Service Level Agreement
		Occupancy (Housing Care)
	Office space infrastructure	Min 1 No. power, communications and data outlets per work station
Quality, Comfort and Performance	Public and user satisfaction with the building facility	Surveyed satisfaction >75%
	Condition rating for building is agreed upon with Service Activity Manager	Condition rating as per Service Level Agreement
	Building fault response time to first attendance	Urgent – 1 day Non-urgent - 5 days
	Vandalism is repaired in a timely manner	Made safe within 5 day
	Office and public spaces comfort with temperature and humidity control	Temperature and humidity ranges as per Service Level Agreements

Level of Service	Technical Performance Measures	Technical Target
Cost Efficiency	Rental and fees on Public Buildings are sustainable and comparable with or less than market rate	< Annual Market Rate
	Rental and fees on Investment Buildings and leases provide a rate of return that is greater than the current market interest rate	> Annual Market Rate
	Proposed Renewal and New Capital Plan	Complete annually within budget
	Energy Consumption	As per Service Level Agreement Calculate kWh/m ² /y annually for public buildings
Retain 100% of current heritage classifications	Classifications by Heritage New Zealand and Invercargill City Council District Plan 2019, Appendix 5	Civic Theatre – Class 1 Trooper Memorial - Class 1 Anderson House – Class 1 Scottish Hall – Class 2 Esk St West - Class 2

Achievement of Service Levels and planned changes are summaries in the following Table.

Baseline	Measure	2021/2022 Target	2022/2023 Target	2023/2024 Target	2024-2031 Target
100%	Building warrant of fitness certificate issued before expiry, Public Buildings	100%	100%	100%	100%
0	Number of injury accidents because of building hazard reported per year	0	0	0	0
Not achieved	Healthy Homes standards (Housing Care)	100%	100%	100%	100%
Museum <30%	Existing buildings are evaluated using EPB methodology and improved to greater than 67%NBS (less than 5 times the risk to occupants of new a building).	Museum <30%	Museum <30%	Museum <30%	Museum > 67%
Anderson House <10%	Existing buildings are evaluated using EPB methodology and improved to greater than 67%NBS (less than 5 times the risk to occupants of new a building).	Anderson House <10%	Anderson House <10%	Anderson House >67%	Anderson House >67%
Surrey Park 22%	Existing buildings are evaluated using EPB methodology and improved to greater than 67%NBS (less than 5 times the risk to occupants of new a building).	Surrey Park 22%	Surrey Park > 67%	Surrey Park > 67%	Surrey Park > 67%
Renewed	HSNO Location Inspection Certificate renewed annually	Renewed	Renewed	Renewed	Renewed
Certified	Pool-SAFE Certification	Certified	Certified	Certified	Certified
0 hours	Closure of Service Activity due to building failure	0 hours	0 hours	0 hours	0 hours
Library 0%	Emergency generator can withstand required demand	Library 0%	Library 100%	Library 100%	Library 100%
Achieved	Building Inspections are undertaken	Achieved	Achieved	Achieved	Achieved
Achieved	Building Opening Hours and Availability	Achieved	Achieved	Achieved	Achieved
Achieved	Overcrowding or over provision of space is not an issue	Achieved	Achieved	Achieved	Achieved
Achieved	Minimum of 1 No. power, comms and data outlets per work station	Achieved	Achieved	Achieved	Achieved
> 75%	Public and user satisfaction with the building facility	> 75%	> 75%	> 75%	> 75%
As per Service Level Agreement	Condition rating above as per Service Level Agreement	As per Service Level Agreement	As per Service Level Agreement	As per Service Level Agreement	As per Service Level Agreement
Not measured until IPS reporting	Building fault response time to first attendance	Not measured until IPS reporting	Not measured until IPS reporting	Not measured until IPS reporting	Urgent – 1 day Non-urgent - 5 days
Cleaned within 1 day	Vandalism is repaired in a timely manner	Cleaned within 1 day	Cleaned within 1 day	Cleaned within 1 day	Cleaned within 1 day
As per Service	Office and public spaces temperature (and humidification	As per Service Level	As per Service	As per Service	As per Service

Baseline	Measure	2021/2022 Target	2022/2023 Target	2023/2024 Target	2024-2031 Target
Level Agreement	Museum and Archive)	Agreement	Level Agreement	Level Agreement	Level Agreement
5.2%	Rental and fees on buildings return is greater than current market interest rate for Investment Property	5.2%	3.0%	4.0%	4.0
Not achieved,	Proposed Renewal and New Capital Plan	Not achieved,	Complete annually	Complete annually	Complete annually

3.4 LEVELS OF SERVICE ISSUES AND CHALLENGES

Managers of the Service Activities in our buildings provide engagement with their customers and from this, plan the strategy for changes to their services and buildings. It is therefore critical for the Property Assets team to maintain a good working relationship so that both teams are working in a unified direction.

3.4.1 Levels of Service Gaps and Possible Responses

Where there are shortfalls in the level of service targets, improvements can be requested by Service Activity Managers to support changes in demand for their Service or improvements to service levels, (these are developed further in Section 4). Improvements may also be requested by the Property Manager so that buildings can provide enhanced technical service levels for better management of the assets.

A Summary of planned Improvement and Service Level Change projects is listed in the following Table.

3.4.2 Summary of Improvement and Level of Service Change Projects

Category	Current Level of Service Gaps	Possible Responses to Gaps	Expected Solution	Proposed Timeline	Estimated Cost 2020 Uninflated \$000
Corporate and Community Facilities		➤			
All	Record building fault response times.	➤ Completion data from Contractor to be input against work orders in IPS and request for service in Pathway.	Report from IPS	2022-23	Currently unknown
Corporate Buildings – Civic Admin	The building requires modernisation to improve office comfort, reduce energy use, renew exterior protection and appearance and improve seismic strength. Building is 100% (IL2), 500 yr return period.	<ul style="list-style-type: none"> ➤ Increase the seismic capacity from 500 year return period to 2,000 year return with seismic Ties ➤ Install HVAC ➤ Install Double Glazing ➤ Paint exterior ➤ Upgrade lift 	Redevelopment project	2022-25	\$15,000
Library and Archive	The servers at the Library are now the back-up system for the Civic Administration Building, for resilience purposes. Library is 50-80% NBS N-S 100% NBS E_W Archive is 67-70% NBS N-S 100% NBS E-W	<ul style="list-style-type: none"> ➤ Install back-up generator for the server room. ➤ Install UPS 	Install generator set	2022	\$100

Category	Current Level of Service Gaps	Possible Responses to Gaps	Expected Solution	Proposed Timeline	Estimated Cost 2020 Uninflated \$000
Southland Aquatic Centre	Existing slide is to be demolished when the new slide is commissioned, the Car park is full regularly and Pool space is a problem especially club space. Building is >98% NBS.	<ul style="list-style-type: none"> ➤ Demolish slide ➤ Increase car park size ➤ Provide further pool ➤ Improve Pool safety 	<ul style="list-style-type: none"> ➤ Demolition ➤ Car park project ➤ 25m x 25m Pool Project ➤ Pool membrane 	2022 2026 2026 2022	\$75 \$165 \$6,600 \$111
Southland Museum and Art Gallery	Building is <30% NBS	<ul style="list-style-type: none"> ➤ Strengthen building to above 67% ➤ Provide alternative storage space 	Southland Museum Redevelopment	2022-26	\$52,500
Rugby Park Stadium	Strength of West Stand is 20-25% NBS N-S (lower bleachers) 25-30% NBS E-W (upper bleachers)	<ul style="list-style-type: none"> ➤ Strengthen building to above 67% ➤ Deferred Maintenance 	Redevelopment	Not defined	\$7,000
Surrey Park Grandstand	Strength 22% NBS and deferred maintenance	<ul style="list-style-type: none"> ➤ Rebuild ➤ Demolish and replace 	Demolish and replace	2022	\$1,000
Anderson House	House is <10%NBS, to be strengthened and maintained so that it can be re-opened	<ul style="list-style-type: none"> ➤ Strengthening, deferred maintenance, access, fire and power supply modifications 	Carry out works	2022	\$1,200
Housing Care	Waiting list, limited number of flats, single person flats	<ul style="list-style-type: none"> ➤ Build more flats ➤ Encourage construction of rental accommodation by private or community groups 	Increase of flats above 215. 1 Duplex unit p.a.	Ongoing, beginning 2025-35	\$345,000 p.a.

Category	Current Level of Service Gaps	Possible Responses to Gaps	Expected Solution	Proposed Timeline	Estimated Cost 2020 Uninflated \$000
	Increasing age of flats, inability to provide required Level of Service as needs change	<ul style="list-style-type: none"> ➤ Demolish existing flats and build replacement flats on existing properties. ➤ Sell existing flats and build replacement flats on new properties ➤ Modify existing flats 	A combination of these responses. 3 Duplex units p.a. will keep the age of units to <40 years.	Ongoing beginning 2025-35	\$1,035,000 p.a.
	Public and user satisfaction with the Housing Care flats <ul style="list-style-type: none"> ➤ Fully Insulated ➤ Increased parking required by tenants ➤ Warm and dry ➤ Compliant 	<ul style="list-style-type: none"> ➤ Healthy homes directive, install heaters and extract vent fans. ➤ The flats have been insulated as much as practical however there can be significant improvement to comfort made by also double glazing the flats 	<ul style="list-style-type: none"> ➤ Install Healthy Homes upgrades ➤ Install double glazing and conservatories, 	<ul style="list-style-type: none"> ➤ 2022-23 ➤ Continuous 	<ul style="list-style-type: none"> \$430 \$24
Public Toilets	Lack of Public Toilets at North and Catlins entrances to City.	➤ Investigate location for new toilet in Waikiwi area	Install toilet in Waikiwi	Dec 2022	\$125
	Environmental toilets – No toilet paper or soap supply	➤ Investigate installation of toilet paper and soap dispensers	Install vandal-proof toilet paper and soap dispensers	Dec 2021	\$5
	Environmental toilets – aged	➤ Investigate renewal or replacement	Install Exeloo Dry-Vault toilets	2026 onwards	
	Anderson Park	➤ Water flow is low and struggles to meet visitor use in large events.	Investigate	2022	
	Stead Street car park/Bond St car park	➤ The current public convenience location does not appear to fit needs anymore, suggest a shift	Relocate to Stead St car park	2024	

Category	Current Level of Service Gaps	Possible Responses to Gaps	Expected Solution	Proposed Timeline	Estimated Cost 2020 Uninflated \$000
		to Stead Street car park or Bond Street car park or possibly add a new			
	Russell Square	➤ New public convenience has been requested by the public	Investigate and estimate cost for a single Exeloo automated toilet	2022	\$125
	Elizabeth Park	➤ Renewal/replacement – the current public convenience does not appear to be fit for purpose anymore	Investigate requirements	No date	
	Greenpoint	➤ New public convenience has been requested by the public	Investigate Exeloo Dry Vault	2023	\$150
	Omaui Reserve	➤ Holding tank capacity 2 m ² , no longer fit for purpose and requires a replacement of a larger tank or public convenience	Investigate Exeloo Dry Vault or installation of larger underground tank.	Planned	
	Clifton	➤ A gap has been identified and public conveniences are needed	Location and need to be clarified	Planned	
	Crematorium	➤ No wheelchair access – needs renewed to allow for this	Accessible toilet	Planned	
	Queens Park Playground	➤ Renewal has been requested by the public	Replacement of toilet block will need plan and cost estimate	2024	
	Donovan Park	➤ Renewal/replacement is required as it does not appear to look fit for purpose	Replacement of toilet block will need plan and cost estimate	2025	
	Ocean Beach Reserve	➤ Renewal/Replacement is	Investigate and estimate	2023	

Category	Current Level of Service Gaps	Possible Responses to Gaps	Expected Solution	Proposed Timeline	Estimated Cost 2020 Uninflated \$000
		required to make it fit for purpose	cost for a single Exeloo automated toilet		
	Invercargill to Bluff Walkway/Cycleway	➤ New public conveniences are required	Investigate Exeloo Dry Vault	2027	
	Gore Street Playground and Pearce Street Bluff	➤ New public conveniences are required	Investigate and estimate cost for a single Exeloo automated toilet	2028	
Investment Property 20 Don St	Building is completed and tenanted. Code Compliance Certificate to be obtained. Building is >100% NBS	➤ Complete CCC	Building data and information gathered as required	June 2022	
20 Spey St	Buildings renovated and water-tight	➤			
		➤			

4. DEMAND FOR OUR SERVICES

4.1 DEMAND FORECAST

4.1.1 Factors Influencing Demand

Property Team activity is mainly driven by the demand for the Service Activities within our buildings. Factors influencing demand on the Service Activities may require a response from the Team. Please refer to the separate Service Activities Plans or Statements of Intent for further information on demand from Services.

4.1.2 Projected Growth or Decline in Demand for the Service

The significant assumptions are documented in the Long-Term Plan – Background and Assumptions 2020-2030 (Appendix 1.01) these assumptions were used as a basis for the projected change of demand in services, any further assumptions specific to this activity have been documented in Section 2.4 – Key Assumptions.

	Factors Influencing Demand	Projected Growth or Decline in Demand for the Service
Corporate Buildings	<ul style="list-style-type: none"> ➤ Number of staff, capacity of building 	<p>Administration Building</p> <p>There is an expectation the office space should be adapted for a decline of on-site staff levels, as remote working becomes an accepted alternative practice.</p>
Community Facilities	<ul style="list-style-type: none"> ➤ Demographics, especially age of the population has a significant affect. ➤ Societal trends. ➤ Local economy. ➤ Tourism and visitor numbers (excl. Housing Care). ➤ Bequeaths and storage (SMAG and Archives). ➤ Changes to governance 	<p>Animal Care</p> <p>The number of dog registrations has been increasing and it is unclear if this is a reflection on previously unregistered dogs becoming registered or an increase in overall dog population. It is assumed that the increase is from unregistered dogs becoming registered and there will be no changes in demand.</p> <p>Work is being carried out to expand the exercise yard of the facility.</p> <p>Invercargill Venues</p> <p>The Covid-19 Emergency has caused a drop in shows for a period of time. The previous expectation was that there would be a current societal trend to use income on experiences rather than on assets. This could slightly increase the demand on the arts and culture sector in the longer term, the buildings have the capacity to manage this potential increase in demand should it arise.</p> <p>Library and Archive</p> <p>There is an expectation that collections will have an increasing percentage provided in a digital format. This change in delivery will have an impact on the processing and reduce the requirement for storage of Library collections. IT infrastructure needed to deliver technology upgrades will be required to keep Libraries and</p>

	Factors Influencing Demand	Projected Growth or Decline in Demand for the Service
		<p>Archives Services relevant and efficient.</p> <p>The Archive is registered as a National Archive. If other Local or Central Government agencies were to make greater use of this status it would require significantly more space. The strategic purchase of 66 Dee St has the potential to provide expansion space for the Archive if this should be a future need. Demolition of 66 Dee St has cleared the property for this if required.</p> <p>Southland Aquatic Centre Splash Palace was designed for 6.5 visits per head of population. This has increased to 7.75 visits, with the Invercargill and Southland population also incrementally increasing; this demand on the service is projected to continue for the foreseeable future and a future pool is to be added to the complex along with the current addition of a new Hydroslide.</p> <p>Southland Museum and Art Gallery (SMAG) The Museum closure in March 2018 has increased the level of demand on the Art and Culture sector for this to be re-developed.. The Council has funded a satellite Museum in the interim until the Museum and Art Centre developments take place.</p> <p>There initiatives that have been identified in the previous Long-term Plan. Present planning is to delete the development of a Living Dinosaurs enclosure for Tuatara. An Art Centre (ACI) will be delayed so that the Southland Museum Redevelopment can be given financial priority. A Storage Facility is still to be finalised.</p> <p>Parking Building There is no projected increase or decline for this service.</p> <p>Solid Waste Transfer Station The waste assessment projected a steady increase in the tonnage of diverted materials in the short to medium term.</p>
Housing Care	<ul style="list-style-type: none"> ➤ Demographics, especially age of the population has a significant affect. ➤ Societal trends. ➤ Technological advances. 	<p>In Invercargill the current demand exceeds supply. Invercargill City Council's Housing Care provision could be increased to meet this demand.</p> <p>The flats are aging and require replacement at the rate of five per annum to limit their life to 40 years and prevent them becoming obsolete.</p>

	Factors Influencing Demand	Projected Growth or Decline in Demand for the Service
Public Toilets	<ul style="list-style-type: none"> ➤ Economic activity, which influences the number of people in retail shopping areas. ➤ Ageing population, as population ages there is an increased demand on public toileting facilities ➤ Leisure activity, which influences the number of people in Parks reserves areas using Environmental toilets. 	<p>The Central Block development will cause a large change in foot traffic around the CBD. This will change the current demand on the CBD public toilet facilities.</p> <p>The Property Team will also manage the operation and maintenance of 31 toilets in parks and reserves spaces.</p> <p>The Long-Term Plan – Background and Assumptions 2020-2030 (appendix 1.01) indicates the number of residents over the age of 65 will increase from 16% (2016 estimate) to 22% in 2028. There will be a marginal increase on demand for public toilets. This will require some strategy and policy analysis by the Parks Team to redistribute public toilets to the most effective locations.</p>
Investment Property	<ul style="list-style-type: none"> ➤ Dependent on economic activity. 	<p>The 20 Don St and Awarua Industrial Land investments are viewed as having served a purpose and may be considered for disposal. Both are now cash positive in their operations</p>
Parks Buildings	<ul style="list-style-type: none"> ➤ Dependent on strategic direction provided by Parks Department. 	<p>There are a number of office, amenity, pavilion, storage and workshop buildings which the Parks Team use and the Property Team will maintain and renew in the future. The implications of budget requirements for maintenance and renewals will be fully understood when data collection and condition assessment has been carried out on these buildings.</p>

4.2 CHANGES IN SERVICE EXPECTATIONS

4.2.1 Projected Changes in Service Level

Where there is a change of Service Level expected by the community or other customers, the Property Team shall plan changes to address these. Requests to make changes may come from Service Activity Managers to address Service Level changes required for their Activity..

	Projected Changes in Service Expectations
Corporate Buildings	<p>Administration Building The service expectation is a desire for an open space office environment.</p>
Community Facilities	<p>Animal Care There is an expectation that there will be more desexing of animals to be executed at the facility and development of an attached exercise yard.</p> <p>Invercargill Venues There are no fundamental changes in service expectations</p> <p>Library and Archive The Library is expected to become more of a Community Living room. This could change the requirement from storage of library books to requirements for better IT infrastructure.</p> <p>Southland Aquatic Centre A hydroslide is being installed to increase opportunities for active leisure. This will create greater utilisation of the complex.. There is an increase in awareness of accessible access to the pools and greater pool space to cater for a wide variety of water activities.</p> <p>Southland Museum and Art Gallery (SMAG) There is an expectation that SMAG may not exist in its current framework, it may develop into three entities, one for Museum, one for Arts and one for collection storage. This would have a significant impact on the demand for each service and therefore, the buildings which house these services.</p> <p>Parking Building There will become a demand for electric outlets for charging battery electric cars in future.</p> <p>Solid Waste Transfer Station There are no fundamental changes in service expectations</p> <p>Rugby Park Stadium The stadium needs earthquake strengthening repairs to the West Stand bleachers and significant deferred maintenance expenditure. A trust owns the stadium and Council will have to purchase it before improvements can be carried out. Future utilisation of the facility has been studied by a planning consultant. Increased planned maintenance to extend serviceability of the buildings and improve night-time functionality by upgrading the lighting towers.</p>

	Projected Changes in Service Expectations
	<p>Anderson House Anderson House requires seismic strengthening and renovation to make it enterable and usable. Find a suitable public use for the house which will give a financial return.</p> <p>Surrey Park Stadium The stadium building is in need of seismic strengthening and structural repairs to make it usable again. A planning consultant has suggested that a smaller facility could be built in its place.</p>
Housing Care	There is an increase in service expectations with regards to thermal efficiency, healthy internal environment, on-site parking, modern appearances and reduced costs.
Public Toilets	<p>Exeloo toilets have proved to be the most durable and reliable equipment to use for 24 hour service.</p> <p>Installation of a public toilet in the Waikiwi area is currently being investigated.</p> <p>Development and improvement of toilets in Parks reserve areas to meet user expectations.</p>
Investment Property	No current service change expectations
Parks Buildings	Requirements for Parks buildings will be discussed with the Parks Team following development of a Building Renewals plan and Parks Activity Plan over the next three years.

4.3 FUTURE DEMAND ISSUES AND CHALLENGES

4.3.1 Possible Demand-related Responses

The impact of tactics to respond to changes in demand will be to assess all possible options including but not limited to:

- Capital expenditure projects to modify buildings to suit new needs.
- Capital renewal of antiquated equipment and buildings.
- Disposal of assets.
- Repurpose of existing assets.
- Acquisition of new assets.
- Non-asset solutions.

Although non-asset responses are considered through the optimised decision making process any possible non-asset related responses would in most instances become the responsibility of the Service Activity Manager to resolve.

Expectations are negotiated with all Service Activity Managers on an annual basis with regards to the programmes for growth and demand related works or capital renewals. These are documented in the Individual Service Level Agreements. As demands on the Property Team increases there is a requirement for a Capital Developments Project Manager.

Category	Issue or Challenge	Possible Asset Demand-related Responses	Possible Non-Asset Solutions	Managing Expectations
All	Capital programme increase in workload due to ageing of assets		➤ More staff on the Property assets team to cope with work loads	➤ Negotiate timing of project with Service Managers so that projects are evenly distributed ➤ Capital Development Project Manager required to assist with large construction programme
	Increased focus on the planning phase of capital projects	➤ Optimised decision making ➤ Better business case approach to larger capital projects	➤ More consulting services ➤ More staff	➤ Train staff in new processes ➤ Change job descriptions
	Asset Management for buildings is a relatively young and detailed discipline, the full demand or cost to reach Asset Management Maturity desired is unknown.			➤ Ensure Asset Management Maturity goals are achievable ➤ Make sure the level of detail for asset components is not too detailed ➤ Talk to those in the building asset profession to understand the true cost of Asset Management is
Corporate Buildings – Civic Admin	Desire of tenant to be in a modern open plan building	➤ Complete interior renewal, remove partition walls (this would require new furniture etc.) ➤ Develop decanting strategy with new office location	➤ Lease building from another entity ➤ Change working policy to so that more people work from home	➤ Change management required
Community Facilities – Animal Services	More desexing happening at the facility	➤ Post-surgical pen	➤ Refer to veterinary clinic	➤ Education the public on being a responsible pet ownership

Category	Issue or Challenge	Possible Asset Demand-related Responses	Possible Non-Asset Solutions	Managing Expectations
Care Facility				
Library and Archive	Library being more of a community hub, rather than a house for books	➤ Refurbishment project underway, this will allow for a more flexible space	➤ Digital capacity of the library may need to be considered on a regular basis.	➤
	Archive becomes registered repository for New Zealand	➤ Potential of more storage space extend the facility.	➤ Do not expand the facility, others can provide their own	➤ Memorandum of understanding would need to be drawn up
Southland Aquatic Centre	More elderly using the facility	➤ Increase number accessibility change rooms ➤ Make pool space more easily accessible ➤ Build more pool space ➤ More accessible car parks		➤ Manage demand with scheduling
	Societal trend in healthy living, increasing demand on pool space	➤ Build more pool space ➤ Build more changing rooms		➤ Encourage and advertise others in the health industry
	More staffing require to meet PoolSAFE standard	➤ Increase office space ➤ Increase staff room space		
Southland Museum and Art Gallery	Bequeaths keep coming in	➤ Need to expand storage space so that Southland history stays in the region.	➤ Refuse any new donations.	➤ Educate public on capacity of the service
	Tuatara enclosure	➤ Design space for the tuatara ➤ Look for funding from DOC	➤ Stop being custodians of the tuatara	Reduce number of tuatara
Housing Care	Southland housing strategy is implemented fully and the band is widened for applicants	➤ Get capital injection from Council to building more stock ➤ Use debt to fund new buildings	➤ Move housing care service into a CCO which can become a CHP, more funding available to build more flats ➤ Sell housing portfolio to	➤

Category	Issue or Challenge	Possible Asset Demand-related Responses	Possible Non-Asset Solutions	Managing Expectations
			CHP	
Public Toilets	Waikiwi residents requesting public toilet in their area	➤ Find a suitable location for an Exeloo and build	➤ Site provided by St Stephens Church	➤ Inform public of other options
Investment Property	No current issues	➤	➤	➤
Parks Buildings	No current issues	➤	➤	➤

5. ASSET PROFILE

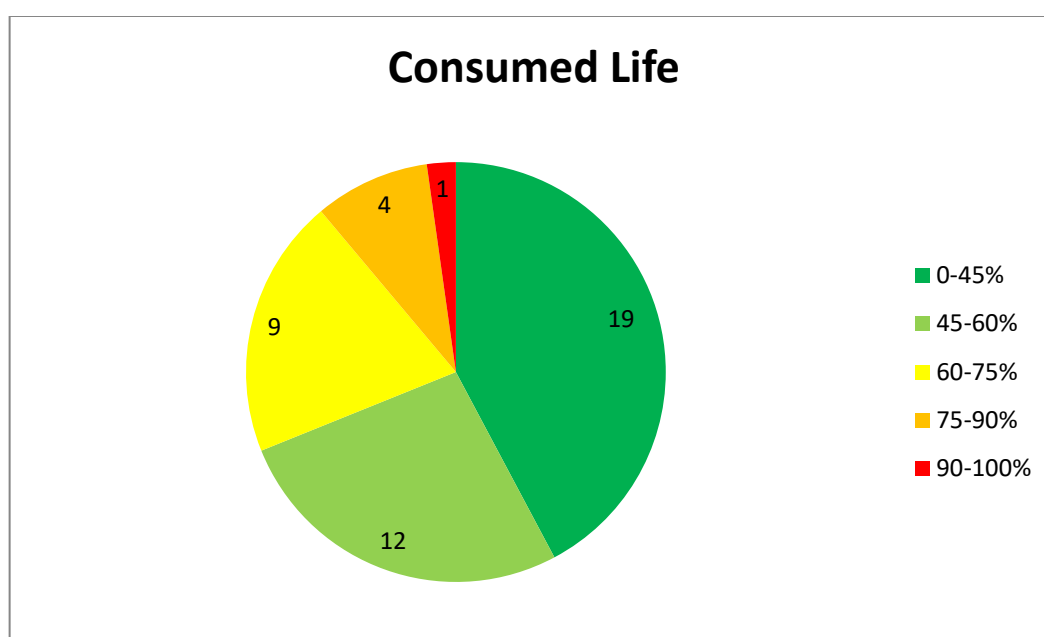
5.1 ASSET OVERVIEW

The management of services are separated from the management of the assets which are used to house and support the services. This helps to promote accountability, transparency and efficiency in the acquisition and management of buildings owned by Council. An exception to this strategy is the Public Toilets and Investment Property for which we are both the Service Delivery and Asset Manager.

Detailed information about building assets is stored in Invercargill City Council systems:

- Maintenance management system - INFOR Public Sector (V11.0.0).
- Document management system – Objective Navigator Version: 10.3.3.0.
- 2020 Building Assets Portfolio (Appendix 4.01).
- Files in the Asset Managers Office.

The majority of the Property Assets building stock are aging and many are half way or more through their useful lives. Because of this there is a higher demand for capital renewal projects and potential growth projects to be undertaken in the upcoming years.



5.2 ASSET DESCRIPTION

The Property assets included in this Plan fall in to the following categories. A full description for each property can be found in the 2020 Building Assets Portfolio.

Corporate Buildings:

These are the buildings that are provided to the Finance and Corporate Directorate for use to the Invercargill City Council for its administration purposes.

Community Facilities

These are the buildings that are provided for Community Services, these are generally specialist buildings which help the community achieve its social, economic and cultural sustainability outcomes.

Housing Care Buildings

This category comprises of 21 complexes with 215 elderly housing units. These are provided to the community as affordable housing for citizens who meet Council's entry criteria.

Public Toilets

Public toilets are provided in the CBD, suburbs and parks and reserves as public amenities.

Investment Property Buildings

These are the buildings and land for purposes of commercial activity that are owned by Council and managed by the Property Team.

Parks Buildings

These are the buildings that are owned by Parks & Reserves Group and used by Parks to deliver the Parks Activity..

5.3 ASSET CRITICALITY

5.3.1 Asset Criticality Criteria

Please see Building Asset Criticality Criteria (Appendix 4.03). See Asset Details table below or 2020 Building Assets Portfolio for details about each property.

5.4 ASSET CONDITION

5.4.1 Summary of Current Asset Condition

Please see Building Asset Condition Criteria (Appendix 4.04). Asset Details are summarised in the Table 5.6 below and the 2020 Building Assets Portfolio has details about each property.

Asset information and their conditions has not been gathered for Parks toilets and Parks Buildings as these have only recently been added to the property portfolio. This information will be gathered during the next three years in order to inform the next Long Term Plan.

5.4.2 Condition Monitoring

The condition assessments above (except for the Civic Administration Building, Civic Theatre and SMAG) are based on the remaining useful life as assessed by Quotable Value, 1 July 2017.

We have engaged WSP (formerly Opus) to complete a full visual condition assessment on three buildings and Housing Care Flats to get a thorough componentised evaluation. The Civic Administration Building, Civic Theatre and SMAG as our most critical buildings were the first of our assets to be assessed in this manner. The full report is detailed in the Building Asset Property Portfolio document (appendix 4.01). We own the data which is available to us via ADT, which

is WSP's assessment management software. The data from these assessments are planned to be transferred into our asset management software Infor Public Sector (IPS), however we need to finalise our asset hierarchy prior to transferring that data. These assessments will be carried out 3 yearly.

5.5 ASSET CAPACITY AND PERFORMANCE

5.5.1 Capacity and Utilization

Capacity: For buildings, is the maximum number of people able to access the building without exceeding the fire loading.

Utilisation: If the overall rating exceeds 100% the asset is exceeding its design expectations and may require intervention if there is no corrective action available. If the overall rating equals 100% it is meeting its design capacity. If the rating is less than 100% the asset is under-utilised for its possible design purpose. When the rating is 0% then the asset is not being used.

5.5.2 Performance

Operational Performance has been measured by the following qualities:

- Code of Compliance.
- Building Warrant of Fitness.
- Accessibility.
- Weather-tightness.
- Firefighting.
- Fire Alarm.
- Insulation.
- Heating.
- Potable Water.
- Security.

See Asset Details table below or the 2020 Building Assets Property Portfolio for details on each property.

Financial performance has been measured by the following qualities:

- Cost to run building.
- Revenue.
- Capital Expenditure.
- Depreciation.
- Fair value – 30 June 2018
- Replacement Cost.
- Loss of Service Potential Reserve Balance.
- Financial Consumption.
- Funded Consumption of Service.

See 2020 Building Assets Property Portfolio for details on each property.

Note that Parks Toilets and Parks Buildings information will be gathered and added over the next three years.

5.6 ASSETS, TABLE OF DETAILS

This table is a reflection of the buildings as measured in January 2021.

Source Table is: ID A3024291, 2020 Building Assets Portfolio Spreadsheet - AMP Table 5.6

Portfolio Reference	Asset	Address	Group	Description	Criticality	Age	Reamining Useful Life	Condition	Capacity	Design Performance %	Utilisation %	Unit	Fair Value (\$)	Replacement Cost (\$)	Deprecation Cost (\$)
1.01	Civic Administration Building	101 Esk Street	Corporate Buildings	6 story office building	3	48	48	2	258	70	100	Hours/Year	4,958,000	10,913,280	194,158
1.02	Bluff Service Centre	94-98 Gore Street	Corporate Buildings	Service Centre, suburban library, bank and Lotto	2	71	28	2	60	90	30	Hours/Year	305,000	1,224,053	22,604
2.01	Dog Pound	11 Lake Street	Community Facility	Animal Care Facility	1	9	70	1	9	100	99	Hours/Year	722,000	760,073	13,472
2.02	Civic Theatre	88 Tay Street	Community Facility	1000 seat opera style theatre	3	115	43	1	1538	89	16	Bookings/Year	16,506,000	21,419,922	417,452
2.03	Scottish Hall	112 Esk Street	Community Facility	Dance Hall	2	64	15	3	388	67	10	Bookings/Year	433,000	4,595,030	89,706
2.04	Invercargill City Library	50 Dee Street	Community Facility	Borrowing Library	2	32	47	3	415	67	37	Hours/Year	8,893,000	15,622,880	319,712
0.00	Archive	62 Dee Street	Community Facility	Records Storage	2	63	65	1	100	89	22	Hours/Year	2,604,000	3,076,920	62,967
2.05	Southland Aquatic Centre	58 Elles Road	Community Facility	Swimming Pool	2	24	20	2	1000	90	60	Hours/Year	19,344,000	28,536,158	1,011,007
2.06	Southland Museum and Art Gallery	108 Gala Street	Community Facility	Museum	2	79	33	3	500	80	35	Hours/Year	6,316,000	24,100,505	496,674
2.07	Parking Building	11 Leven Street	Other Infrastructure	8 deck, 281 space, parking building	1	37	41	4	88	86	100	Hours/Year	3,621,000	7,593,399	123,830
2.08	Bluff Senior Citizens Centre	10 Onslow Street	Community Facility	Community centre	1	51	34	0	0	75	0	0	286,000	597,680	22,604
2.09	Solid Waste Transfer Station	303 Bond Street	Community Facility	Covered collection pit, green waste pit, recycling shed	2	24	30	2	0	100	40	Hours/Year	1,852,000	2,746,640	57,208
2.10	Rugby Park	278 Tweed	Community	3,517 seat	0	20	0	0	0	0	0	0	-	-	-

Portfolio Reference	Asset	Address	Group	Description	Criticality	Age	Reamining Useful Life	Condition	Capacity	Design Performance %	Utilisation %	Unit	Fair Value (\$)	Replacement Cost (\$)	Deprecation Cost (\$)
	Stadium	Street	Facility	Stadium											
2.11	Anderson House	91 Mclvor Road	Community Facility	House, two story	0	96	0	0	0	0	0	0	-	-	-
2.12	Surrey Park Stadium	31 Surrey Park Road	Community Facility	850 seat Grandstand	0	57	0	0	0	0	0	0	-	-	-
3.01	Aiden Place	132 Princes Street	Housing Care	Pensioner Flats	1	39	40	3	8	50	98	Tenant days/year	549,000	997,150	31,333
3.02	Anzac Court	9 Tone Street	Housing Care	Pensioner Flats	1	30	49	2	5	50	100	Tenant days/year	254,000	740,740	23,276
3.03	Aurora Place	15-29 Janet Street	Housing Care	Pensioner Flats	1	68	11	4	8	67	100	Tenant days/year	462,000	1,054,130	33,123
3.04	Cairnsmore Flats	160 Leet Street	Housing Care	Pensioner Flats	1	40	39	3	12	67	98	Tenant days/year	771,000	1,310,540	41,180
3.05	Clarendon Court	60 Stirrat Street	Housing Care	Pensioner Flats	1	35	45	3	14	50	98	Tenant days/year	920,000	1,566,950	49,102
3.06	Elston Lea Village	50 Murphy Street	Housing Care	Pensioner Flats	1	63	16	4	41	50	99	Tenant days/year	1,704,000	5,132,270	161,267
3.07	Jim Brass Place	154 Elles Road	Housing Care	Pensioner Flats	1	29	50	1	4	67	98	Tenant days/year	325,000	569,800	17,904
3.08	Kelly Court	210 Crinan Street	Housing Care	Pensioner Flats	1	50	29	4	7	50	98	Tenant days/year	412,000	683,760	21,485
3.09	Kinross Flats	30 Henderson Street	Housing Care	Pensioner Flats	1	39	40	2	6	50	99	Tenant days/year	314,000	740,740	23,276
3.10	Korimako Court	12 Waverley Street	Housing Care	Pensioner Flats	1	42	37	3	10	67	99	Tenant days/year	643,000	1,310,540	41,180
3.11	Laurel Court	2 Maltby Street	Housing Care	Pensioner Flats	1	43	36	4	8	67	98	Tenant days/year	526,000	826,210	25,961
3.12	Miller Street	13-29 Miller Street	Housing Care	Pensioner Flats	1	71	8	4	4	67	100	Tenant days/year	197,000	484,330	15,219
3.13	Nevill Place	26 Selwyn Street	Housing Care	Pensioner Flats	1	46	33	4	16	67	100	Tenant days/year	1,092,000	1,623,930	51,207
3.14	Niven Place	104 Earn Street	Housing Care	Pensioner Flats	1	50	29	4	7	67	100	Tenant days/year	412,000	683,760	21,485
3.15	Otarewa Village	90 Conon	Housing	Pensioner Flats	1	32	47	2	22	67	99	Tenant	1,580,000	2,507,120	78,779

Portfolio Reference	Asset	Address	Group	Description	Criticality	Age	Reamining Useful Life	Condition	Capacity	Design Performance %	Utilisation %	Unit	Fair Value (\$)	Replacement Cost (\$)	Deprecation Cost (\$)
		Street	Care									days/year			
3.16	Pateke Place	429 Yarrow Street	Housing Care	Pensioner Flats	1	46	33	4	9	67	99	Tenant days/year	487,000	797,720	25,066
3.17	Powell Court	295 Pomona Street	Housing Care	Pensioner Flats	1	33	46	3	6	67	99	Tenant days/year	384,000	655,270	20,590
3.18	Stirling Flats	25 Gregory Street	Housing Care	Pensioner Flats	1	36	43	2	6	67	96	Tenant days/year	285,000	740,740	23,276
3.19	Stratpine Flats	246 Ettrick Street	Housing Care	Pensioner Flats	1	50	29	4	7	67	99	Tenant days/year	412,000	683,760	21,485
3.20	Thorndale	3 Lithgow Street	Housing Care	Pensioner Flats	1	38	41	3	6	67	100	Tenant days/year	372,000	712,250	22,380
3.21	Willow Park	64 Adamson Crescent	Housing Care	Pensioner Flats	1	34	39	3	10	67	99	Tenant days/year	639,000	1,082,620	34,633
4.01	Wachner Place Restrooms	20 Dee Street	CBD Toilets	Supervised	1	1997	41	2	8	88	50	Hours/Year	583,000	940,170	18,047
4.02	Don Street Exeloo	69 Don Street	CBD Toilets	Connected - Automated	3	1999	8	2	1	100	89	Hours/Year	53,333	200,000	6,667
4.03	Dee Street Exeloo	62 Dee Street	CBD Toilets	Connected - Automated	3	2007	16	1	1	100	98	Hours/Year	106,667	200,000	6,667
4.04	Car Park Exeloo	11 Leven Street	CBD Toilets	Connected - Automated	1	2016	25	1	1	100	62	Hours/Year	166,667	200,000	6,667
4.05	Windsor Exeloo	19 Windsor Street	CBD Toilets	Connected - Automated	3	2004	13	1	1	86	98	Hours/Year	86,667	200,000	6,667
4.06	Glengarry Exeloo and Dump Station	87 Glengarry Crescent	CBD Toilets	Connected - Automated	3	2009	18	1	1	71	99	Hours/Year	120,000	200,000	6,667
4.07	South City Exeloo	254 Elles Road	CBD Toilets	Connected - Automated	3	2010	19	1	1	71	98	Hours/Year	126,667	200,000	6,667
4.08	Stirling Point Exeloo	33-39 Ward Parade	CBD Toilets	Connected - Automated	3	1997	6	3	1	71	98	Hours/Year	40,000	200,000	6,667
4.09	Bluff Service Centre Exeloo	94-98 Gore Street	CBD Toilets	Connected - Automated	3	1997	6	3	1	86	98	Hours/Year	40,000	200,000	6,667
4.10	Queens Park - Coronation Ave	216 Queens Drive	Parks Toilet	Connected - Automated	0	2005	14	0	1	0	0	0	-	-	-

Portfolio Reference	Asset	Address	Group	Description	Criticality	Age	Reamining Useful Life	Condition	Capacity	Design Performance %	Utilisation %	Unit	Fair Value (\$)	Replacement Cost (\$)	Deprecation Cost (\$)
	Exeloo														
4.11	Queens Park - North Circle Exeloo	216 Queens Drive	Parks Toilet	Connected - Automated	0	2015	24	0	1	0	0	0	-	-	-
4.12	Queens Park - Winter Garden Exeloo	216 Queens Drive	Parks Toilet	Connected - Automated	0	2008	17	0	1	0	0	0	-	-	-
4.13	Queens Park - Playground Toilet	216 Queens Drive	Parks Toilet	Connected - Manual	0	1980	10	0	4	0	0	0	-	-	-
4.14	Queens Park - Tennis Pavilion Toilet	216 Queens Drive	Parks Toilet	Connected - Manual	0	2016	10	0	1	0	0	0	-	-	-
4.15	Anderson Park - Playground Toilet Block,	91 Mclvor Road	Parks Toilet	Connected - Manual	0	1980	10	0	4	0	0	0	-	-	-
4.16	Anderson Park - Norski No2 Toilet,	91 Mclvor Road	Parks Toilet	Unconnected	0	2005	9	0	1	0	0	0	-	-	-
4.17	Bluff Camping Ground Toilet	21 Gregory Street	Parks Toilet	Connected - Manual	0	1980	10	0	4	0	0	0	-	-	-
4.18	Eastern Cemetery - Depot Toilet Block	10 East Road	Parks Toilet	Connected - Manual	0	1980	10	0	2	0	0	0	-	-	-
4.19	Crematorium - Toilet Block	111 Rockdale Road	Parks Toilet	Connected - Manual	0	1980	10	0	2	0	0	0	-	-	-
4.20	Donovan Park - Pond Toilet Block	110-220 Bainfield Road	Parks Toilet	Connected - Manual	0	1980	10	0	4	0	0	0	-	-	-
4.21	Donovan Park - Yard Toilet Block	110-220 Bainfield Road	Parks Toilet	Connected - Manual	0	1980	10	0	1	0	0	0	-	-	-
4.22	Elizabeth Park - Toilet Block	151 Lime Street	Parks Toilet	Connected - Manual	0	1980	10	0	4	0	0	0	-	-	-
4.23	Makarewa Domain - Toilet Block	66-84 Flora Road East	Parks Toilet	Connected - Manual	0	1980	10	0	4	0	0	0	-	-	-
4.24	Ocean Beach Reserve - Toilet	11 Kirk Crescent	Parks Toilet	Connected - Manual	0	1980	10	0	2	0	0	0	-	-	-
4.25	Surrey Park - West	550 Tay	Parks Toilet	Connected -	0	2015	19	0	2	0	0	0	-	-	-

Portfolio Reference	Asset	Address	Group	Description	Criticality	Age	Reamining Useful Life	Condition	Capacity	Design Performance %	Utilisation %	Unit	Fair Value (\$)	Replacement Cost (\$)	Deprecation Cost (\$)
	End Toilet	Street		Manual											
4.26	Surrey Park - Triple Novaloo Toilet	550 Tay Street	Parks Toilet	Connected - Manual	0	2016	20	0	3	0	0	0	-	-	-
4.27	Surrey Park - Triple Permaloo Toilet	550 Tay Street	Parks Toilet	Connected - Manual	0	2013	17	0	3	0	0	0	-	-	-
4.28	Myross Bush Domain - Toilet Block,	238 Mill Road North	Parks Toilet	Unconnected	0	1980	10	0	1	0	0	0	-	-	-
4.29	Omaui Reserve Toilet	221 Mokokoko Road	Parks Toilet	Unconnected	0	2003	7	0	1	0	0	0	-	-	-
4.30	Otatara Reserve - Carpark Toilet Accessible	104 Dunns Road	Parks Toilet	Connected - Manual	0	2012	16	0	1	0	0	0	-	-	-
4.31	Otatara Reserve - Picnic Area Toilet	104 Dunns Road	Parks Toilet	Unconnected	0	2003	7	0	1	0	0	0	-	-	-
4.32	Sandy Point - Information Centre Toilet	81 Sandy Point Road	Parks Toilet	Connected - Manual	0	2015	19	0	1	0	0	0	-	-	-
4.33	Sandy Point - Dafodill Bay Toilet	Daffodil Bay Road	Parks Toilet	Unconnected	0	1980	10	0	1	0	0	0	-	-	-
4.34	Sandy Point - Kilmock Track Toilet	Kilmock Track	Parks Toilet	Unconnected	0	1980	10	0	1	0	0	0	-	-	-
4.35	Sandy Point - Noki Kaik Toilet	Sandy Point Road	Parks Toilet	Unconnected	0	1980	10	0	1	0	0	0	-	-	-
4.36	Sandy Point - Rover Track Toilet	Daffodil Bay Road	Parks Toilet	Unconnected	0	1980	10	0	1	0	0	0	-	-	-
4.37	Sandy Point - Mountain Bike Track Toilet	Sandy Point Road	Parks Toilet	Unconnected	0	1980	10	0	1	0	0	0	-	-	-
4.38	Sandy Point - Fosbender Park Toilet	310 Dunns Road	Parks Toilet	Unconnected	0	1980	10	0	1	0	0	0	-	-	-
4.39	Sandy Point - Dunns Rd Toilet	Dunns Road	Parks Toilet	Unconnected	0	2016	10	0	1	0	0	0	-	-	-

Portfolio Reference	Asset	Address	Group	Description	Criticality	Age	Reamining Useful Life	Condition	Capacity	Design Performance %	Utilisation %	Unit	Fair Value (\$)	Replacement Cost (\$)	Deprecation Cost (\$)
4.40	Sandy Point - Water Ski Club Toilet	Sandy Point Road	Parks Toilet	Unconnected	0	1980	10	0	1	0	0	0	-	-	-
4.41	Seaward Bush - Toilet	166 Mason Road	Parks Toilet	Unconnected	0	2012	10	0	1	0	0	0	-	-	-
4.42	Estuary Walkway - Toilet	Invercargill Estuary Walkway	Parks Toilet	Unconnected	0	2016	10	0	1	0	0	0	-	-	-
4.43	Thomsons Bush - Toilet	584 Queens Drive	Parks Toilet	Unconnected	0	2011	10	0	1	0	0	0	-	-	-
5.01	Commercial Leases + Building	20 Don St	Endowment	20 Don St Business House	0	2021	0	0	0	0	0	0	-	-	-
5.02.1	Awarua Farm / Industrial	62 Colyer Rd	Strategic	Land	0	2021	0	0	0	0	0	0	-	-	-
5.02.2	Awarua Farm / Industrial	98 Colyer Rd	Strategic	Dairy Shed	0	2021	0	0	0	0	0	0	-	-	-
5.02.3	Awarua Farm / Industrial	136-150 Colyer Rd	Strategic	Dairy Farm / Dairy shed	0	2021	0	0	0	0	0	0	-	-	-
5.02.4	Awarua Farm / Industrial	136 Colyer Rd	Strategic	Residential House	0	2021	0	0	0	0	0	0	-	-	-
5.02.5	Awarua Farm / Industrial	150 Colyer Rd	Strategic	Residential House	0	2021	0	0	0	0	0	0	-	-	-
5.02.6	Awarua Farm / Industrial	167Colyer Rd	Strategic	Residential House	0	2021	0	0	0	0	0	0	-	-	-
5.02.7	Awarua Farm / Industrial	5 Hamilton Rd	Strategic	Residential House	0	2021	0	0	0	0	0	0	-	-	-
5.02.8	Awarua Farm / Industrial	1276 Bluff Highway	Strategic	German Cottage A	0	2021	0	0	0	0	0	0	-	-	-
5.02.9	Awarua Farm / Industrial	1276 Bluff Highway	Strategic	German Cottage B	0	2021	0	0	0	0	0	0	-	-	-
5.02.10	Awarua Farm / Industrial	1276 Bluff Highway	Strategic	German Cottage C	0	2021	0	0	0	0	0	0	-	-	-
5.02.11	Awarua Farm / Industrial	1276 Bluff Highway	Strategic	Homestead	0	2021	0	0	0	0	0	0	-	-	-
5.03.1	Industrial Lease	20 Spey St	Trading Land	Rockgas-Midco	0	2021	0	0	0	0	0	0	-	-	-

Portfolio Reference	Asset	Address	Group	Description	Criticality	Age	Reamining Useful Life	Condition	Capacity	Design Performance %	Utilisation %	Unit	Fair Value (\$)	Replacement Cost (\$)	Deprecation Cost (\$)
5.03.2	Industrial Lease	20 Spey St	Trading Land	Sono Sound	0	2021	0	0	0	0	0	0	-	-	-
5.04	Industrial Lease / Building	69 Don St	Infrastructure	Office Building	0	2021	0	0	0	0	0	0	-	-	-
5.05.1	Development	6 Esk St West	Strategic	Land + Building	0	2021	0	0	0	0	0	0	-	-	-
5.05.2	Development	8 Esk St West	Strategic	Land + Building	0	2021	0	0	0	0	0	0	-	-	-
5.05.3	Development	10 Esk St West	Strategic	Land + Building	0	2021	0	0	0	0	0	0	-	-	-
5.05.4	Development	12 - 16 Esk St West	Strategic	Land + Building	0	2021	0	0	0	0	0	0	-	-	-
5.05.5	Development	18 Esk St West	Strategic	Land + Building	0	2021	0	0	0	0	0	0	-	-	-
5.05.6	Development	66 Dee St	Strategic	Land / Cleared site	0	2021	0	0	0	0	0	0	-	-	-
5.06	Industrial Lease / Building	141 Bond Street	Infrastructure	Eden Haulage	0	2021	0	0	0	0	0	0	-	-	-
6.01	Picnic shelter, Anderson Park	Anderson Park	Parks	Pavilions / Shelters	0	2021	0	0	0	0	0	0	-	-	-
6.02	Shelter Shed, Anderson Park	Anderson Park	Parks	Pavilions / Shelters	0	2021	0	0	0	0	0	0	-	-	-
6.03	Garage, Anderson Park	Anderson Park	Parks	Sheds / storage / plant	0	2021	0	0	0	0	0	0	-	-	-
6.04	Amenities, Anderson Park	Anderson Park	Parks	Sheds / storage / plant	0	2021	0	0	0	0	0	0	-	-	-
6.05	Accommodation, Bluff Camp Ground	Bluff Camping Ground	Parks	Public Use	0	2021	0	0	0	0	0	0	-	-	-
6.06	Amenities and Decking, Bluff Camping Ground	Bluff Camping Ground	Parks	Public Use	0	2021	0	0	0	0	0	0	-	-	-
6.07	Chapel, Crematorium	Crematorium	Parks	Public Use	0	2021	0	0	0	0	0	0	-	-	-
6.08	Cremator Bldg & Workroom,	Crematorium	Parks	Sheds / storage / plant	0	2021	0	0	0	0	0	0	-	-	-

Portfolio Reference	Asset	Address	Group	Description	Criticality	Age	Reamining Useful Life	Condition	Capacity	Design Performance %	Utilisation %	Unit	Fair Value (\$)	Replacement Cost (\$)	Deprecation Cost (\$)
	Crematorium														
6.09	Ash Grinding Room, Crematorium	Crematorium	Parks	Sheds / storage / plant	0	2021	0	0	0	0	0	0	-	-	-
6.10	Classroom, Donovan Park	Donovan Park	Parks	Pavilions / Shelters	0	2021	0	0	0	0	0	0	-	-	-
6.11	Crops Office, Donovan Park	Donovan Park	Parks	Pavilions / Shelters	0	2021	0	0	0	0	0	0	-	-	-
6.12	Woolshed, Donovan Park	Donovan Park	Parks	Sheds / storage / plant	0	2021	0	0	0	0	0	0	-	-	-
6.13	Pig Shed, Donovan Park	Donovan park	Parks	Sheds / storage	0	2021	0	0	0	0	0	0	-	-	-
6.14	Office & toilets, Eastern Cemetry	Eastern Cemetery	Parks	Offices / Amenities	0	2021	0	0	0	0	0	0	-	-	-
6.15	Storage & Workshop, Eastern Cemetry	Eastern Cemetery	Parks	Sheds / storage / plant	0	2021	0	0	0	0	0	0	-	-	-
6.16	Makarewa Community Building, Makarewa	Makarewa	Parks	Pavilions / Shelters	0	2021	0	0	0	0	0	0	-	-	-
6.17	Pavilion, Makarewa Domain	Makarewa Domain	Parks	Pavilions / Shelters	0	2021	0	0	0	0	0	0	-	-	-
6.18	Classroom, Donovan Nursery	Nursery	Parks	Pavilions / Shelters	0	2021	0	0	0	0	0	0	-	-	-
6.19	Potting Shed, Nursery	Nursery	Parks	Sheds / storage / plant	0	2021	0	0	0	0	0	0	-	-	-
6.20	Boiler House & Hopper, Nursery	Nursery	Parks	Sheds / storage / plant	0	2021	0	0	0	0	0	0	-	-	-
6.21	Office Building	Racecourse Rd	Parks	Operation Dept	0	2021	0	0	0	0	0	0	-	-	-
6.22	Workshop	Racecourse Rd	Parks	Operations Dept	0	2021	0	0	0	0	0	0	-	-	-
6.23	Main Shed	Racecourse Rd	Parks	Operations Dept	0	2021	0	0	0	0	0	0	-	-	-

Portfolio Reference	Asset	Address	Group	Description	Criticality	Age	Reamining Useful Life	Condition	Capacity	Design Performance %	Utilisation %	Unit	Fair Value (\$)	Replacement Cost (\$)	Deprecation Cost (\$)
6.24	Mechanical Workshop	Racecourse Rd	Parks	Operations Dept	0	2021	0	0	0	0	0	0	-	-	-
6.25	Amenities	Racecourse Rd	Parks	Operations Dept	0	2021	0	0	0	0	0	0	-	-	-
6.26	Three Bay Shed, Hardy Plank	Racecourse Rd	Parks	Operations Dept	0	2021	0	0	0	0	0	0	-	-	-
6.27	Seven Bay Shed	Racecourse Rd	Parks	Operations Dept	0	2021	0	0	0	0	0	0	-	-	-
6.28	Four Bay Shed	Racecourse Rd	Parks	Operations Dept	0	2021	0	0	0	0	0	0	-	-	-
6.29	Three Bay Shed, Corrugated Iron	Racecourse Rd	Parks	Operations Dept	0	2021	0	0	0	0	0	0	-	-	-
6.30	Playground Workshop (Skyline Garage)	Racecourse Rd	Parks	Operations Dept	0	2021	0	0	0	0	0	0	-	-	-
6.31	Carpenter Workshop	Racecourse Rd	Parks	Operations Dept	0	2021	0	0	0	0	0	0	-	-	-
6.32	Dry Soil Shed	Racecourse Rd	Parks	Operations Dept	0	2021	0	0	0	0	0	0	-	-	-
6.33	Storage Shed	Racecourse Rd	Parks	Operations Dept	0	2021	0	0	0	0	0	0	-	-	-
6.34	Tea Kiosk, Queens Park - Cheeky Llama	Queens Park	Parks	Public Use	0	2021	0	0	0	0	0	0	-	-	-
6.35	Office, Queens Park	Queens Park	Parks	Offices / Amenities	0	2021	0	0	0	0	0	0	-	-	-
6.36	Amenities, Queens Park	Queens Park	Parks	Offices / Amenities	0	2021	0	0	0	0	0	0	-	-	-
6.37	Meeting room & Storage, Queens Park	Queens Park	Parks	Offices / Amenities	0	2021	0	0	0	0	0	0	-	-	-
6.38	Supervisors Office, Queens Park	Queens Park	Parks	Offices / Amenities	0	2021	0	0	0	0	0	0	-	-	-
6.39	Tennis Club Building, Queens Park	Queens Park	Parks	Pavilions / Shelters	0	2021	0	0	0	0	0	0	-	-	-

Portfolio Reference	Asset	Address	Group	Description	Criticality	Age	Reamining Useful Life	Condition	Capacity	Design Performance %	Utilisation %	Unit	Fair Value (\$)	Replacement Cost (\$)	Deprecation Cost (\$)
6.40	Band Rotunda, Queens Park	Queens Park	Parks	Pavilions / Shelters	0	2021	0	0	0	0	0	0	-	-	-
6.41	Vehicle & Storage Sheds, Queens Park	Queens Park	Parks	Sheds / storage / plant	0	2021	0	0	0	0	0	0	-	-	-
6.42	Mechanical Workshop, Queens Park	Queens Park	Parks	Sheds / storage / plant	0	2021	0	0	0	0	0	0	-	-	-
6.43	Workshop Storage Shed, Queens Park	Queens Park	Parks	Sheds / storage / plant	0	2021	0	0	0	0	0	0	-	-	-
6.44	Old West Truck Shed, Queens Park	Queens Park	Parks	Sheds / storage / plant	0	2021	0	0	0	0	0	0	-	-	-
6.45	Civil Defence Shed, Queens Park	Queens Park	Parks	Sheds / storage / plant	0	2021	0	0	0	0	0	0	-	-	-
6.46	Fire Shed Storage, Queens Park	Queens Park	Parks	Sheds / storage / plant	0	2021	0	0	0	0	0	0	-	-	-
6.47	Operations Storage #1, Queens Park	Queens Park	Parks	Sheds / storage / plant	0	2021	0	0	0	0	0	0	-	-	-
6.48	Operations Storage #2, Queens Park	Queens Park	Parks	Sheds / storage / plant	0	2021	0	0	0	0	0	0	-	-	-
6.49	Building Storage Shed, Queens Park	Queens Park	Parks	Sheds / storage / plant	0	2021	0	0	0	0	0	0	-	-	-
6.50	Open Wire Shed, Queens Park	Queens Park	Parks	Sheds / storage / plant	0	2021	0	0	0	0	0	0	-	-	-
6.51	Campbell Is Teal Flight, Aviary	Queens Park	Parks	Aviary	0	2021	0	0	0	0	0	0	-	-	-
6.52	Main Flight, Aviary	Queens Park	Parks	Aviary	0	2021	0	0	0	0	0	0	-	-	-
6.53	Walk Through Flight, Aviary	Queens Park	Parks	Aviary	0	2021	0	0	0	0	0	0	-	-	-
6.54	Native Flight, Aviary	Queens Park	Parks	Aviary	0	2021	0	0	0	0	0	0	-	-	-

Portfolio Reference	Asset	Address	Group	Description	Criticality	Age	Reamining Useful Life	Condition	Capacity	Design Performance %	Utilisation %	Unit	Fair Value (\$)	Replacement Cost (\$)	Deprecation Cost (\$)
6.55	North End Flight, Aviary	Queens Park	Parks	Aviary	0	2021	0	0	0	0	0	0	-	-	-
6.56	Walkway, Aviary	Queens Park	Parks	Aviary	0	2021	0	0	0	0	0	0	-	-	-
6.57	Aviary Cages, Queens Park	Queens Park	Parks	Aviary	0	2021	0	0	0	0	0	0	-	-	-
6.58	Winter Garden, QP Winter Garden	Queens Park	Parks	Plants	0	2021	0	0	0	0	0	0	-	-	-
6.59	Cacti House, QP Winter Garden	Queens Park	Parks	Plants	0	2021	0	0	0	0	0	0	-	-	-
6.60	Glass House, QP Winter Garden	Queens Park	Parks	Plants	0	2021	0	0	0	0	0	0	-	-	-
6.61	Versatile Garage, Winter Garden	Queens Park	Parks	Sheds / storage / plant	0	2021	0	0	0	0	0	0	-	-	-
6.62	Boiler House, Winter Garden	Queens Park	Parks	Sheds / storage / plant	0	2021	0	0	0	0	0	0	-	-	-
6.63	House, QP	Queens Park	Parks	Residence	0	2021	0	0	0	0	0	0	-	-	-
6.64	Information Centre, Sandy Point	Sandy Point	Parks	Pavilions / Shelters	0	2021	0	0	0	0	0	0	-	-	-
6.65	Oreti Sands Golf Pavilion, Sandy Point	Sandy Point	Parks	Pavilions / Shelters	0	2021	0	0	0	0	0	0	-	-	-
6.66	Versatile Garage #1, Sandy Point	Sandy Point	Parks	Sheds / storage / plant	0	2021	0	0	0	0	0	0	-	-	-
6.67	Versatile Garage #2, Sandy Point	Sandy Point	Parks	Sheds / storage / plant	0	2021	0	0	0	0	0	0	-	-	-
6.68	Verstile Garage #3, Sandy Point	Sandy Point	Parks	Sheds / storage / plant	0	2021	0	0	0	0	0	0	-	-	-
6.69	Implement Shed Open, Sandy Point	Sandy Point	Parks	Sheds / storage / plant	0	2021	0	0	0	0	0	0	-	-	-
6.70	Versatile Garage House, Sandy Point	Sandy Point	Parks	Sheds / storage / plant	0	2021	0	0	0	0	0	0	-	-	-
6.71	Scutching Shed, Flax Mill, Sandy	Sandy Point	Parks	Sheds / storage / plant	0	2021	0	0	0	0	0	0	-	-	-

Portfolio Reference	Asset	Address	Group	Description	Criticality	Age	Reamining Useful Life	Condition	Capacity	Design Performance %	Utilisation %	Unit	Fair Value (\$)	Replacement Cost (\$)	Deprecation Cost (\$)
	Point														
6.72	Storage Shed, Surrey Park	Surrey Park	Parks	Sheds / storage / plant	0	2021	0	0	0	0	0	0	-	-	-
6.73	Wachner Place Clock & Amenities	Wachner Place	Parks	Pavilions / Shelters	0	2021	0	0	0	0	0	0	-	-	-
6.74	Depot, JG Ward Reserve, Bluff	JG Ward Reserve	Parks	Sheds / storage / plant	0	0	0	0	0	0	0	0	-	-	-
6.75	Building, 34 Forth St	34 Forth St	Parks	Pavilions / Shelters	0	0	0	0	0	0	0	0	-	-	-
6.76	Building, 40 Forth St	40 Forth St	Parks	Pavilions / Shelters	0	0	0	0	0	0	0	0	-	-	-

5.7 SUMMARY OF ASSET TRENDS, ISSUES AND CHALLENGES

Issue and Challenge	Possible Responses
High number of buildings	<ul style="list-style-type: none"> ➤ Have a good understanding of asset data, issues and challenges, be prepared for the information potentially required ➤ Strategic direction for Buildings Assets is confirmed by Council ➤ Use a better business case approach to develop any project of significant expenditure
Perception of value for money instead of lifecycle costs (projects tend to be developed in a piecemeal fashion)	<ul style="list-style-type: none"> ➤ Investigate projects from a lifecycle cost prospective instead of just capital cost ➤ Ensure reports tell the story with this in mind.
Asset hierarchy and data	<ul style="list-style-type: none"> ➤ Assess best fit for asset hierarchy
Civic Administration Building: <ul style="list-style-type: none"> ➤ Windows ➤ Exterior finish ➤ Lift age and doesn't reach the 5th ➤ Heating ➤ Earthquake Strengthening (if we remain the tenant) 	<ul style="list-style-type: none"> ➤ Renewal Project included in Long Term Plan
Bluff Service Centre: <ul style="list-style-type: none"> ➤ Demolition of Club Hotel 	<ul style="list-style-type: none"> ➤ West wall will require waterproofing
Library <ul style="list-style-type: none"> ➤ Weather-tightness (minor roof leaks) ➤ Exterior Cladding 	<ul style="list-style-type: none"> ➤ Repair roof ➤ Renew cladding of west wall for code of compliance
Scottish Hall <ul style="list-style-type: none"> ➤ Major renewal and capital maintenance required ➤ First floor closed to public 	<ul style="list-style-type: none"> ➤ Invest in building
Splash Palace <ul style="list-style-type: none"> ➤ Corrosive atmosphere ➤ Lack of pool space 	<ul style="list-style-type: none"> ➤ Account for this in useful life calculations ➤ Renew areas and remove Hydroslide
Museum <ul style="list-style-type: none"> ➤ Roof partial roof renewal ➤ Seismic Capacity 	<ul style="list-style-type: none"> ➤ Redevelopment
Housing Care <ul style="list-style-type: none"> ➤ Aging stock (plan for capital to build new stock) ➤ Cost to maintain increasing the portfolio ages 	<ul style="list-style-type: none"> ➤ Rent increase required ➤ See Housing Care AMP
Car Parking Building <ul style="list-style-type: none"> ➤ High maintenance costs 	<ul style="list-style-type: none"> ➤ Maintain as required
20 Don St <ul style="list-style-type: none"> ➤ Building faults ➤ Complete basebuild 	<ul style="list-style-type: none"> ➤ 2nd floor now fully tenanted

<p>Anderson House</p> <ul style="list-style-type: none"> ➤ Exterior maintenance ➤ Strengthening ➤ Reconfigure for future use 	<ul style="list-style-type: none"> ➤ Maintain as needed ➤ Strengthen to 67%NBS
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6. SUSTAINABILITY, RISK AND RESILIENCE

6.1 SUSTAINABILITY

The Local Government Act requires Council to take into account the social, economic and cultural interests of people and communities, the need to maintain and enhance the quality of the environment and the reasonably foreseeable needs of future generations by taking a sustainable development approach. Sustainability can be defined as:

Development which meets the needs of the present generation without compromising the future generation from meeting their own needs
(Brundtland Report, 1987).

A landlord's greatest ability to influence sustainability outcomes are highest during the planning and design phase of buildings. Asset type, location and design can significantly impact sustainability outcomes, for example, accessibility, urban form, land-use, heritage, health and wellbeing. Good planning and design can lead to improved economic and social benefits.

The operation of infrastructure has ongoing impacts - particularly as they relate to energy use and emissions, runoff, noise, light, ecological impacts, safety etc. Operation can provide ongoing employment and economic benefit.

The construction of infrastructure impacts on material use, energy, water, waste, etc. Construction can provide employment, with potential to target 'social' procurement.

6.1.1 Social and Cultural

The building assets provide our community services with the fabric to show equality, social cohesion and inclusiveness, free from any prejudice. We want to promote intergenerational equality, meeting the needs of the present generation without compromising the needs of future generations.

We provide the meeting places for our community to become empowered and enabled to express and celebrate our ever diversifying heritages, whilst recognising the particular cultural significance of Maori and Tangata Whenua of New Zealand.

6.1.2 Environmental

Buildings Assets seek to reduce consumption of resources and the effects of development on the environment. Relevant aspects of sustainable design will be incorporated into future building developments including but not exclusive to:

- Minimise materials and waste during construction.
- Sustainable materials used in construction.
- Electricity Supply and Consumption.
- Energy Audits.
- Use of Fossil Fuels.
- Climate Change Gases – Carbon footprint.
- Adopt Green Buildings Systems.
- Minimise water use and waste generation in buildings.
- Design for adaption and resilience to hazards including climate change.

The core buildings owned by the Invercargill City Council have not been designed for sustainability. This is a recent awareness which seeks to reduce consumption of resources and the effects of development on the environment. Relevant aspects of

sustainable design will be incorporated into future building developments. The two most recent plant renewals (Museum and Library heating) have used heat-pumps for heating and cooling as an energy efficiency measure.

Electricity supply to Council is managed by the Property team using the ICC Procurement Process. Electricity is supplied under a 3 year contract. The current supplier of Non-half Hourly power is Meridian Energy and Time of Use is Mercury Energy. The current contract period runs to February 2023. Consumption data is collected for analysis by Carbon EMS (formerly Energy and Technical Services, ETS) and input to 'e-Bench', an analysis and reporting service.

A Level 2 Energy Audit, subsidised by EECA (Energy Efficiency and Conservation Authority) has been carried out on three core buildings. These are the Administration Building, Library and Splash Palace. The recommendations of the audit have been progressively implemented culminating in replacement of a chiller with a 4-pipe heat pump in the Library in 2010-11 financial year and replacement of coal boilers with wood-chip boilers at Splash Palace in 2011-12. These projects were incorporated in the relevant Service Level Agreements with Activity Managers.

6.1.3 Economic and Financial

Asset Management is an activity, its purpose is to provide the desired level of service in the most cost effective manner through the management of assets for present and future customers. We do this by:

- Taking a lifecycle approach to managing capital expenditure.
- Recognising the consumption of assets and appropriately funding it.
- Categorising capital versus operational expenditure.
- Allocating costs and preparing forecasts over the long-term (30 years or more).
- Reporting on financial performance.

6.1.4 Summary of Sustainability Challenges and Issues

The social and cultural challenges and issues for this activity are the responsibility of the Service Activity Manager to assess. The Property Team will work with them to identify any options which we can develop to allow the building to facilitate these.

Environmental issues are addressed mostly in the design phase of any project being undertaken. We are hoping to work with EECA (Energy Efficiency and Conservation Authority) in the future to undertake audits on our buildings prior to any major renewal.

To be more financially sustainable Council wants to move towards fully funding depreciation. This will steadily increase the renewal expenditure and capital reserve movements to match depreciation.

6.2 RISK

The Council recognises that it is obliged to manage effectively and regularly review its risks at a strategic, operational and project level. Council has done this by developing a Risk Management Framework and a range of risk management processes that apply across the organisation. Risk assessment is a major consideration in planning and budgeting processes at all levels within Council. Risks must be considered and documented as part of the justification for undertaking our activities. Risk assessment and monitoring must form part of the management of operational activities. The Chief Executive and the Council encourage the controlling

of risks to better improve the effectiveness and efficiency of the services and functions that the Council provides on behalf of the community, provided the resultant exposures are acceptable.

6.2.1 Risk Framework/Standard

Council has adopted a risk management process that is consistent with AS/NZS ISO 31000:2018. The key risk criteria adopted for assessing the consequences of identified risks are:

- Community Health and Safety.
- Loss of Service – Extent/Duration.
- Service Delivery – Customer Impact.
- Invercargill City Council Financial Impact.
- Financial Community.
- Corporate Image and Reputation.
- Legal Compliance.

The Corporate Framework for assessing Risk is included in Appendix 1.09 – 2017 – AMP – Risk Framework

It should be noted that Council has undertaken an organisation wide review of risk management practices. Results from this review have been included in Management Plans where relevant and risk assessments will be updated as required.

6.2.3 Critical Assets Decision-Making

This is part of the review of risk management practices assessment.

6.2.4 Risk Identification and Assessment

Level of Service Indicator	Caused By	Consequence						Weighted Averaged Consequences Score	Likelihood	Risk Severity	Controls	
		Health and Safety (0.20)	Service Delivery – Customer Impact (0.15)	ICC Financial Impact (0.20)	Financial – Community (0.15)	Corporate Image and Reputation (0.10)	Legal Compliance (0.20)				Current Practice	Recommended Actions
Our heritage buildings are maintained well and keep their Heritage status	Heritage New Zealand Pouhere Taonga Act 2014: Civic Theatre – Heritage 1 Anderson House – Heritage 1 Scottish Hall – Heritage 2 8, 10, 12-16 and 18 Esk St West – Heritage 2	1	1	5	2	4	1	2.25	F	L	Knowledge of Act and ICC District Plan designations.	Maintain awareness
Buildings are safe to use, accessible for those with disabilities and well maintained	Legislative Compliance: ➤ Fire ➤ Accessibility ➤ Hazardous Substances	4	1	3	3	4	3	3.00	E	L	Fire detection, alarm and fighting systems in buildings, evacuation plan, obtain HNSO Inspection certificates, obtain code of compliance after any building consent work is undertaken,	Carry out BWOFF and scheduled maintenance checks.
	Health and Safety	3	1	3	3	5	6	3.10	C	H	Maintain Hazard Register, eliminate hazards, undertake job safety assessments, security and surveillance systems, PoolSAFE certification,	Maintain practice
	Risk of failure ➤ Seismic event	5	5	5	4	3	1	3.85	E	M	Seismic investigation by Engineer.	Structural improvement, where required, develop contingency plans. Close buildings which are below

Level of Service Indicator	Caused By	Consequence						Weighted Averaged Consequences Score	Likelihood	Risk Severity	Controls	
		Health and Safety (0.20)	Service Delivery – Customer Impact (0.15)	ICC Financial Impact (0.20)	Financial – Community (0.15)	Corporate Image and Reputation (0.10)	Legal Compliance (0.20)				Current Practice	Recommended Actions
												34% NBS
	Asset can meet demand of the Service Activity ➤ Increase demand in service ➤ Assets redundant before their end of life	1	5	2	2	3	1	2.15	D	L	Maintain good communication with Service Activity Managers, building opening hours suit demand, provision of office space infrastructure	Maintain practice
	Quality, comfort and performance ➤ Loss of power	1	4	1	1	1	1	1.45	C	L	Back-up generator where required, back up data off-site, maintain building to agreed condition rating, repair vandalism, maintain temperature and humidity at agreed levels	Start surveying public and users of facilities, obtain data on building fault response times,
	Cost Efficiency: ➤ Over capitalisation on current assets	1	5	1	2	2	1	1.85	D	L	Rents kept below or equal to market rates, plan renewal and capital, monitor energy consumption.	Discuss improvements with Valuer
Loss of investment opportunity	Expenditure on construction of fixed assets	1	4	1	1	3	1	1.65	C	L	Infrastructure and financial strategy correlate	Maintain practice
Unforeseen future costs of owning and maintaining building assets	Council property but which are not presently in Council ownership.	1	1	1	4	5	1	1.85	D	L	Maintain asset knowledge on buildings that may become Council burden	Recognition of the issues caused by the buildings, which have contributed to the demise of the Trust or CCO which owned them.
Public Toilets are available 24 hours	Maintenance failure	2	1	2	1	2	1	1.30	C	L	Reactive maintenance contractors available	Carry out scheduled maintenance checks

Level of Service Indicator	Caused By	Consequence						Weighted Averaged Consequences Score	Likelihood	Risk Severity	Controls	
		Health and Safety (0.20)	Service Delivery – Customer Impact (0.15)	ICC Financial Impact (0.20)	Financial – Community (0.15)	Corporate Image and Reputation (0.10)	Legal Compliance (0.20)				Current Practice	Recommended Actions
per day												
Note: risk schedules will be updated following implementation of corporate framework												

6.2.5 Summary of Key Risk Issues

Health and safety of workers and the public is the highest risk posed to the property Team.

Invercargill is situated in a medium risk seismic zone, improved building resilience is part of the improvement programme for the Civic Administration Building to support ICC infrastructure activity following a major event.

6.2.6 Possible Approaches to Risk Mitigation

Please see recommended actions in the table above.

A risk management approach alone is not sufficient and needs to be complemented by a resilience approach to events that fall outside of the realms of predictability and where failure may be inevitable.

6.3 RESILIENCE

The working definition of resilience to Invercargill City Council is the ability of the organisation to survive a crisis and thrive in a world of uncertainty. Resilience includes both planned risk management (Section 6.2) and consideration of asset criticality to events which are of high impact but low probability. In this context resilience refers to our capacity to adapt, rather than preparedness or recovery, which is the capacity of people, the community and systems to adapt in the face of unpredictable change to the 'unknown unknowns'.

100 Resilient Cities* has four dimensions and three drivers within each:

- Health and Well-being
 - Meet basic needs
 - Support livelihoods and employment
 - Ensure public health services
- Economy and Society
 - Foster economic prosperity
 - Ensures social stability, security and justice
 - Promote cohesive and engaged communities
- Infrastructure and Environment
 - Provide reliable communication and mobility
 - Ensure continuity of critical services
 - Provide and enhance natural and man-made assets
- Leadership and Strategy
 - Promote leadership and effective management
 - Empower a broad range of stakeholders
 - Foster long-term and integrated planning

* <http://www.100resilientcities.org/resilience>

6.3.1 Business Continuity and Emergency Response Arrangements

Emergency Management Southland (EMS) is a shared service between Invercargill City Council, Southland District Council, Environment Southland and Gore District Council. It focuses on ensuring communities are prepared for emergencies and that they are able to respond to and recover from these when they do happen. Specific actions include public education and ensuring a pool of trained personnel. Having

this shared organisation results in streamlined decision making and faster response times.

The Group Manager of the Customer and Environment Group is the Council liaison with EMS. In the event of an emergency, all Asset Managers are to meet in the Committee Rooms and Council Chambers and deliver services as required. If the Civic Administration Building is inaccessible Parks Operation Building at Racecourse Road would be utilised as a “Plan B”. Although not officially requested, there is an expectation that Council could approach PowerNet at Racecourse Road, as a Council Controlled Organisation, which could provide office space to the Asset Managers if required as a “Plan C”.

6.3.2 Current and Desired Resilience Assessment

Resilience is a topic that we are learning about from events such as the Christchurch, Kaikoura and Wellington earthquakes; Invercargill City Council is seeking to make our organisation and infrastructure more resilient.

6.3.3 Summary of Resilience Issues and Challenges

Resilience, including business continuity is a relatively new focus of asset management. Resilience will be part of the review of risk management being undertaken in the 2021-22 financial year, working on contingency planning with service activity managers part of this will be thinking about what the ‘unknown unknowns’ are.

7. MANAGING OUR ACTIVITIES

7.1 ASSESSMENT OF PROGRAMME APPROACHES

Council has adopted an Asset Management Policy (Appendix 2.01) and Strategy (Appendix 2.02). The latter outlines the Invercargill City Council's approach and actions in renewing assets in a prudent manner and to ensure good catchment of asset data to use as evidence for renewal planning.

7.2 OPERATIONS AND MAINTENANCE

7.2.1 Operation and Maintenance Strategy

Corporate Buildings, Community Facilities (excluding Splash Palace), Other Infrastructure

All inspections for Building Warrants of Fitness, which are required for commercial buildings, are scheduled in IPS. This alerts staff when inspections are programmed so that an Independent Qualified Person (IQP) can be arranged to undertake these.

The Building Assets Supervisor arranges operational and breakdown maintenance needs. This requires co-ordinating with the Service Activity Manager and contractors to have any repairs and maintenance undertaken.

Scheduled maintenance, renewal and improvements are documented in the Service Level Agreements (Appendices 4.02.1 to 4.02.8). Any other repairs or maintenance is undertaken in run-to-failure manner.

Housing Care, Splash Palace

The Property Project Supervisor arranges the operational and maintenance requirements for Housing Care and Splash Palace facilities. Co-ordinating with the Housing Support Officer and Aquatic Facilities Manager, the officer arranges for Splash Palace staff and contractors to have any repairs and maintenance undertaken.

Most of the maintenance at Splash Palace is undertaken in a scheduled maintenance manner. IPS is well used by the team at this facility.

Each flat is visually inspected six monthly and at the end of each tenancy by the Housing Support Officer. Any maintenance requirements are noted during these inspections and provided to the Property Project Supervisor who arranges contractors for repairs. Further maintenance, renewal and improvements are documented in the Service Level Agreements (Appendices 4.02.2 and 4.02.4). Any other repairs or maintenance are undertaken in a reactive maintenance manner.

Public Toilets

The Building Assets Supervisor and Property Support Officer manage operations and maintenance requirements for all Public Toilets. Other than building warrant of fitness requirements these are inspected on a daily or weekly basis by a cleaning contractor and any maintenance requirements are reported and dealt with in a reactive manner. Further maintenance, renewal and improvements are documented in the Service Level Agreement (Appendices 4.02.10).

Investment Property

The Senior Council Land Advisor and Building Assets Supervisor look after the operational and maintenance requirements for Investment Property buildings. Scheduled maintenance of Investment Property will be planned and loaded in to IPS over the next three years.

Parks Property

The Property Project Supervisor looks after the majority of the maintenance requirements for Parks buildings. Further maintenance, renewal and improvements are documented in the Service Level Agreement (Appendices 4.02.09). Scheduled maintenance of Parks buildings will be planned and loaded in to IPS over the next three years

7.2.2 Operation and Maintenance Standards and Specifications

Many standards and regulations are applicable to building and plant construction and operation. These generally include:

Standard or Regulation	Application
Building Regulations 1992	
Hazardous Substances Regulations 1996	Classes 1 to 9
Electricity Regulations 2010	
Health and Safety at Work Act 2015	

7.3 CAPITAL RENEWAL AND REPLACEMENT

7.3.1 Capital Renewal Strategy

The renewal strategy is available in the Asset Management Strategy (Appendix 2.02). Renewal plans and capital expenditure for each asset is documented in the Service Level Agreements (Appendices 4.02.01 to 4.02.10), they are based on information from condition assessments and projected maintenance programmes developed by external contractors. Each renewal is then discussed with the Activity Service Manager and assessed by the Property team prior to execution, to determine if the programming of the renewal needs to be brought forward or delayed depending on their professional opinion and the known performance of the asset.

Management of renewal projects are presently carried out in a variety of ways which are chosen to suit the circumstances of each project:

- Invercargill City Council staff, i.e. Assets Manager, Assets Supervisor or Assets Administrator, acting as project manager.
- Project Management consultants are employed for specific projects.
- Architects are employed to design and manage specific projects.

7.3.2 Capital Renewals Criteria

There are a number of criteria which could be used for renewals. These include:

Asset Performance

An asset is renewed when it fails to meet the required level of service. Non-performing assets are identified by the monitoring of asset reliability, capacity and efficiency during maintenance and operational activity. Indicators of non-performing assets include, repeated asset failure, ineffective or uneconomic operations. The replacement of the asset with a more effective component would have a short payback period in operating costs for example inefficient energy consumption.

Economic

Economic renewal is when it is more cost effective to renew the asset than to maintain or repair i.e. the annual cost of repairs exceeds the annualised cost of its renewal. Staff actively research the effectiveness of new technologies which may improve the overall performance of the assets.

Condition

Condition renewal usually used for assets, if the condition of the asset has increased the risk of failure to the point that the environmental, public health, financial and social impacts are no

longer acceptable to the community, operation of the building, service activity or Council functionality. Once the asset has reached a certain point in its useful life or it is independently assessed as being below the agreed condition rating, it will be renewed.

Criticality

Criticality renewal is used for assets for which the impact or consequence of failure has increased to the point that the environmental, public health, financial and social impacts are no longer acceptable to the community, operation of the Building, Service Activity or Council functionality. Highly critical asset would also be renewed on a condition basis.

For the Criticality criteria, see Appendix 4.03

Criticality Level	Description (Sum of ratings from both Importance Rating and Residential Population Rating)
1 - Very Low	Score = 1 – 3
2 - Low	Score = 4 – 6
3 - Medium	Score = 8 – 10
4 - High	Score = 12 – 16
5 - Very High	Score = 20 - 25

Prioritisation

Planned and reactive replacement works are prioritised in accordance with the following priority rankings and then programmed or, in urgent cases, undertaken immediately.

Priority	Description
1 (High)	Asset failure has occurred and renewal is the most cost-effective treatment. Asset failure is imminent and failure is likely to have major impact on the environment, public health or property. Asset performance is non-compliant with community requirements.
2	Asset failure is imminent, but failure is likely to have only a minor impact on the environment, public health or property. Asset failure is imminent and proactive renovation is justified economically. Associated work scheduled for the current financial year. Asset renewal is justified on the basis of minimal life cycle costs and deferment would result in significant additional costs.
3 (Low)	Asset failure is imminent but failure is likely to have a negligible impact on the environment, public health or property. Asset renewal is justified on the basis of minimal life cycle costs but deferment would result in minimal additional costs.

7.3.2 Capital Renewals Valuations

Capital expenditure for renewal is used to replace components of buildings which have reached the end of their useful lives. The value of the components is added to the asset register of the building.

The renewal and replacement plan also includes items of that are carried out at infrequent intervals such as painting. This work helps to preserve or extend the life of other building components, materials are consumed in the process but the value is not added to the asset register of the building.

7.4 CAPITAL DEVELOPMENT

7.4.1 Capital Growth Strategy

Growth is defined as that which will grow Rates & Charges income.

Capital growth expenditure is documented in the Building Service Level Agreement for Buildings Assets. This is reviewed and agreed annually with the Service Delivery Manager for each building. The program differentiates between capital expenditure which is required to cater for growth and that which is required for change of service provision.

There are a number of current and potential growth projects in this Asset Management Plan. In summary these are:

- Splash Palace:
 - Extend Poolside Seating or Car Park, dependant on the additional pool project.
 - Additional 25m² x 2m deep pool with accessibility ramp
- Southland Museum and Art Gallery
 - Regional Storage Facility
- Housing Care – Construction of new units
- Public Toilets – New facilities planned for Waikiwi, Russell Square, Greenpoint Domain, Catlins entry point, Bluff Walkway, Gore St Playground.

Some of these projects are in their infancy while others are incorporated in the 2022 – 32 Long Term Plan..

These projects will be managed by exterior consultants with a Building Assets liaison appointed to each of the projects.

7.4.2 Capital Growth Selection Criteria

The strategy for development or growth is assessed and prioritised by Council.

Each project for growth or increase to service level is assess for how it aligns with Community Outcomes. This is done within a strategic framework produced for Council.

7.4.3 Capital Growth Options and Alternatives

Project	Options and Alternatives
Splash Palace – New 25m ² x 2m deep pool	<ul style="list-style-type: none">➤ The growth options for the existing pools are limited, the facility is being used far more than it was initially designed for.➤ New pool is not located at the Splash Palace site.➤ Private industry or Southern DHB provide
Southland Museum and Art Gallery – Collection Storage	<ul style="list-style-type: none">➤ Extend the Archive building, change its use to both Archive and Storage move collection to extended archive➤ Package and store the collection in closed spaces within the pyramid prior to redevelopment and move collection out of then back into the re-development once➤ Package and store the collection in a leased space then move collection back to redeveloped museum➤ Package and store the collection in a leased space then move collection to new regional storage facility

Project	Options and Alternatives
	➤ Build new standalone storage facility prior to redevelopment
Housing Care	➤ Build new flats to address waiting list and rental accommodation shortage issues

7.5 DISPOSAL PLAN

7.5.1 Forecast Future Disposal of Assets

There is a probability that Council will consider the disposal of investment properties at 20 Don St and Awarua. This is dependent on the strategic direction of Council when considering future plans. Other non-strategic property may be disposed of if planned developments do not proceed.

7.5.2 Forecast of Income / Expenditure from Asset Disposal

Income from sale of 20 Don St and Awarua will have restricted uses as they both involve Endowment funds. Purchase of a car park property beside the Civic Administration Building is planned.

7.6 RECOMMENDED PROGRAMMES

7.6.2 Recommended Major Maintenance Programme

The current mix of reactive, scheduled and run-to-failure maintenance works well for the Activity, this has allowed a balance between reactive maintenance and stretching assets to achieve the most value from them. The buildings could be managed on a reactive maintenance basis only, to meet health and safety and legislated requirements but the condition, comfort and financial performance would suffer if this approach was taken.

Recommended Major Maintenance Programme (over and above Operations and Maintenance expenditure)

Source document: ID A3244132, sheet: R&M Renewal Table 7.6.2. (Uninflated \$2020)

Year	Building	Desired Change	Rough Estimated Cost	Expenditure Type
2022	SAC Interior painting	SAC Interior painting	239,000	Maintenance
2022	Bluff Service Centre	Mechanical plant (HP replacement)	20,000	Maintenance
2022	Archive	Exterior Re-paint and Minor Works	125,000	Maintenance
2022	Civic Theatre	Stagehouse flooring	9,500	Maintenance
2022	Rugby Park	Deferred Maintenance	2,000,000	Maintenance
2022	Jim Brass	Exterior Paint	10,000	Maintenance
2022	Parks Toilets	Repairs and improvements	100,000	Maintenance
2023	Laurel	Exterior Paint	20,000	Maintenance
2023	Miller	Exterior Paint	10,000	Maintenance
2023	Powell	Roof	30,000	Maintenance
2023	Willow	Exterior Paint	25,000	Maintenance
2024	Clarendon	Exterior Paint	49,000	Maintenance

Year	Building	Desired Change	Rough Estimated Cost	Expenditure Type
2024	Elston Lea	Exterior Paint	102,500	Maintenance
2024	Parks Buildings	Deferred Maintenance	130,000	Maintenance
2024	Parks Toilets	Repairs and improvements	100,000	Maintenance
2025	Scottish Hall	Roof Repairs	8,000	Maintenance
2025	Rugby Park	Mechanical & Electrical	25,000	Maintenance
2025	Animal Control	Refurbish/ re-galvanise kennels and fencing	40,000	Maintenance
2025	SAC	Interior re-paint	239,000	Maintenance
2025	Aiden	Exterior Paint	20,000	Maintenance
2025	Aurora	Exterior Paint	20,000	Maintenance
2025	Pateke	Exterior Paint	20,000	Maintenance
2025	Thorndale	Exterior Paint	15,000	Maintenance
2025	Parks Toilets	Repairs and Improvements	100,000	Maintenance
2025	Archive	Exterior paint & minor works	125,000	Maintenance
2026	Bluff Service Centre	Roof Repaint	11,000	Maintenance
2026	Civic Theatre	Stagehouse windows	14,000	Maintenance
2026	Nevill Place	Exterior Paint	40,000	Maintenance
2026	Parks Toilets	Repairs and improvements	100,000	Maintenance
2027	Bluff Service Centre	Renovations	50,000	Maintenance
2027	SAC	Interior repaint	122,000	Maintenance
2027	Kinross	Exterior Paint	15,000	Maintenance
2027	Powell	Exterior Paint	15,000	Maintenance
2027	Stirling	Exterior Paint	15,000	Maintenance
2027	Parks Toilets	Repairs and Improvements	100,000	Maintenance
2028	Cairnsmore	Exterior Paint	30,000	Maintenance
2028	Otarewa	Exterior Paint	55,000	Maintenance
2028	Animal Care	Renewal of CCTV	5,100	Maintenance
2028	Library	Interior Refurbishments	105,000	Maintenance
2028	Parks Toilets	Repairs and improvements	100,000	Maintenance
2029	Civic Theatre	Stagehouse Flooring	9,500	Maintenance
2029	Anzac	Exterior Paint	12,500	Maintenance
2029	Kelly	Exterior Paint	17,500	Maintenance
2029	Korimako	Exterior Paint	25,000	Maintenance
2029	Niven	Exterior Paint	17,500	Maintenance
2029	Strathpine	Exterior Paint	20,000	Maintenance
2029	Library	End of Library Exterior Paint Contract	320,000	Maintenance
2029	Parks Toilets	Repairs and Improvements	100,000	Maintenance
2030	Bluff Service Centre	External Works	8,000	Maintenance
2030	Bluff Service Centre	Fire Services	29,900	Maintenance
2030	Jim Brass	Exterior Paint	10,000	Maintenance
2030	Library	Mechanical Plant	11,000	Maintenance
2030	Parks Toilets	Repairs and improvements	100,000	Maintenance
2031	Bluff Service Centre,	Windows & doors	5,500	Maintenance
2031	Laurel	Exterior Paint	20,000	Maintenance
2031	Miller	Exterior Paint	10,000	Maintenance

Year	Building	Desired Change	Rough Estimated Cost	Expenditure Type
2031	Willow	Exterior Paint	25,000	Maintenance
2032	Civic Theatre	Loading Bay Door	21,000	Maintenance
2032	Parks Toilets	Repairs and Improvements	100,000	Maintenance
2032	Car Park Building	Stairwell paint	21,900	Maintenance
2032	Parks Toilets	Repairs and improvements	100,000	Maintenance

7.6.3 Recommended Capital Renewal Programme

The current mix of economic and condition based renewal has worked well for the Activity thus far, this may not be the case moving forward with a number of renewal based projects on the horizon, there is a requirement to move toward a criticality approach as the demand on the team may require projects to be prioritised.

Recommended Capital Renewal Programme

Source document ID 3244132, sheet: Capital Renewal Table 7.6.3. (Uninflated \$2020)

Year	Building	Project	Rough Estimated Cost	Capital Type
2022	Rugby Park	Bleachers structural strengthening	2,000,000	Renewal
2022	Animal Control	Security / heating / shower	100,000	Renewal
2022	SAC	New bulkhead for 50m Pool	650,000	Renewal
2022	Civic Administration Building	Admin Renewal Project	250,000	Renewal
2022	Aiden	Roof	40,000	Renewal
2022	Aurora	Remove Chimneys and Re-roof	40,000	Renewal
2022	Housing Care, All Flats	Washing Machine 15 p.a., Hot Water Cylinder 7 p.a., Range Renewals 9 p.a., Double Glazing 3 p.a.	\$56,000	Renewal
2022	Library	Barrel Roof repairs	100,000	Renewal
2022	Library	Mechanical (Cemag Lift)	409,000	Renewal
2022	Anderson House	Seismic strengthening	400,000	Renewal
2022	Anderson House	External Maintenance	400,000	Renewal
2022	Anderson House	Fire and Accessibility upgrades	400,000	Renewal
2022	Pyramid	Lift renewal	\$200,000	Renewal
2022	Pyramid	Mechanical	\$700,000	Renewal
2022	Car Park Building	CCTV	23,000	Renewal
2022	Car Park Building	Mechanical Services	35,000	Renewal
2022	Car Park Building	Interior renewal, decks and stair	52,000	Renewal
2022	Golf Links Pavilion	Pavilion renewals	75,000	Renewal
2022	Parks Sheds	Renewals as identified.	130,000	Renewal
2022	Parks Toilets	Renewals and improvements	150,000	Renewal
2022	Wachner Place	Renovations	50,000	Renewal
2023	Animal Control	Interior Refurbishment	30,000	Renewal
2023	Civic Administration Building	Admin Renewal Project	1,500,000	Renewal
2023	Bluff Service Centre	Plaster & waterproof west wall (Demolition of Club Hotel)	400,000	Renewal

Year	Building	Project	Rough Estimated Cost	Capital Type
2023	Thorndale	Roof	30,000	Renewal
2023	Housing Care, All Flats	Washing Machine 15 p.a., Hot Water Cylinder 7 p.a., Range Renewals 9 p.a., Double Glazing 3 p.a.	\$56,000	Renewal
2023	Archive	Electrical Services	103,000	Renewal
2023	Pyramid	Mechanical	100,000	Renewal
2023	Crematorium	Renovation	150,000	Renewal
2023	Parks Sheds		130,000	Renewal
2023	Parks Toilets	Renewals and improvements	100,000	Renewal
2023	Coronation Ave Exeloo	Renovations	50,000	Renewal
2024	Animal Control	Underfloor kennel Heating (approx. 1/3 of kennels)	16,000	Renewal
2024	Rugby Park	Strengthen & Deferred Maintenance	1,600,000	Renewal
2024	SAC	Diesel Boiler	108,000	Renewal
2024	SAC	Non-slip around pools	250,000	Renewal
2024	Civic Administration Building	Admin Renewal Project	8,825,000	Renewal
2024	Bluff Service Centre	Exterior and Interior Refurbishment	154,000	Renewal
2024	Pateke	Roof	40,000	Renewal
2024	Housing Care, All Flats	Washing Machine 15 p.a., Hot Water Cylinder 7 p.a., Range Renewals 9 p.a., Double Glazing 3 p.a.	\$56,000	Renewal
2024	Parks Sheds	Renewals as identified.	130,000	Renewal
2024	Parks Toilets	Renewals and improvements	100,000	Renewal
2024	North Circle Exeloo	Renovations	50,000	Renewal
2025	Parks Sheds	Renewals as identified.	130,000	Renewal
2025	Civic Theatre	Interior Renewals	864,000	Renewal
2025	Rugby Park	Strengthen & Deferred Maintenance	3,000,000	Renewal
2025	Civic Administration Building	Admin Renewal Project	4,425,000	Renewal
2026	Bluff Service Centre	Roof Repaint	11,000	Renewal
2025	Winter Garden Exeloo	Renovations	50,000	Renewal
2025	Housing Care, All Flats	Washing Machine 15 p.a., Hot Water Cylinder 7 p.a., Range Renewals 9 p.a., Double Glazing 3 p.a.	\$56,000	Renewal
2026	Animal Control	Plumbing renewals	21,000	Renewal
2026	SAC	Exterior Cladding	146,000	Renewal
2026	Housing Care, All Flats	Washing Machine 15 p.a., Hot Water Cylinder 7 p.a., Range Renewals 9 p.a., Double Glazing 3 p.a.	\$80,000	Renewal
2026	Parks Sheds	Renewals as identified.	130,000	Renewal
2026	Parks Toilets	Renewals and improvements	100,000	Renewal
2026	Windsor Exeloo	Renovations	50,000	Renewal
2027	SAC	Existing Changerooms Refurbishment	244,000	Renewal
2027	Bluff Service Centre	Plumbing	20,000	Renewal
2027	Housing Care, All Flats	Washing Machine 15 p.a., Hot Water Cylinder 7 p.a., Range Renewals 9 p.a., Double Glazing 3 p.a.	\$80,000	Renewal
2027	Scottish Hall	Services	96,000	Renewal
2027	Parks Sheds	Renewals as identified.	130,000	Renewal
2027	Parks Toilets	Renewals and improvements	100,000	Renewal
2028	SAC	Woodchip Boiler	262,000	Renewal

Year	Building	Project	Rough Estimated Cost	Capital Type
2028	Civic Administration Building	HVAC	529,000	Renewal
2028	Civic Administration Building	Carpet	419,000	Renewal
2028	Housing Care, All Flats	Washing Machine 15 p.a., Hot Water Cylinder 7 p.a., Range Renewals 9 p.a., Double Glazing 3 p.a.	\$80,000	Renewal
2028	Civic Theatre	Accessibility Renewals	31,000	Renewal
2028	Archive	Archive Plant Renewals	768,000	Renewal
2028	Parks Sheds	Renewals as identified.	130,000	Renewal
2028	Parks Toilets	Renewals and improvements	100,000	Renewal
2028	Stirling Point Exeloo	Renovations	50,000	Renewal
2029	Animal Control	Underfloor kennel heating	16,000	Renewal
2029	SAC	Screen	24,000	Renewal
2029	Housing Care, All Flats	Washing Machine 15 p.a., Hot Water Cylinder 7 p.a., Range Renewals 9 p.a., Double Glazing 3 p.a.	\$80,000	Renewal
2029	Parks Sheds	Renewals as identified.	130,000	Renewal
2029	Parks Toilets	Renewals and improvements	100,000	Renewal
2029	South City Exeloo	Renovations	50,000	Renewal
2030	Animal Control	Roof	11,000	Renewal
2030	SAC	Roof	488,000	Renewal
2030	Anzac	Roof	30,000	Renewal
2030	Housing Care, All Flats	Washing Machine 15 p.a., Hot Water Cylinder 7 p.a., Range Renewals 9 p.a., Double Glazing 3 p.a.	\$80,000	Renewal
2030	Civic Theatre	Major Interior	5,565,000	Renewal
2030	Scottish Hall	Roof	118,000	Renewal
2030	Library	Roof	200,000	Renewal
2030	Parks Sheds	Renewals as identified.	130,000	Renewal
2030	Parks Toilets	Renewals and improvements	100,000	Renewal
2030	Dee St Exeloo	Renovations	50,000	Renewal
2031	Housing Care, All Flats	Washing Machine 15 p.a., Hot Water Cylinder 7 p.a., Range Renewals 9 p.a., Double Glazing 3 p.a.	\$80,000	Renewal
2031	Library & Archive	Fire Services	22,000	Renewal
2031	Scottish Hall	Interior fit out	389,000	Renewal
2031	Car Park Building	Fire Services	35,000	Renewal
2031	Car Park Building	Electrical	135,000	Renewal
2031	Parks Sheds	Renewals as identified.	130,000	Renewal
2031	Parks Toilets	Renewals and improvements	100,000	Renewal
2031	Glengarry Exeloo	Renovations	50,000	Renewal
2032	Elston Lea	Roof	150,000	Renewal
2032	Housing Care, All Flats	Washing Machine 15 p.a., Hot Water Cylinder 7 p.a., Range Renewals 9 p.a., Double Glazing 3 p.a.	\$80,000	Renewal
2032	Civic Theatre	Loading Bay Door	21,000	Renewal
2032	Car Park Building	Stairwell paint	21,900	Renewal
2032	Parks Sheds	Renewals as identified.	130,000	Renewal
2032	Parks Toilets	Renewals and improvements	100,000	Renewal
2032	Don St Exeloo	Renovations	50,000	Renewal

7.6.4 Recommended Capital Development Programme

The currently requested and identified capital development projects are listed below. The demand for these is driven by growth or decline in Service Activities and changes in Level of Service as determined according to Service Activity Management Plans and recorded in Service Level Agreements.

Recommended Capital Development Programme

Source document ID 3244132, sheet: Capital Development Table 7.6.4. (Uninflated \$2020)

Year	Building	Project	Rough Estimated Cost	Capital Type
2022	SAC	Install new membrane floor to Leisure Pool, shallow end	111,000	Service Level
2022	SAC	Remove old Hydroslide	75,000	Demolition
2022	10 potential complexes	Conservatories, 2 per year (19 of desired 30) \$12,000 each	\$24,000	Service Level
2022	Housing Care	Healthy Homes Standards	\$430,000	Service Level
2022	Library	Genset (approx. 30-40kW)	100,000	Service Level
2022	Museum	Museum Redevelopment Stage 1	\$500,000	Service level
2022	Esk St West	Demolition	\$3,400,000	Demolition
2022	Esk St West	Security Alarm	\$100,000	Service Level
2022	Surrey Park Stadium	Seismic strengthening, structural repairs, renovations	\$1,000,000	Service Level
2023	10 potential complexes	Conservatories, 2 per year (19 of desired 30) \$12,000 each	\$24,000	Service Level
2023	Housing Care	Healthy Homes Standards	\$430,000	Service Level
2023	Museum	Museum Redevelopment Stage 1	\$2,500,000	Service level
2024	10 potential complexes	Conservatories, 2 per year (19 of desired 30) \$12,000 each	\$24,000	Service Level
2024	Museum	Museum Redevelopment Stage 1	\$12,000,000	Service Level
Annual to 2025	10 potential complexes	Conservatories, 2 per year (19 of desired 30) \$12,000 each	\$24,000	Service Level
2025	Museum	Museum Redevelopment Stage 2	\$17,500,000	Service Level
2026	SAC	New 25 m.sq Pool and Building and rising floor	\$6,600,000	Service Level
2026	SAC	Extend <u>Car Park</u> , dependant on new pool	\$165,000	Service Level
2026	Museum	Museum Redevelopment Stage 2	\$20,000,000	Service Level
2028	ACI	Design & Construct	\$5,000,000	Service Level
2029	ACI	Design & Construct	\$5,000,000	Service Level
2030	ACI	Design & Construct	\$4,700,000	Service Level
2030	Rugby Park	Building Deferred maintenance	\$50,000	Service Level
2030	SAC	Additional Pool	\$3,300,000	Service Level
2031	SAC	Additional Pool	\$3,300,000	Service Level

7.7 HOW THE ACTIVITY WILL BE RESOURCED

7.7.1 Internal Resourcing

The building asset team consists of:

- Property Manager,
- Senior Council Land Advisor
- Building Asset Supervisor,
- Housing Support Officer
- Asset Management Technician,
- Property Support Officer
- Property Project Supervisors (2)

Extra resources to carry out the work are obtained by using contractors to carry out maintenance and renewal work and by using consultants to design, document and tender larger renewal and improvement projects.

The role of the Property Manager is to:

- Act as the owner of Invercargill City Council's core buildings which are "tenanted" by Activity Service Managers.
- Act as the owner of Invercargill City Council's CBD and Parks public toilets.
- Act as the owner of Investment buildings owned by the Invercargill City Council.
- Act as the owner of Parks buildings.

7.7.2 Procurement Strategy

Major Contracts

The Infrastructure Procurement Procedure covers those activities involving the purchase of:

- New building assets and additions or improvements to existing building assets.
- Renewal of building assets.
- The maintenance and repair of existing building assets to restore their functionality to original levels.
- Modification and improvement of building assets in a way that optimises the benefits derived from them.

Typical examples include:

- New buildings.
- Additions or improvements to existing buildings.
- Renewal of plant and buildings
- Maintenance and repair of plant and building assets which are often routine in nature.

The following situations are specifically excluded from this policy as other policies and business processes need to be followed:

- Emergency procurement.
- Acquisition or disposal of property.
- Disposal of assets.

For all asset management works, tendering is usually used for high cost procurements (value greater than \$50,000). The Council will use a tender process or selective tendering where appropriate. When tendering is required, the Council's preference is to run open tenders to maximise market competition.

Minor Contracts

For building maintenance management most breakdown and scheduled maintenance work is carried out by small local contractors at their normal charge rates. There is a need to use 'Umbrella' maintenance contracts in future which will give more certainty of maintenance cost and still utilise a range of small contractors in Invercargill.

Management of Maintenance Contracts

There are written contracts for:

- Vegetation Control around Housing Care flats.
- Cleaning and supervision of Wachner Place Restroom.
- Cleaning of all other Public Toilets
- Electricity supply.

Unplanned and planned maintenance work is carried out on an individual work order or purchase order basis using a variety of small contractors with appropriate trade skills, knowledge and experience as noted above. The Procurement Strategy provides for 'Umbrella' contracts which may be used in future to manage planned and unplanned maintenance work

7.8 ALTERNATIVE RESPONSES TO ISSUES AND CHALLENGES

7.8.1 Alternative Management Approaches

There are alternative ways of carrying out provision of asset management of buildings:

If Council was to use alternative investment approaches there is the potential to lose the professional knowledge associated with these properties to consultants. The cost to Council and the ratepayer would likely increase

Activity Managers Manage Assets

This would deliver a less effective outcome as the service activity managers do not have the same depth of knowledge about their assets or building practices. This method would require the Activity Manager to address all operational, maintenance, renewal and growth projects in-house.

Outsource Asset Managers

This could have a more effective outcome but at a much higher cost, it would require educating the consultant in the ongoing operational, maintenance, renewal and projected growth requirements.

Lease from Private Industry

This would increase cash assets to Council but operationally cost more over time. It would require the disposing of current assets and as Housing Care and Civic Theatre are strategic assets these would need to be reclassified before this could happen.

Develop Public / Private Partnerships

This would reduce the requirement for large capital investment but increase the operational cost of any agreement moving forward. This method should be investigated for new assets.

7.8.2 Alternative Building Ownership

Council has traditionally provided its own buildings as this is often the most financially viable option for specialist buildings which have high costs e.g. swimming pools and theatres. For private industry to be involved, there needs to be a profit incentive, which incurs increasing costs for the service. However public private partnerships have an advantage of reduction in capital funding invested in the asset.

7.2.3 Alternative Operations and Maintenance Approach

There are a number of approaches which could be used for maintenance. These include:

Run to failure

This maintenance method is considered low risk as it is used for low cost non-critical, easily replaced assets. As the asset condition deteriorates the likelihood of failure increases, this method can also decrease the overall life of the asset as proactive maintenance can increase the useful life of assets. To use this method for critical assets would be to high risk.

Reactive Maintenance

This maintenance method is considered low risk as it is used for easily visible, non-critical assets. As the asset condition deteriorates maintenance requirements to keep the asset going will become more regular and the cost of running the asset could exceed the value of the asset, this method requires monitoring. To use this method for critical assets would be to high risk.

Scheduled Maintenance

This maintenance method is generally used for critical assets or assets which require inspections under legislation. This method means that we understand the condition and maintenance requirements early and decreases the likelihood of failure, reducing the risk to Council. This method of maintenance generally keeps the asset running well into its useful life without major incident.

Any new assets will have projected lifecycle, operational and maintenance assessments undertaken. The activity is progressively moving towards a more scheduled or proactive style of maintenance. This is being enabled by the use of IPS.

7.8.5 Do-Minimum Programme

A do-minimum programme would mean we would only be covering our legislated requirements; these are referred to in Section 3.2.2.

Corporate Buildings

Council is required to have public meetings and requires a space to meet with the ratepayers to conduct business but how this is provided is not legislated. Council could lease space to conduct this service, requiring less facility management but would increase the cost of the space.

Community Facilities

The Local Government Act 2002 states that good quality public services are provided. These spaces could also be leased from the private sector, they would most likely come at a higher cost to Council or provide reduced space for the same service to maintain affordability to the community.

Housing Care

This Service is not a legislated requirement of Council; it is Councils choice if they wish to remain providing this service. Some Local Government bodies have sold their Housing portfolios to Community Housing Providers which are eligible for Central Government subsidies, a do-minimum is to dispose of these assets.

Public Toilets

The Wachner Place Restroom facility is staffed, the staff could be removed from this facility and have a cleaning contract put in place. However this could result in a significantly increase the maintenance cost from even minor vandalism as the building is not strongly build to withstand such abuse. The other option would be to install Exeloos in place of the restrooms.

Investment Properties

This is not a legislated requirement of Council; it is Councils choice if they wish to continue owning and tenanting investment buildings.

Parks Properties

This not a legislated requirement of Council; it is Councils choice if they wish to continue providing the Parks service

8. FINANCIAL MANAGEMENT

8.1. OVERVIEW

The Property Team acts as “owner” of the buildings that it manages. Rates funds are provided for all building asset operation costs. Building budgets do not include the cost of electricity and insurance but do include rates. Inclusion of operational charges can skew the perceived cost of the Property operation.

Expenditure Rationale

The following rationale has been used in this Asset Management Plan:

- Operational and maintenance expenditure are expense costs and are funded by rates in the year of expenditure.
- Renewals expenditure is funded from Loss of Service Potential (LOSP) reserves which are accumulated to fund asset depreciation
- Capital expenditure for new assets is funded by debt to provide inter-generational equity in the provision of community assets.

Debt funding increases the operations cost by the cost to service the loan, plus any operational and depreciation costs which are required as a result of renewal projects.

Any growth or increases to service level projects are funded by debt held by the Council in compliance with the Financial Strategy. This provides for debt to be no greater than 1.5 times the income of the Council service.

8.2 FINANCIAL SUMMARY - WHAT THE ASSETS COST

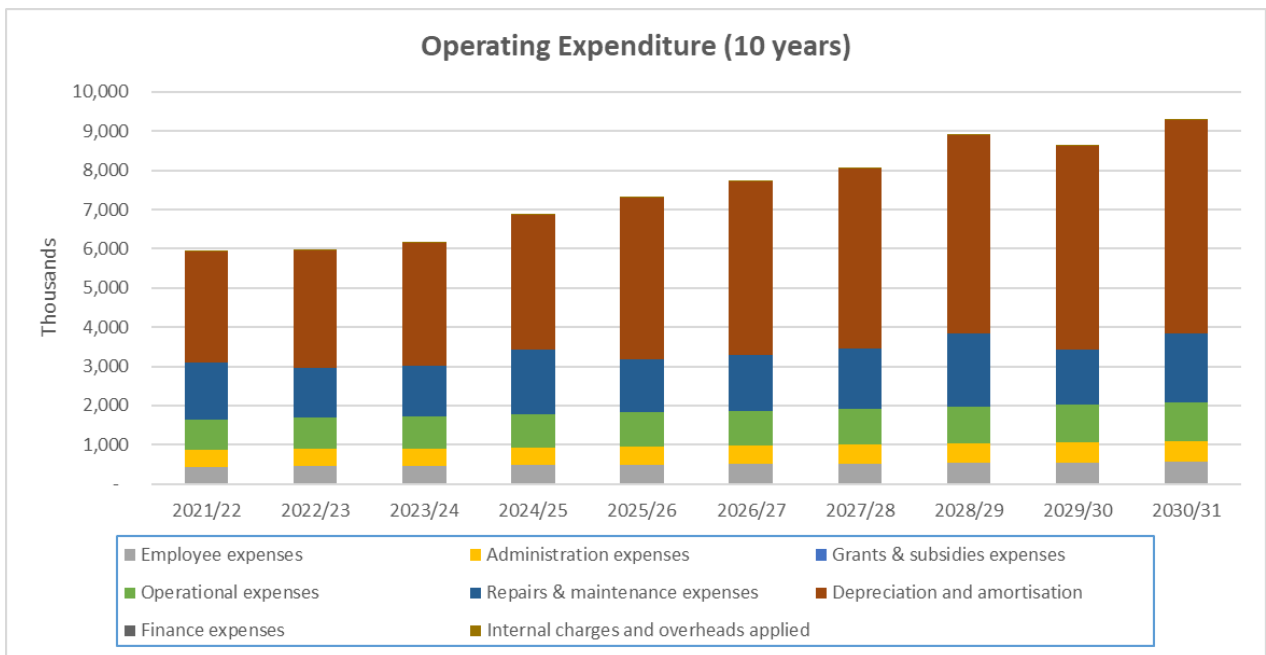
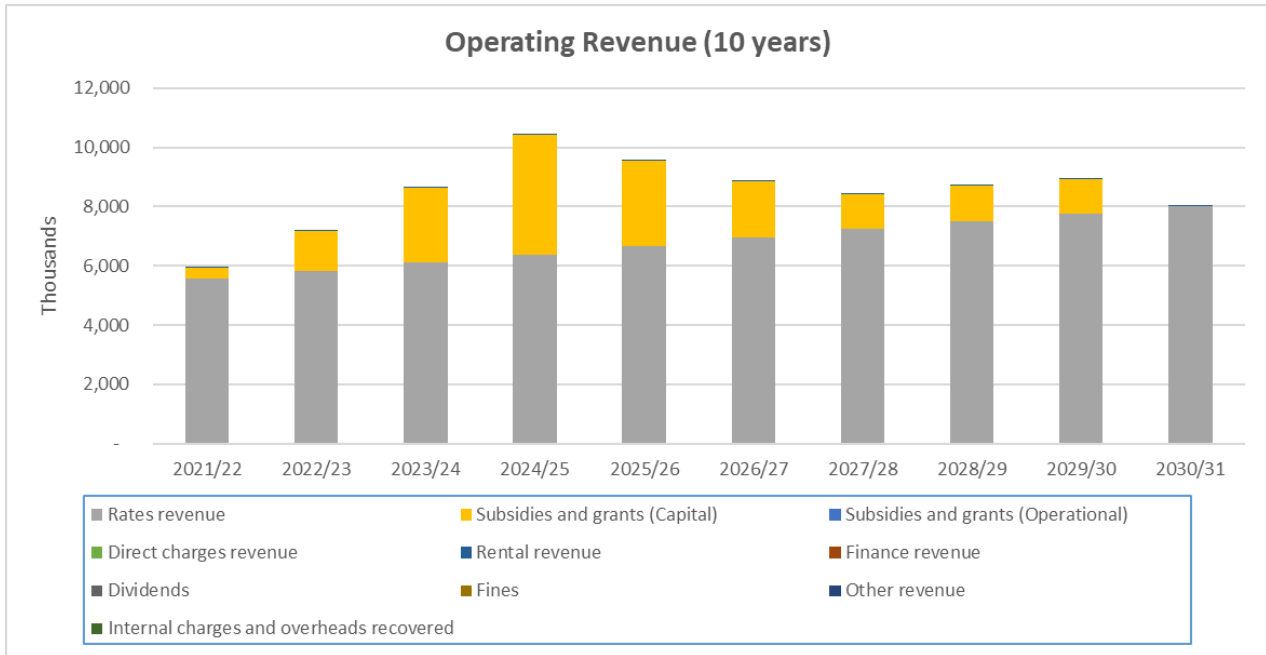
8.2.1 Council Funding of Building Assets activity and programmes

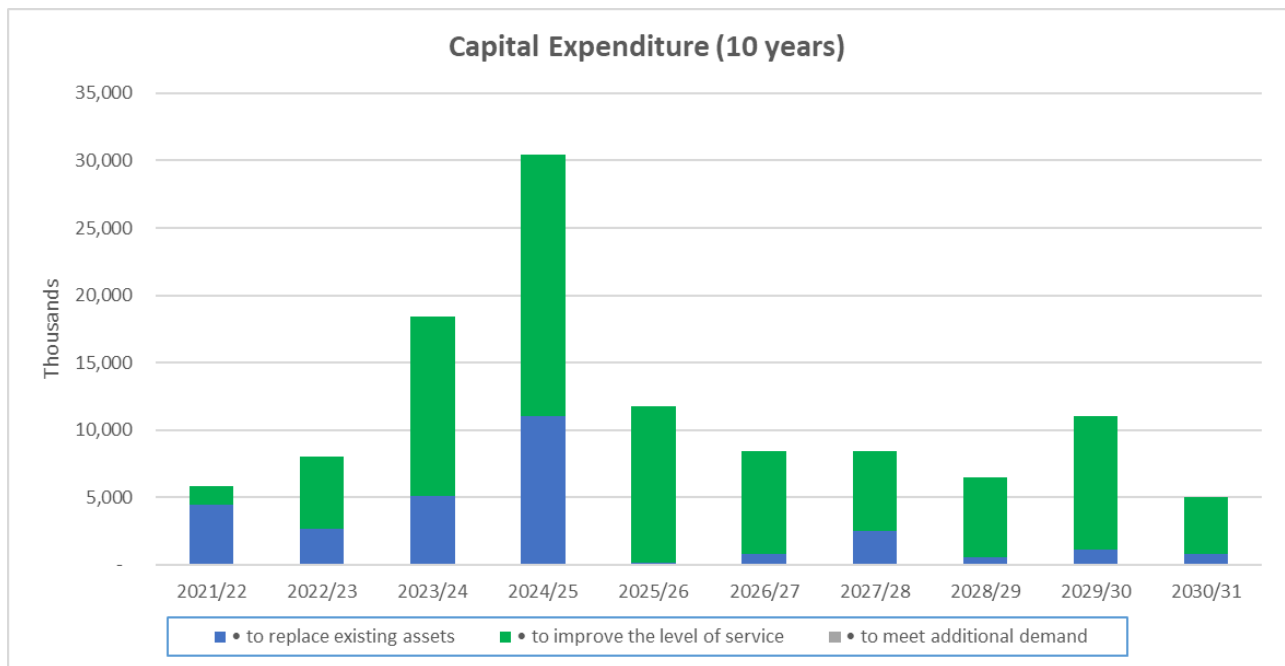
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Building Assets Property Financial 10 year Summary Table (Inflated)

	2020/21 Annual Plan (\$000)	2020/21 Forecast (\$000)	2021/22 LTP (\$000)	2022/23 LTP (\$000)	2023/24 LTP (\$000)	2024/25 LTP (\$000)	2025/26 LTP (\$000)	2026/27 LTP (\$000)	2027/28 LTP (\$000)	2028/29 LTP (\$000)	2029/30 LTP (\$000)	2030/31 LTP (\$000)
<u>OPERATING</u>												
Rates revenue	-	-	5,580	5,838	6,108	6,390	6,670	6,961	7,248	7,511	7,763	8,005
Subsidies and grants (Capital)	-	50	358	1,332	2,533	4,043	2,895	1,911	1,166	1,198	1,157	-
Subsidies and grants (Operational)	-	-	-	-	-	-	-	-	-	-	-	-
Direct charges revenue	-	-	-	-	-	-	-	-	-	-	-	-
Rental revenue	10	10	10	10	11	11	11	11	12	12	12	13
Finance revenue	-	-	-	-	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-	-	-	-	-	-
Fines	-	-	-	-	-	-	-	-	-	-	-	-
Other revenue	-	-	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads recovered	792	-	-	-	-	-	-	-	-	-	-	-
Total revenue	802	60	5,948	7,180	8,652	10,444	9,576	8,883	8,426	8,721	8,932	8,018
Employee expenses	-	476	443	455	468	479	491	503	516	531	545	560
Administration expenses	61	421	421	433	443	454	467	479	488	503	515	535
Grants & subsidies expenses	-	-	-	-	-	-	-	-	-	-	-	-
Operational expenses	1,326	762	782	804	824	845	866	889	911	937	962	987
Repairs & maintenance expenses	828	1,093	1,445	1,267	1,269	1,638	1,345	1,425	1,530	1,867	1,395	1,765
Depreciation and amortisation	2,830	2,830	2,835	3,011	3,136	3,448	4,148	4,419	4,599	5,064	5,204	5,437
Finance expenses	-	-	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads applied	-	22	22	22	24	24	24	26	26	26	28	28
Total expenses	5,045	5,604	5,948	5,992	6,164	6,888	7,341	7,741	8,070	8,928	8,649	9,312
OPERATING SURPLUS / (DEFICIT)	(4,243)	(5,544)	-	1,188	2,488	3,556	2,235	1,142	356	(207)	283	(1,294)
<u>CAPITAL EXPENDITURE</u>												
• to meet additional demand	-	-	-	-	-	-	-	-	-	-	-	-
• to improve the level of service		220	1,432	5,326	13,321	19,414	11,578	7,643	5,868	5,990	9,905	4,166
• to replace existing assets		2,049	4,441	2,687	5,140	11,013	176	798	2,544	519	1,139	829
TOTAL CAPITAL EXPENDITURE		2,269	5,873	8,013	18,461	30,427	11,754	8,441	8,412	6,509	11,044	4,995
Gross proceeds from sale of assets		-	-	-	-	-	-	-	-	-	-	-

Building Assets Property Financial 10 Year Summary Graphs

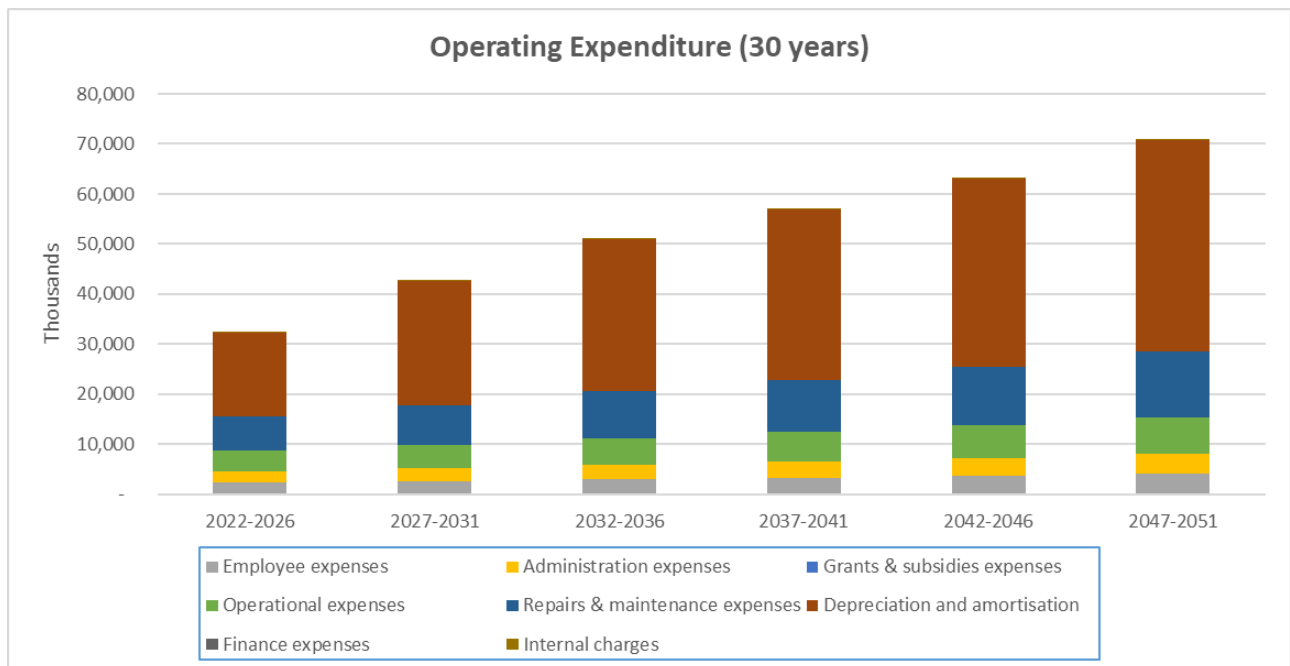
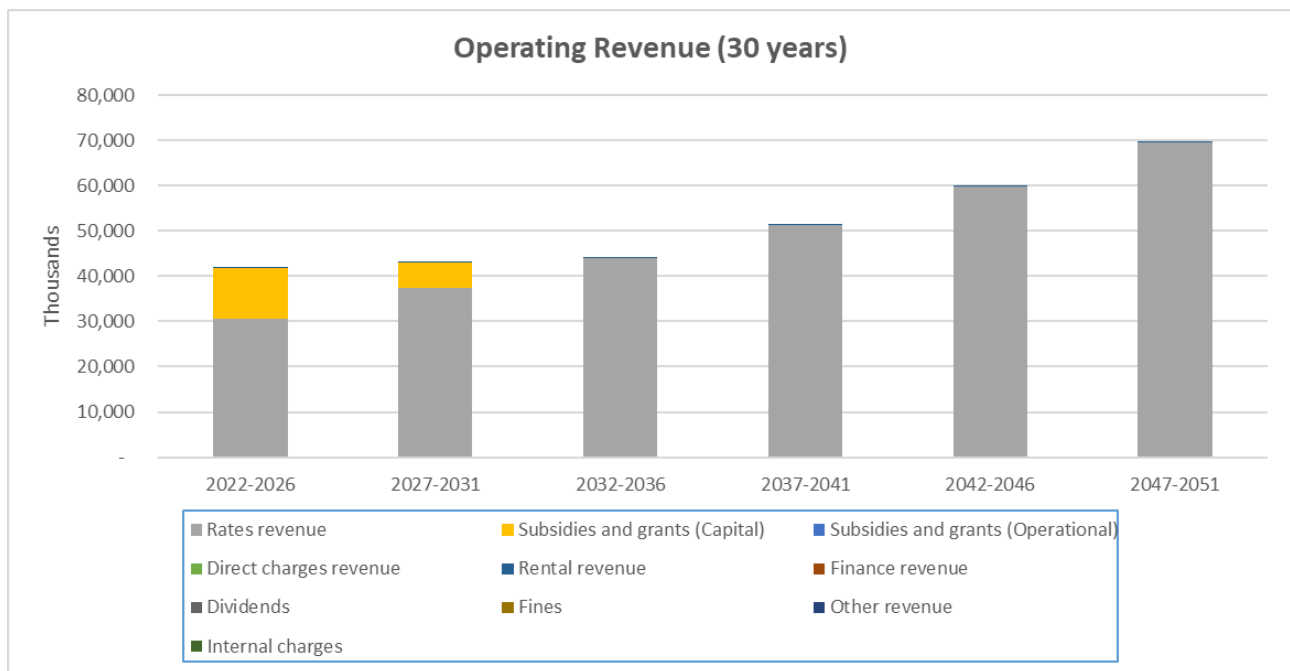




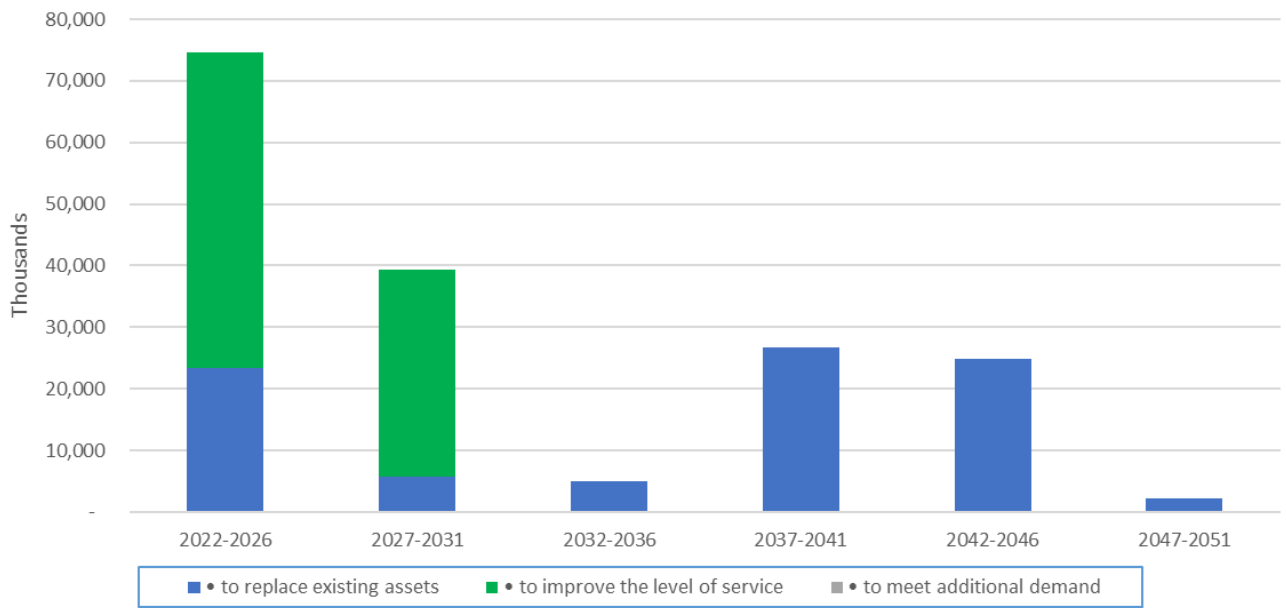
Building Assets Property Financial 30 Year Summary Table (Inflated)

	2022-2026	2027-2031	2032-2036	2037-2041	2042-2046	2047-2051
	LTP	LTP	LTP	LTP	LTP	LTP
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
<u>OPERATING</u>						
Rates revenue	30,586	37,488	43,926	51,207	59,694	69,591
Subsidies and grants (Capital)	11,161	5,432	-	-	-	-
Subsidies and grants (Operational)	-	-	-	-	-	-
Direct charges revenue	-	-	-	-	-	-
Rental revenue	53	60	67	75	83	94
Finance revenue	-	-	-	-	-	-
Dividends	-	-	-	-	-	-
Fines	-	-	-	-	-	-
Other revenue	-	-	-	-	-	-
Internal charges	-	-	-	-	-	-
Total revenue	41,800	42,980	43,993	51,282	59,777	69,685
Employee expenses	2,336	2,655	2,985	3,328	3,712	4,140
Administration expenses	2,218	2,520	2,840	3,167	3,523	3,939
Grants & subsidies expenses	-	-	-	-	-	-
Operational expenses	4,121	4,686	5,268	5,879	6,554	7,310
Repairs & maintenance expenses	6,964	7,982	9,429	10,518	11,719	13,069
Depreciation and amortisation	16,578	24,723	30,554	33,930	37,654	42,349
Finance expenses	-	-	-	-	-	-
Internal charges	116	134	148	166	184	206
Total expenses	32,333	42,700	51,224	56,988	63,346	71,013
OPERATING SURPLUS / (DEFICIT)	9,467	280	(7,231)	(5,706)	(3,569)	(1,328)
<u>CAPITAL EXPENDITURE</u>						
• to meet additional demand	-	-	-	-	-	-
• to improve the level of service	51,071	33,572	-	-	-	-
• to replace existing assets	23,457	5,829	4,983	26,727	24,837	2,281
TOTAL CAPITAL EXPENDITURE	74,528	39,401	4,983	26,727	24,837	2,281
Gross proceeds from sale of assets	-	-	-	-	-	-

Building Assets Property Financial 30 Year Summary Graphs



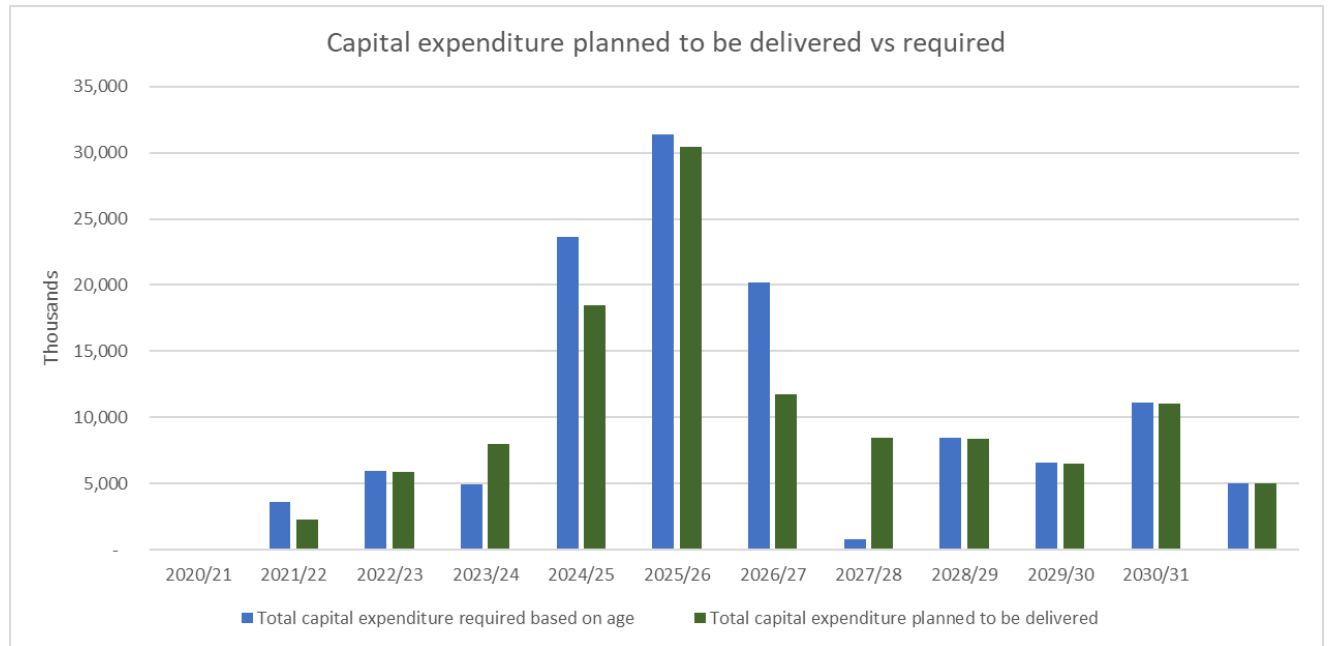
Capital Expenditure (30 years)



Building Assets Capital Expenditure Planned for Delivery vs Required 10 Year Summary Table (Inflated)

	2020/21 Annual Plan (\$000)	2020/21 Forecast (\$000)	2021/22 LTP (\$000)	2022/23 LTP (\$000)	2023/24 LTP (\$000)	2024/25 LTP (\$000)	2025/26 LTP (\$000)	2026/27 LTP (\$000)	2027/28 LTP (\$000)	2028/29 LTP (\$000)	2029/30 LTP (\$000)	2030/31 LTP (\$000)
<u>Capital expenditure required based on age</u>												
• to meet additional demand		-	-	-	-	-	-	-	-	-	-	-
• to improve the level of service		100	2,000	2,500	13,687	25,175	20,000	-	5,869	5,990	9,904	4,166
• to replace existing assets		3,534	3,971	2,411	9,920	6,184	213	835	2,581	558	1,179	870
Total capital expenditure required based on age		3,634	5,971	4,911	23,607	31,359	20,213	835	8,450	6,548	11,083	5,035
<u>Capital expenditure planned to be delivered</u>												
• to meet additional demand		-	-	-	-	-	-	-	-	-	-	-
• to improve the level of service		220	1,432	5,326	13,321	19,414	11,578	7,643	5,868	5,990	9,905	4,166
• to replace existing assets		2,049	4,441	2,687	5,140	11,013	176	798	2,544	519	1,139	829
Total capital expenditure planned to be delivered		2,269	5,873	8,013	18,461	30,427	11,754	8,441	8,412	6,509	11,044	4,995

Building Assets Capital Expenditure Planned for Delivery vs Required 10 Year Summary Graph



This graph shows that the capex funding requested for renewal of existing assets will be fully funded in the Long Term Plan

8.2.2 Programme Implications – Strategic Projects.

There are several current Strategic Projects for which decisions will affect the establishment of accurate budgets for the Property operation. Incorporation of Investment Properties and Parks buildings has also brought a back-log of potentially high-cost projects within the scope of the Property Team to deal with. These have not been fully evaluated and are planned to be programmed and costed for the next Three Year Plan. The City Block Development, which is outside of the Property Assets budget, will consume a large portion of available capital funds which has a subsequent effect on the programming of building renewal projects.

- On 12 April 2018, the Museum was closed due to the risk to the staff and public after a peer review on the seismic assessment. This increased the priority of the Museum re-development. Redevelopment of the Museum is dependent on provision of storage of the collection. Scheduling of these projects has been included in the capital budgets for 2022-26.
- The additional pool at Splash Palace to be carried out in 2030-31.
- Rugby Park Stadium strengthening and deferred maintenance
- Surrey Park Grandstand was closed in 2018 due to the risk to the staff and public after a peer review on the seismic assessment
- Anderson House was closed in 2015 due to the risk to the staff and public after a peer review on the seismic assessment strengthening and redevelopment in 2022
- Administration Building strengthening and redevelopment in 2022-25
- Esk St West Buildings maintenance or demolition.

These projects are included in Tables 7.6.3 and 7.6.4

8.3 FINANCIAL POLICIES

The Local Government Act 2002 requires Council to manage its finances prudently and in a manner which promotes the current and future needs of the community. Council must ensure that every year projected operating revenues are set at a level sufficient to meet the year's projected operating expenses.

The Revenue and Financing Policy states Council's policy on the funding of its operating and capital expenditure and the sources of those funds.

For each activity Council must give consideration to who benefits from the activity and the appropriate level of private versus public benefit when funding the activity. Public benefit is gained from having access to activities provided by Council. Private benefit is gained from receiving goods or services provided by Council, i.e. Building consent for work carried out by private residents.

8.4 HOW WE PAY FOR THE ACTIVITY

The following Sources of funding are used by Council:

- General Rate
- Targeted Rate
- Fees and Charges
- Other Sources of funding
- Debt and Reserves

Who Benefits

Funding Sources and

Demand Generators

Proportions		
Public/Private:	Other Sources of funding:	
The Service activity benefits from the Building Assets, it is their budget which determines the split between who benefits.	Internal Charges	Demand on the Service Activity puts demand on the Building Assets.

The following funding strategy is used for funding of building assets:

- Operational expenditure - funded by rates
- Maintenance expenditure - funded by rates
- Capital and Maintenance renewal expenditure - funded by building Financial Reserve funds where adequate reserves are available. Otherwise they are funded by debt.
- Capital Development expenditure - funded by Council debt and grants from Community funding organisations. Capital servicing (principal and interest cost) is funded by rates or charges.
- Depreciation funding has been recognised since 1996 and initial funding has been accumulated in Building LOSP Financial Reserve Funds to fund future capital and maintenance renewals.

8.5 ASSET VALUATION FORECASTS

8.5.1 Valuation Types

Valuations are carried out according to building and plant asset types and for different purposes. Valuations for the same asset will not necessarily be similar. Valuation types are as follows:

Asset Type	Valuation Type
Operational Buildings and land <ul style="list-style-type: none">• Corporate Buildings• Community Facilities• Housing Care flats• Public Toilets• Parks property	Fair Value
Investment Buildings and land <ul style="list-style-type: none">• Endowment property• Commercial property• Strategic property	Market Value
Plant <ul style="list-style-type: none">• Fixed plant• Mobile plant	Book Value

8.5.2 Fair Valuations - Operational Buildings and Land

The value of the assets has been considered by Rural Value on a Fair Value basis in accordance with PBE IPSAS17 under a highest and best use scenario. "Fair Value" is the price that would be received to sell or paid to transfer a liability in an orderly transaction between market participants at the 1 July 2019.

The valuations on Core Buildings are carried out to component level. Components of building assets are the same for depreciation (see Section 8.5.6), these are:

- Structure – substructure, frame, walls, upper floors, roof, windows and doors.
- Roof – roof structure, linings and materials.
- Services - Electrical (switchboards, cabling, sockets, lights).
- Services - Plumbing and Drainage, (domestic hot and cold water, sewage, storm-water, soil drainage).
- Internal Fit-out – stairs, wall ceiling and floor finishes, internal doors and decoration.
- Plant – heating, ventilation and air condition – does not include heat source i.e. Boiler.
- External Works/Other Improvements – parking, layout, fencing and any other improvement on the land outside the exterior face of the building – excludes planting.

Economic and residual lives have been defined for all major buildings.

Please see Table 8.5.2 below for a summary of Fair Value and Replacement Costs. The full report is filed in Objective ID A2819880 (July 2019).

Table 8.5.2

Building		Address	Structure			Roof			Electrical			Plumbing			Internal Fit out			Plant			Total				
Portfolio Reference			Component Life	Remain Useful Life	Fair value	Component Life	Remain Useful Life	Fair value	Component Life	Remain Useful Life	Fair value	Component Life	Remain Useful Life	Fair value	Component Life	Remain Useful Life	Fair value	Component Life	Remain Useful Life	Fair value	Building Fair Value	Raplacement Cost	Other Improvements	Land	property value
Corporate Buildings																									
1.01	Civic Administration	101 Esk Street	75	46	2,627,956	40	11	36,694	45	30	336,056	45	30	252,042	35	20	847,199	30	15	315,052	4,415,000	16,665,600	-	-	4,415,000
1.02	Bluff Service Centre	98 Gore Street	75	26	125,692	40	26	28,795	45	26	32,289	45	12	9,269	35	21	61,338	30	16	43,618	305,000	1,323,300	4,000	-	305,000
Community Facilities																									
2.01	Dog Pound	11 Lake Street	75	68	596,868	40	33	47,385	45	38	33,578	45	38	44,771	20	13	34,462	30	23	16,936	794,000	867,350	20,000	-	794,000
2.02	Civic Theatre - Stagehouse	88 Tay Street	75	61	3,973,375	40	26	138,733	45	31	1,225,277	45	31	163,370	35	21	1,992,063	30	26	1,233,182	8,726,000	10,333,440	-	-	8,726,000
	Civic Theatre - Auditorium		75	41	2,402,971	40	26	177,099	45	31	350,363	45	31	62,565	35	21	1,634,756	30	16	581,247	5,209,000	6,603,300	-	-	5,209,000
	Civic Theatre - Front of House		75	41	1,925,633	40	5	77,079	45	31	557,536	45	31	318,592	35	21	915,696	30	5	128,465	3,923,000	6,923,000	-	-	3,923,000
2.03	Scottish Hall	112 Esk St	75	13	211,439	40	31	122,776	45	5	14,333	45	5	13,579	35	5	82,443	30	5	9,430	534,000	3,974,080	80,000	-	534,000
2.04	Library	50 Dee Street	75	48	4,555,698	40	13	197,542	45	44	1,082,975	45	44	673,558	35	34	1,312,125	30	29	2,546,102	10,368,000	17,734,080	-	-	10,368,000
2.04	Archive	62 Dee Street	75	63	1,591,336	40	28	113,236	45	33	216,166	45	33	134,445	35	23	236,228	30	18	420,589	2,712,000	3,326,400	-	-	2,712,000
2.05	Splash Palace - Main pool	56 Elles Road	50	27	8,897,299	40	17	549,216	35	13	599,984	35	13	959,974	20	5	484,602	15	5	2,799,925	15,041,000	31,757,250	750,000	1,010,000	16,051,000
	Splash Palace - learners pool		50	36	1,431,519	40	26	101,360	35	21	116,954	35	21	187,127	20	6	70,172	15	5	337,868	2,245,000	3,453,450	-	-	2,245,000
2.06	Southland Museum and Art Gallery	108 Gala Street	60	31	1,883,713	40	11	300,786	45	16	162,040	45	16	32,408	35	6	468,758	30	5	182,295	3,080,000	13,774,320	50,000	-	3,080,000
2.07	Parking Building	11 Leven Street	75	39	3,385,135	40	5	-	45	9	73,604	45	9	40,891	35	5	115,664	30	5	47,706	3,663,000	8,209,080	-	-	3,663,000
2.08	Bluff Senior Citizens	10 Onslow St	75	32	172,686	40	5	6,570	45	5	4,756	45	5	4,505	35	5	27,354	30	5	3,129	224,000	646,140	5,000	-	224,000
2.09	Waste Transfer Station - Building	303 Bond St	50	28	1,066,494	40	18	170,727	45	23	25,515	45	23	-	35	13	-	30	8	43,264	1,426,000	2,332,000	120,000	1,460,000	2,886,000
	Waste Transfer Station - Office		75	53	58,133	40	18	5,617	45	23	4,339	45	23	3,254	35	13	5,657	30	8	-	77,000	122,100	-	-	77,000
	Waste Transfer Station - Workshop		50	28	46,186	40	18	2,919	45	23	947	45	23	947			-			-	51,000	90,640	-	-	51,000
	Waste Transfer Station - Shop		50	39	262,394	40	29	19,183	45	34	5,712	45	34	5,712			-			-	293,000	376,200	-	-	293,000
	Waste Transfer Station - Kiosk		60	35	28,000			-			-			-			-			-	28,000	48,400	-	-	28,000
2.10	Rugby Park		65	47	6,627,522	60	42	213,867	45	27	977,677	45	27	1,038,782	25	7	1,710,935	25	7	399,218	10,968,000	15,667,945	-	-	10,968,000
2.11	Anderson House	91 Mclvor Road	100	51	1,299,763	60	42	41,943	45	27	191,738	45	27	203,722	25	7	335,542	25	7	78,293	2,151,000	3,072,800	-	-	2,151,000
2.12	Surrey Park - Grandstand	Isabella Street	75	23	431,955	40	6	18,434	45	11	20,797	45	11	27,730	35	5	16,206	30	5	7,878	593,000	2,413,620	70,000	-	593,000
Housing Care																									
3.04	Cairnsmore Flats	160 Leet Steet	75	37	657,697	40	5	27,208	45	7	23,701	45	7	31,319	15	5	272,076	30		-	1,426,000	1,378,080	40,000	374,000	1,426,000

Building		Address	Structure			Roof			Electrical			Plumbing			Internal Fit out			Plant			Total				
3.16	Pateke Place	429 Yarrow Street	75	31	395,803	40	5	19,543	45	5	12,160	45	5	16,068	15	5	195,426	30		-	787,000	831,600	30,000	118,000	787,000
3.21	Willow Park	64 Adamson Cre	75	37	435,164	40	39	140,414	45	7	15,682	45	7	20,722	15	5	180,018	30		-	960,000	1,113,750	30,000	138,000	960,000
3.10	Korimako Court	12 Waverley Street	75	35	515,471	40	5	22,542	45	5	14,026	45	5	18,535	15	5	225,425	30		-	960,000	1,098,900	30,000	134,000	960,000
3.20	Thorndale Flats	3 Lithgow Street	75	39	301,874	40	5	11,847	45	9	13,269	45	9	17,534	15	5	118,475	30		-	560,000	730,620	20,000	77,000	560,000
3.06	Elston Lea Village	50 Murphy Street	75	14	930,294	40	5	101,709	45	5	63,285	45	5	83,627	15	5	1,017,085	30		-	2,555,000	5,761,800	60,000	299,000	2,555,000
3.08	Kelly Court	210 Crinan Street	75	27	306,661	40	5	17,384	45	5	10,817	45	5	14,294	15	5	173,844	30		-	604,000	686,400	20,000	61,000	604,000
3.19	Strathpine Flats	246 Ettrick Street	75	27	264,951	40	39	117,155	45	5	9,346	45	5	12,350	15	5	150,199	30		-	635,000	686,400	20,000	61,000	635,000
3.14	Niven Place	104 Earn Street	75	27	306,661	40	5	17,384	45	5	10,817	45	5	14,294	15	5	173,844	30		-	604,000	686,400	20,000	61,000	604,000
3.05	Claredon Court	60 Stirrat Street	75	43	784,306	40	8	44,669	45	13	45,165	45	13	59,682	15	5	279,179	30		-	1,341,000	1,694,000	30,000	98,000	1,341,000
3.15	Otarewa Village	90 Conon Street	75	45	1,180,286	40	10	80,292	45	15	74,939	45	15	99,026	15	5	401,458	30		-	2,112,000	2,628,450	50,000	226,000	2,112,000
3.11	Laurel Court	2 Maltby Street	75	34	407,634	40	5	18,351	45	5	11,418	45	5	15,088	15	5	183,509	30		-	855,000	873,180	35,000	184,000	855,000
3.09	Kinross Flats	30 Henderson St	75	38	232,159	40	33	61,718	45	8	9,310	45	8	12,302	15	5	93,512	30		-	487,000	829,400	25,000	53,000	487,000
3.02	Anzac Court	9 Tone Street	75	47	194,057	40	33	41,710	45	17	13,370	45	17	17,667	15	5	63,197	30		-	406,000	829,400	25,000	51,000	406,000
3.18	Stirling Flats	25 Gregory Street	75	41	213,997	40	33	52,727	45	11	10,936	45	11	14,451	15	5	79,889	30		-	487,000	829,400	25,000	90,000	487,000
3.17	Powell Court	295 Pomona Street	75	44	305,575	40	9	19,134	45	14	18,520	45	14	24,472	15	5	106,299	30		-	576,000	683,100	20,000	82,000	576,000
3.13	Nevill Place	26 Selwyn Street	75	31	865,935	40	5	42,755	45	5	26,603	45	5	35,154	15	5	427,552	30		-	1,529,000	1,692,900	25,000	106,000	1,529,000
3.03	Aurora Place	15 Janet Street	75	9	185,470	40	5	31,543	45	5	19,626	45	5	25,935	15	5	315,426	30		-	704,000	1,098,900	20,000	106,000	704,000
3.12	Miller Street	13 Miller Street	75	16	121,891	40	5	11,661	45	5	7,255	45	5	9,588	15	5	116,605	30		-	352,000	504,900	10,000	75,000	352,000
3.07	Jim Brass Place	154 Elles Road	75	48	235,967	40	33	49,661	45	18	16,855	45	18	22,272	15	5	75,245	30		-	464,000	506,000	15,000	49,000	464,000
3.01	Aiden Place	132 Princes Street	75	38	446,568	40	5	17,987	45	8	17,907	45	8	23,663	15	5	179,874	30		-	788,000	1,039,500	20,000	82,000	788,000
	Public Toilets																								
4.01	Wachner Place	20 Dee Street	60	39	406,587	40	19	26,453	45	24	26,519	45	24	106,076	35	14	19,889	30	9	4,475	590,000	1,016,400	-	-	590,000
4.15	Anderson Park-Playground	Anderson Park	30	5	12,052	40	5	671	40	5	480	40	5	1,199	15	5	1,598			-	16,000	132,000	-	-	16,000
4.17	Bluff Camping Ground	21 Gregory Street	75	31	66,465	40	5	3,092	45	32	10,751	45	32	23,456	35	22	19,006	30	17	6,231	139,000	188,760	10,000	-	139,000
4.18	Eastern Cemetery	Rockdale Road	30	40	21,141	40	6	1,472	40	6	526	40	6	3,942	15	5	2,920			-	30,000	63,360	-	-	30,000
4.19	Crematorium	Rockdale Road	30	5	27,569	40	5	1,556	40		-	40	5	4,169	15	5	3,706			-	37,000	99,000	-	-	37,000
4.20	Donovan Park - Pond Area	Donovan Park	30	5	32,678	40	11	4,058	40		-	40	11	10,871	15	5	4,392			-	54,000	123,200	2,000	-	54,000
4.22	Elizabeth Park - Toilet Bock	Elizabeth Park	50	21	30,544	40	11	1,505	45	16	-	45	16	6,951	35	6	-	30	5	-	39,000	91,960	-	-	39,000
4.40	Water Ski Club Toilet	Sandy Point	30	5	17,000	40	11	3,278			-	40	11	8,780	15	5	3,548			-	42,000	99,000	-	-	32,606
	Park Buildings																								
6.41	Vehicle storage	Queens Park	60	6	3,000			-			-			-			-			-	103,000	33,660	100,000	-	103,000
6.42	Mechanical workshop	Queens Park	60	6	17,000			-			-			-			-			-	17,000	165,440	-	-	17,000
6.35 -.38	Office supervisors and meeting room	Queens Park	60	11	83,159	65	16	22,001	40	5	6,331	45	5	4,221	45	5	10,096	35	5	3,192	129,000	701,800	-	-	129,000
6.46	Ex fire shed storage	Queens Park	60	31	53,000			-			-			-			-			-	53,000	102,850	-	-	53,000

Building		Address	Structure			Roof			Electrical			Plumbing			Internal Fit out			Plant			Total				
6.51 -.57	Aviaries	Queens Park	50	5	1,000			-			-			-			-			-	1,000	17,160	-	-	1,000
	Deer shed	Queens Park	40	11	6,000			-			-			-			-			-	6,000	21,120	-	-	6,000
6.36	Amenities	Queens Park	75	36	70,452	40	5	3,974	45	6	2,402	45	6	1,802	35	5	4,617	30	5	3,753	87,000	249,480	-	-	87,000
6.45	Civil Defence shed	Queens Park	75	46	125,325	40	11	4,683	45	16	2,595	45	16	1,730	35	6	1,668			-	136,000	263,340	-	-	136,000
6.43	Workshop storage shed	Queens Park	50	5	11,000			-			-			-			-			-	11,000	107,800	-	-	11,000
6.44	Old west truck shed	Queens Park	60	5	16,000			-			-			-			-			-	16,000	234,080	-	-	16,000
6.48	Operational Storage #2 south	Queens Park	60	11	5,000			-			-			-			-			-	5,000	25,960	-	-	5,000
6.47	Operational storage #1 West	Queens Park	60	11	16,000			-			-			-			-			-	16,000	89,650	-	-	16,000
	Animal control building entrance	Queens Park	60	48	22,000			-			-			-			-			-	22,000	27,500	-	-	22,000
	Animal control buildings and veranda	Queens Park	60	48	205,468	40	28	13,532			-			-			-			-	239,000	273,240	20,000	-	239,000
6.58	Winter gardens	Queens Park	60	6	91,514	40	5	7,150	45	5	6,355	45	5	10,168			-	30	5	3,813	134,000	1,188,000	15,000	-	134,000
6.59	Cacti house	Queens Park	60	18	11,000			-			-			-			-			-	11,000	36,300	-	-	11,000
6.60	Glass house (new house)	Queens Park	60	21	14,000			-			-			-			-			-	14,000	39,600	-	-	14,000
6.61	Storage shed	Queens Park	60	46	16,078			-	45	31	922			-			-			-	17,000	22,000	-	-	17,000
6.62	Boiler shed	Queens Park	60	28	41,143	40	8	2,830	45	13	1,887			-			-	30	5	18,141	64,000	136,400	-	-	64,000
6.34	Tea Kiosk	Queens Park	75	24	198,725	40	5	8,495	45	6	8,364	45	6	7,109	35	21	81,548	30	16	55,759	360,000	814,000	-	-	360,000
6.49	Building storage shed	Queens Park	60	55	12,000			-			-			-			-			-	12,000	13,200	-	-	12,000
6.39	Tennis club building	Queens Park	60	16	40,000			-			-			-			-			-	40,000	151,800	-	-	40,000
6.63	Rangers Dwelling	Queens Park	75	24	79,663	40	5	4,357	45	5	3,098	45	5	4,094	15	5	49,789	30		-	151,000	340,560	10,000	-	151,000
6.07	Chapel building	Rockdale Road	75	34	383,635	40	5	14,644	45	5	8,729	45	5	8,270	35	5	29,534	30	5	9,188	504,000	1,229,360	50,000	-	504,000
6.08	Cremator workroom	Rockdale Road	75	34	287,367	40	5	12,157	45	5	7,247	45	5	6,865	35	5	8,173	30	21	160,191	502,000	1,305,920	20,000	-	502,000
6.14	Cemetery office	Easter cemetery	70	36	92,432	40	6	3,406	45	11	4,520	45	11	4,282	35	5	11,818	30	5	541	127,000	227,700	10,000	-	127,000
	Dry soil shed	Easter cemetery	60	56	17,000			-			-			-			-			-	17,000	18,150	-	-	17,000
6.15	Storage & workshop	Easter cemetery	60	53	177,026	40	33	13,303	45	38	3,890	45	38	7,781			-			-	202,000	233,200	-	-	202,000
	Truck shed	Bond Street	40	5	2,000			-			-			-			-			-	52,000	235,620	50,000	-	52,000
	Workshops/offices	Bond Street	75	32	110,310	40	5	8,242	45	5	2,651	45	5	1,591	35	5	6,507	30	5	4,699	134,000	4,359,740	-	1,610,000	1,744,000
	Garages/imp. Sheds	Bond Street	60	21	24,000			-			-			-			-			-	24,000	270,600	-	-	24,000
	Office Building	Bond Street	75	32	17,828	40	5	910	45	5	550	45	5	412	35	5	1,269	30	5	1,031	22,000	255,200	-	-	22,000
6.21	Operations Office	Racecourse Road	75	36	43,131	40	5	1,844	45	16	3,567	45	6	1,003	35	18	9,257	30	13	3,197	182,000	281,600	120,000	580,000	762,000
6.22	Workshop	Racecourse	75	74	147,078	40	39	32,442	45	44	11,929	45	44	7,158	35	34	19,394			-	218,000	222,750	-	-	218,000

Building		Address	Structure			Roof			Electrical			Plumbing			Internal Fit out			Plant			Total				
		Road																							
6.23	Main shed	Racecourse Road	75	26	102,747	40	5	8,270	45	5	2,695	45	5	1,617	35	5	5,671			-	121,000	834,680	-	-	121,000
6.24	Mechanical workshop	Racecourse Road	75	21	13,792	40	5	1,003	45	5	371	45	5	245	35	5	477	30	5	111	16,000	206,800	-	-	16,000
6.25	Racecourse Rd amenities	Racecourse Road	75	41	65,239	40	6	3,647	45	11	3,368	45	11	2,526	35	5	3,531	30	5	1,688	80,000	340,560	-	-	80,000
6.26	Three bay shed Hardiplank	Racecourse Road	60	48	14,000			-			-			-			-			-	14,000	36,960	-	-	14,000
6.27	Seven bay shed	Racecourse Road	60	6	20,000			-			-			-			-			-	20,000	78,650	-	-	20,000
6.28	Four bay shed	Racecourse Road	60	41	14,000			-			-			-			-			-	14,000	46,200	-	-	14,000
6.29	Three bay iron shed	Racecourse Road	60	41	12,000			-			-			-			-			-	12,000	39,600	-	-	12,000
6.30	Playground workshop	Racecourse Road	60	36	12,000			-			-			-			-			-	12,000	41,580	-	-	12,000
6.31	Carpenters workshop	Racecourse Road	60	36	6,000			-			-			-			-			-	6,000	32,340	-	-	6,000
6.32	Dry soil shed	Racecourse Road	60	51	17,000			-			-			-			-			-	17,000	39,600	-	-	17,000
6.19	Potting shed	112 Mclvor Road	60	27	124,885	40	7	4,276	45	12	4,189	45	12	4,654	35	5	1,995			-	180,000	311,520	40,000	450,000	630,000
	Fletcher house	112 Mclvor Road	35	16	45,000			-			-			-			-			-	45,000	84,920	-	-	45,000
	Pack house	112 Mclvor Road	60	27	4,352	40	7	179	45	12	154	45	12	205	35	5	110			-	5,000	24,750	-	-	5,000
	Closed storage shed	112 Mclvor Road	60	29	149,530	40	9	5,355	45	14	2,115			-			-	30		-	157,000	325,600	-	-	157,000
	Open shed (Canopy)	112 Mclvor Road	50	43	33,000			-			-			-			-			-	33,000	38,500	-	-	33,000
	Glasshouses (1)	112 Mclvor Road	35	5	9,000			-			-			-			-			-	9,000	59,840	-	-	9,000
	Glasshouses (2)	112 Mclvor Road	35	5	4,000			-			-			-			-			-	4,000	24,640	-	-	4,000
	Tunnel house1A	112 Mclvor Road	25	5	6,000			-			-			-			-			-	6,000	25,740	-	-	6,000
	Tunnel house 2	112 Mclvor Road	25	21	23,000			-			-			-			-			-	23,000	27,632	-	-	23,000
	Tunnel houses 3	112 Mclvor Road	25	5	5,000			-			-			-			-			-	5,000	21,560	-	-	5,000
6.20	Boiler shed	112 Mclvor Road	60	27	35,329	40	7	2,404	45	12	1,570			-			-	30	21	68,696	108,000	180,400	-	-	108,000
	Shade house	112 Mclvor Road	35	5	3,000			-			-			-			-			-	3,000	20,020	-	-	3,000
	Alpine house	112 Mclvor Road	35	5	500			-			-			-			-			-	500	2,640	-	-	500
	Shade house	112 Mclvor Road	35	5	400			-			-			-			-			-	400	2,200	-	-	400
	Auckland Island shade house	112 Mclvor Road	35	5	1,000			-			-			-			-			-	1,000	4,400	-	-	1,000
6.18	Classroom	112 Mclvor Road	60	27	20,020	40	7	825	45	12	707	45	12	943	35	5	505			-	23,000	127,116	-	-	23,000
	Crops office	112 Mclvor	60	27	10,966	40	7	419	45	12	359			-	35	5	256			-	12,000	68,145	-	-	12,000

Building		Address	Structure			Roof			Electrical			Plumbing			Internal Fit out			Plant			Total				
	building	Road																							
6.64	Information centre	Sandy Point	75	36	69,991	40	5	2,567	45	6	1,862	45		-	35	5	3,579	30		-	88,000	176,000	10,000	-	88,000
6.66	Versatile garage No. 1	Sandy Point	60	34	30,000			-			-			-			-			-	30,000	48,400	-	-	30,000
6.67	Versatile garage No. 2	Sandy Point	60	34	17,000			-			-			-			-			-	17,000	36,190	-	-	17,000
6.68	Versatile garage No. 3	Sandy Point	60	41	13,000			-			-			-			-			-	13,000	27,720	-	-	13,000
6.69	Open implement shed	Sandy Point	60	41	4,000			-			-			-			-			-	4,000	6,820	-	-	4,000
6.74	Parks Depot	JG Ward Reserve	50	26	91,000			-			-			5,000			96,000			-	96,000	147,290	5,000	-	197,000
	Total																				101,767,900	194,895,048	2,131,000	7,635,000	106,969,506

8.5.3 Market Valuations - Investment Property and Land

Investment Properties are tradable and have a measurable Market Value. The market value is the price that would be expected to be received on the open market.

Most Investment Property is land and leases which are not the core business of this Asset Management Plan. However many properties contain buildings therefore the complete list of properties containing buildings have been included for completeness. Buildings are referenced by their Property Portfolio Number.

Commercial Leases

Building Assets Activity Management Plan 2017

8.5.3.2

Awarua Farm Land /
Industrial

Portfolio	Assessment	Awarua Farm / Industrial	Area	Fair Value	Impts	Land	LV	CV
	<i>Note sub-division 40 Colyer Road / Powernet 0.36 ha and 62 Colyer Road / Taha 1.0217 ha</i>							
5.2.3	29510/40000	136-150 COLYER ROAD AWARUA (M A Mitchell block)	213.8394	4,900,000	850,000	4,050,000	5,250,000	6,560,000
	29510/39901	1276 BLUFF HIGHWAY (part of McKenzie Block)	96.6131	2,000,000	350,000	1,650,000	1,910,000	2,770,000
		(part of McKenzie Block) La Trobe University Radar						
		(part of McKenzie Block) Awarua Communications Museum						
5.2.8 - 10		(part of McKenzie Block) German Cottages x 3						
5.2.11		Homestead						
	29510/39907	90 HAMILTON ROAD	70.5697	900,000	50,000	850,000	690,000	715,000
	29510/39905	99 AWARUA SIDING ROAD (Legendairies Ltd - Run off block))	169.1342	1,850,000	100,000	1,750,000	2,260,000	2,350,000
5.2.7	29510/39800	5 HAMILTON ROAD (A Molenaar block)	41.1178	900,000	50,000	850,000	950,000	1,100,000
5.2.6	29510/39500	167 COLYER ROAD AWARUA (McLellan block)	20.4771	450,000	150,000	300,000	455,000	640,000
	29510/4000	262 COLYER ROAD AWARUA	1.0217	100,000	25,000	75,000	180,000	180,000
7 TOTAL AWARUA FARM/INDUSTRIAL			612.7730	\$ 11,100,000	\$ 1,575,000	\$ 9,525,000	\$ 11,695,000	\$ 14,315,000

8.5.3.3

Strategic Development

	Assessment		Strategic Development	Area	Fair Value	Impts	Land	LV	CV
5.5.1	30150/07900	6	Esk Street West (Vacant Jan 2013)	0.0321	85,000	0	85,000	104,000	170,000
5.5.2	30150/07801	8	Esk Street West	0.0846	150000	0	150000	170,000	530,000
		9	Leven Street/Picadilly Lane (6 x carpa	0.0089	35000	0	35000	14,000	14,000
5.5.3	30150/07700	10	Esk Street West	0.0306	95000	0	95000	109,000	114,000
5.5.4	30150/07600	12&16	Esk Street West	0.0267	70000	0	70000	101,000	105,000
5.5.5	30150/07500	18	Esk Street West	0.016	45000	0	45000	55,000	95,000
5.5.6	30150/06700	66	Dee Street (Twisted World)	0.0607	165000	0	165000	305,000	306,000
	30250/08900	135	GRACE STREET (South Alive)	0.0933	50000	0	50000	68,000	68,000
	30250/10300	262	NESS STREET (South Alive)	0.0853	50000	0	50000	52,000	55,000
9 TOTAL		STRATEGIC DEVELOPMENT		0.4382	\$745,000	\$ -	\$745,000	\$978,000	\$1,457,000

8.5.3.4 Farm and Grazing Leases

Assessment		Farm & Grazing Leases	Area	Fair Value	Impts	Land	LV	CV
30250/66701	155	STEAD ST (John Conner)	101.07	650,000	25000	625,000	1,010,000	1,010,000
29510/42004	14	KEKENO PLACE (RN Jennings)	19.2445	150000	15000	135000	175,000	175,000
29590/40503	313	BAY RD (AJ Sherman T/A Alkarr Trust)	23.6445	250000	25000	225000	680,000	680,000
3 TOTAL		FARM & GRAZING	143.959	\$1,050,000	\$65,000	\$985,000	\$1,865,000	\$1,865,000

8.5.3.5 Industrial Lease

	Assessment		Industrial Lease	Area	Fair Value	Impts	Land	LV	CV
	29970/49900	94	PRESTON ST (only part to Sevwright))	0.0343	20,000	0	20,000	9,000	9,000
	29970/51701	99	PRESTON ST (only part to Sevwright))	0.034	40,000	0	40,000	70,000	70,000
	30170/11801	55	CRINAN ST (EH Ball)	0.2427	200,000	0	200,000	119,000	122,000
	30150/11200	90	MERSEY ST (ex Mobil, surrendered)	0.096	150,000	0	150,000	185,000	200,000
	30150/111000	15	SPEY ST (Tulloch Transport Ltd)0.1561	0.1561	100,000	0	100,000	670,000	670,000
	"	96	MERSEY ST (Tulloch Transport Ltd)	0.1774	220,000	0	220,000	-	-
	"	102	MERSEY ST (Tulloch Trans. Ltd)	0.2428	275,000	0	275,000	-	-
	30150/11400	108	MERSEY ST (Front Tulloch Trans. Ltd)	0.4047	500,000	0	500,000	780,000	780,000
	-	108	MERSEY ST (Back Tulloch Trans. Ltd)	0.2866	210,000	0	210,000	-	-
	30170/11897	257	BOND ST (Pyrotek Incorporated)	0.6763	500,000	0	500,000	480,000	480,000
	30150/12200	91	MERSEY ST (Chevron N Z)	0.4047	610,000	0	610,000	700,000	700,000
	30150/11605	152	MERSEY ST (Firth Concrete Ltd)	0.3999	200,000	0	200,000	445,000	445,000
	30120/41314	116	OTEPUNI AVE (RobaK Investments)	0.0506	50,000	0	50,000	48,000	48,000
	30150/00101	14	MERSEY ST (Bradley/Hucklebridge)	0.1937	250,000	0	250,000	300,000	300,000
	30150/12502	192	BOND ST (Downer EDI Works)	0.4047	450,000	0	450,000	540,000	540,000
	30150/11603	210	MERSEY ST (Downer EDI Works)	0.4378	550,000	0	550,000	520,000	520,000
	30150/11600	141	BOND ST (Eden Haulage/S. Solomon)	2.4746	1,750,000	0	1,750,000	1,530,000	1,900,000
5.3.2	30150/01900	20	SPEY ST (Rockgas/Midco)	0.6855	830,000	210000	620,000	880,000	1,330,000
5.3.1		20	SPEY ST (Sono Sound)						
	30150/487	69	DON ST (Johri)	0.0202	250,000	50000	200,000	101,000	220,000
20 TOTAL		INDUSTRIAL		7.4226	7,155,000	\$260,000	6,895,000	7,377,000	8,334,000

8.5.3.6

Residential Leases

Assessment		Residential Leases	Area	Fair Value	Impts	Land	LV	CV
30170/68002	91	EARN ST (TR Wilson)	0.0692	30,000	0	30,000	21,000	21,000
30170/32300	50	TEVIOT ST (MC Adam)	0.1012	35,000	0	35,000	36,000	36,000
30170/54300	118	BOWMONT ST(Jakl Invest.Pty Ltd)	0.1012	35,000	0	35,000	33,000	33,000
3 TOTAL RESIDENTIAL			0.2716	100,000	\$ -	\$100,000	90,000	90,000

8.5.4 Rating Valuations

The Rating Valuation is the value calculated for properties within the city boundary which are used for distribution of city rates. The value calculated is based on what properties are selling and renting for in surrounding neighbourhood and uses its size and usage. The valuations also use to be referred to as a.GV or government valuation. The Rating Valuation includes separate items for land and capital improvements.

Property within the city boundary is valued every 3 years by an accredited Valuer who is employed by the Customer and Environment Group of the Invercargill City Council to carry out this task.

The most recent rating valuations were carried out in September 2020 and were released in November 2020. The 2020 values are shown in the Table 8.5.4 below.

The Source document is ID A3332589

Table 8.5.4 Ratings Valuations.

Portfolio	Activity / Building Asset	Valuation Number	Rating Valuation 2020 Land \$	Rating Valuation 2020 Improvements \$	RV 2020 Total \$
	Corporate Buildings				
1.01	Civic Administration Building	30150.456	3,570,000	8,130,000	11,700,000
1.02	Bluff Service Center	30380.23801	100,000	400,000	500,000
	Community Facilities				
2.01	Animal Care Facility	-	--	--	--
2.02	Civic Theatre	30150.456	--	--	--
2.03	Scottish Memorial Hall	30150.475	490,000	480,000	970,000
2.04	Library	30150.07	1,890,000	14,610,000	16,500,000
2.04	Archive		-	-	-
2.05	Southland Aquatic Centre	30120.17402	910,000	13,090,000	14,000,000
2.06	Southland Museum	30050.564	480,000	6,170,000	6,650,000
2.07	Parking Building	--	--	--	--
2.08	Bluff Senior Citizens Centre	30380.26202	170,000	60,000	230,000
2.09	Solid waste Transfer Station				
2.1	Rugby Park Stadium				
2.11	Anderson House				
2.12	Surrey Park Grandstand				
	Housing Care				
3.12	Miller Street	30120.133	70,000	445,000	515,000
3.03	Aurora Place	30250.188	165,000	745,000	910,000
3.13	Neville Place	30250.18801	165,000	1,185,000	1,350,000
3.06	Elston Lea Village	30230.40601	540,000	3,460,000	4,000,000
3.14	Niven Place	30170.673	89,000	601,000	690,000
3.19	Strathpine Flats	30170.592	105,000	585,000	690,000
3.08	Kelly Court	30170.643	89,000	601,000	690,000

Portfolio	Activity / Building Asset	Valuation Number	Rating Valuation 2020 Land \$	Rating Valuation 2020 Improvements \$	RV 2020 Total \$
3.16	Pateke Place	30090.36301	119,000	551,000	670,000
3.11	Laurel Court	29970.207	232,000	575,000	810,000
3.10	Korimako Place	30090.53301	90,000	890,000	980,000
3.04	Cairnsmore Flats	30140.054	415,000	675,000	1,090,000
3.01	Aidan Place	30180.286	118,000	762,000	880,000
3.09	Kinross Flats	30380.587	68,000	332,000	400,000
3.2	Thorndale Flats	30070.535	50,000	660,000	710,000
3.18	Stirling Flats	30380.67201	140,000	260,000	400,000
3.05	Clarendon Court	30240.16202	144,000	1,316,000	1,460,000
3.21	Willow Park	30090.65601	185,000	535,000	720,000
3.17	Powell Court	30230.132	149,000	476,000	625,000
3.15	Otarewa Village	30170.49001	550,000	1,660,000	2,210,000
		30170.49002	3,000	1,500	4,500
3.02	ANZAC Court	30380.663	86,000	324,000	410,000
3.07	Jim Brass Place	30180.12201	81,000	559,000	640,000
	Public Toilets				
4.01	Wachner Place Restroom				
	Investment Property				
5.1	20 Don St				
	Commercial Leases – ICC Depts				
	Industrial Reclamation 121 Bond Street				
5.6	141 Bond Street	30150.11615	530,000	10,000	540,000
		30150.116	1,530,000	370,000	1,900,000
	Parks Buildings				
	To be inserted				

Portfolio	Activity / Building Asset	Valuation Number	Rating Valuation 2020 Land \$	Rating Valuation 2020 Improvements \$	RV 2020 Total \$
	TOTAL		13,323,000	60,518,500	73,844,500

8.5.5 Insurance Valuations

The Insurance Valuation is the value calculated for building assets which is used for protection of the Council from future loss. The Insurance Valuation includes separate items for reinstatement, demolition and inflation effects to give a total insured value. This valuation assumes reinstatement of an asset to its existing condition at the time of loss which may include deteriorated condition and low seismic capacity.

Property within the city boundary is valued every two years by an Investment Property staff in conjunction with the Council's insurance broker.

Insurance Valuations have been updated in July 2010. The new values are shown in Table 8.5.5 below.

Table 8.5.5

Portfolio Reference	Activity / Building Asset	Replacement Value \$	Replacement Inflation \$	Indemnity Value \$	Indemnity Inflation \$	Demolition \$	Insured Value Total \$
	Corporate Buildings						
1.01	Civic Administration Building	16,500,000	25,640,000	6,450,000	258,000	1,350,000	20,490,000
1.02	Bluff Service Centre	1,370,000	160,000	650,000	26,000	80,000	1,610,000
	Community Facilities						
2.01	Animal Care Facility	890,000	60,000	790,000	32,000	70,000	1,020,000
2.02	Civic Theatre	35,100,000	4,910,000	25,370,000	880,000	990,000	41,000,000
2.03	Scottish Memorial Hall	4,340,000	610,000	1,450,000	58,000	270,000	5,220,000
2.04	Library	17,700,000	2,830,000	11,190,000	448,000	1,060,000	21,590,000
2.04	Archive	3,240,000	360,000	2,640,000	106,000	260,000	3,860,000
2.05	Southland Aquatic Centre	38,000,000	6,100,000	24,020,000	960,000	1,190,000	45,290,000
2.06	Southland Museum and Art Gallery	25,200,000	3,780,000	9,626,000	385,000	670,000	29,650,000
2.07	Parking Building Leven Street	9,100,000	1,270,000	4,210,000	168,000	1,160,000	\$11,530,000
2.08	Bluff Senior Citizens Centre	670,000	60,000	282,000	11,300	43,000	773,000
2.09	Waste Transfer Station	3,470,000	420,000	2,050,000	82,000	270,000	4,160,000
2.1	Rugby Park Stadium	19,500,000	2,540,000	13,530,000	541,000	900,000	22,940,000
	Rugby Park Score Board	103,000	10,000	30,000	1,200	10,000	123,000
	Rugby Park Media Tower	1,170,000	150,000	990,000	39,600	70,000	1,390,000
	Rugby Park Caretakers shed/gym	450,000	60,000	90,000	3,600.00	40,000	550,000
	Rugby Park Terraces	1,600,000	210,000	1,000,000	40,000	110,000	1,920,000
	Rugby Park Lights	1,660,000	220,000	410,000	16,400	45,000	1,925,000
2.11	Anderson House	5,900,000	708,000	1,366,000	54,600	156,000	6,764,000
	Anderson House Workshop and Service Building	340,000	27,000	84,000	3,400	39,000	406,000
	Anderson House Carved Building and Toilets	96,000	9,000	40,000	1,600	5,000	110,000
2.12	Surrey Park Grandstand	2,990,000	329,000	759,000	30,400	140,000	3,459,000
	Housing Care						
3.01	Aidan Place – 132 Princes Street	1,110,000	100,000	577,000	23,100	53,000	1,263,000

Portfolio Reference	Activity / Building Asset	Replacement Value \$	Replacement Inflation \$	Indemnity Value \$	Indemnity Inflation \$	Demolition \$	Insured Value Total \$
3.02	ANZAC Court – 9 Tone Street	880,000	79,000	543,000	21,700	45,000	1,004,000
3.03	Aurora Place – 15-29 Janet Street	1,150,000	104,000	299,000	12,000	56,000	1,310,000
3.04	Cairnsmore Flats – 160 Leet Street	1,480,000	133,000	747,000	29,900	70,000	1,683,000
3.05	Clarendon Court – 60 Stirrat Street	1,810,000	181,000	1,036,000	41,400	83,000	2,074,000
3.06	Elston Lea Village – 50 Murphy Street	5,860,000	740,000	2,250,000	90,000	252,000	6,852,000
3.07	Jim Brass Place – 154 Elles Road	550,000	50,000	354,000	14,200	34,000	634,000
3.08	Kelly Court – 210 Crinan Street	760,000	53,000	289,000	10,100	36,000	849,000
3.09	Kinross Flats – 30 Henderson Street	890,000	80,000	436,000	17,400	44,000	1,014,000
3.1	Korimako Place – 12 Waverly Street	1,200,000	108,000	571,000	22,800	56,000	1,364,000
3.11	Laurel Court – 2 Maltby Street	950,000	86,000	443,000	17,700	44,000	1,080,000
3.12	Miller Street – 13-29 Miller Street	530,000	42,000	139,000	5,600	29,000	601,000
3.13	Neville Place – 26 Selwyn Street	1,840,000	184,000	813,000	33,000	74,000	2,098,000
3.14	Niven Place – 104 Earn Street	760,000	61,000	289,000	11,600	36,000	857,000
3.15	Otarewa Village – 90 Conon Street	2,830,000	311,000	1,723,000	68,900	115,000	3,256,000
3.16	Pateke Place – 429 Yarrow Street	920,000	83,000	391,000	15,600	42,000	1,045,000
3.17	Powell Court – 295 Pomona Street	740,000	67,000	441,000	17,600	35,000	842,000
3.18	Stirling Flats – 25 Gregory Street	900,000	81,000	478,000	19,100	45,000	1,026,000
3.19	Strathpine Flats – 246 Ettrick Street	760,000	61,000	289,000	11,600	36,000	857,000
3.2	Thorndale Flat – 3 Lithgow Street	790,000	71,000	419,000	16,800	37,000	898,000

Portfolio Reference	Activity / Building Asset	Replacement Value \$	Replacement Inflation \$	Indemnity Value \$	Indemnity Inflation \$	Demolition \$	Insured Value Total \$
3.21	Willow Park - 64 Adamson Crescent	1,210,000	109,000	704,000	28,200	56,000	1,375,000
	Public Toilets						
4.01	Wachner Place Restroom	1,070,000	90,000	770,000	31,000	50,000	1,210,000
4.02	Don Street Exeloo	180,000	14,000	37,000	1,000	2,000	196,000
4.03	Dee Street South Exeloo	160,000	13,000	88,000	3,500	2,000	175,000
4.04	Leven Street Exeloo	149,000	12,000	126,000	5,000	2,000	163,000
4.05	Windsor Exeloo	180,000	14,000	46,000	1,800	2,000	196,000
4.06	Glengarry Exeloo	180,000	14,000	91,000	3,600	2,000	196,000
4.07	South City Exeloo	180,000	14,000	101,000	4,000	2,000	196,000
4.08	Bluff Stirling Point Exeloo	198,000	16,000	40,000	2,000	2,000	216,000
4.09	Bluff Service Centre Exeloo	180,000	14,000	37,000	1,000	2,000	196,000
4.10 &12	Parks Exeloo Toilets (Coronation Ave and Winter gardens)	380,000	30,000	75,000	3,000	4,000	414,000
4.11	Queens Park second Circle	188,000	15,000	141,000	5,600	2,000	205,000
4.13	Queens Park Playground	301,000	27,000	147,000	5,900	11,000	339,000
4.14	Queens park Tennis Area Permaloo	69,000	4,000	65,000	2,600	1,000	74,000
4.20	Donovan Park	130,000	8,000	54,000	2,200	6,000	144,000
4.22	Elizabeth Park	95,000	6,000	39,000	1,600	4,000	105,000
4.28-43	Parks Environmental Toilets	420,000	27,000	205,000	8,200	19,000	466,000
	Investment Property						
	20 Don St	16,900,000	2,700,000	16,370,000	655,000	1,550,000	21,150,000
5.2	Awarua – Buildings						
	Awarua Farm House 1	460,000	41,000	154,000	6,200	22,000	523,000
	Awarua Farm House 2	320,000	29,000	248,000	9,900	17,000	366,000
	Awarua Farmhouse	500,000	45,000	76,000	3,000	23,000	568,000
	Awarua Farmhouse	330,000	30,000	51,000	2,000	22,000	382,000
	Awarua Farmlet and Ancillary Buildings	550,000	50,000	221,000	8,800	42,000	642,000
	Awarua Ancillary Sheds	620,000	62,000	224,000	9,000	94,000	776,000

Portfolio Reference	Activity / Building Asset	Replacement Value \$	Replacement Inflation \$	Indemnity Value \$	Indemnity Inflation \$	Demolition \$	Insured Value Total \$
	Awarua Generator Sheds & Garages	430,000	34,000	64,000	2,600	114,000	578,000
5.2.2	Awarua Milking Shed & Storage Plant	2,000,000	180,000	535,000	21,400	96,000	2,276,000
5.2.8-5.2.10	German Cottages (3)	960,000	90,000	714,000	28,600	54,000	1,104,000
5.2.11	Awarua Homestead	740,000	74,000	143,000	5,700	109,000	923,000
	Commercial – Buildings						
5.3	20 Spey Street	1,160,000	104,000	304,000	12,200	117,000	1,381,000
	Strategic Property						
5.4	69 Don Street	630,000	57,000	204,000	8,200	37,000	724,000
	Parks Buildings						
	Buildings – Public use:						
6.31	Tea Kiosk	870,000	78,000	386,000	15,400	33,000	981,000
6.57 – 6.60	Winter Gardens	1,560,000	172,000	362,000	14,500	83,000	1,815,000
6.62	Information Centre (Rangers Station)	180,000	14,000	76,000	3,000	11,000	205,000
	Buildings – Offices / Amenities						
	Park Operations yard	2,320,000	278,000	778,000	31,100	340,000	2,938,000
6.32	Workshop and Offices	5,630,000	680,000	780,000	31,000	750,000	7,060,000
	Garaging - Parks	130,000	10,000	84,000	3,400	16,000	156,000
	Workshop, Garage, Administration Offices	2,360,000	236,000	561,000	22,400	209,000.00	2,805,000
6.13	Cemetery Buildings	294,000	24,000	151,000	6,000	19,000	16,000
	Buildings – Pavilions / Shelters						
	Buildings – Workshop / Storage / Equipment sheds						

Portfolio Reference	Activity / Building Asset	Replacement Value \$	Replacement Inflation \$	Indemnity Value \$	Indemnity Inflation \$	Demolition \$	Insured Value Total \$
6.14	Cemetery Shed	276,000	22,000	202,000	8,100	32,000	330,000
	Workshop Parks	157,000	13,000	91,000.00	3,600	21,000	191,000
6.49 – 6.55	Buildings – Aviary	1,770,000	159,000	669,000	26,800	86,000	2,015,000
6.17-6.18	Nursery Complex	1,490,000	149,000	650,000	26,000	167,000	1,806,000
	Animal Enclosure	359,000	29,000	284,000	11,400	28,000	416,000
6.06	Crematorium	2,660,000	293,000	987,000	39,500	133,000	3,086,000
6.07	Cremator	\$500,000	\$20,000	\$500,000			\$520,000
6.05	Bluff Camping Ground	690,000	62,000	407,000	16,300	43,000	795,000
	Buildings – Plants						
	Residences						
6.61	Rangers Dwelling	380,000	30,000	151,000	6,000	37,000	447,000
6.68	Dwelling Sandy Point	350,000	32,000	142,000	5,700	32,000	414,000
						Total =	319,642,000

8.5.6 Depreciation Forecast - Book Value

Historically buildings have had depreciation calculated at 2%, which provides an asset life of 50 years. This uses an average life of components and although some elements may have shorter lives, say a roof, others would have a longer life and an average approach has been taken.

Depreciation for buildings has been calculated for this Asset Management Plan using the fair value of the building and remaining useful life of each component rather than an average expected life which is derived from accounting standards.

“Fair value” which is used in this calculation is established by the valuation process provided by QV in Section 8.5.2. This valuation process provides values at a component level which has allowed a more sophisticated approach to be considered.

Fair Value is the current market of the component.

Components of building assets are:

- Structure – substructure, frame, walls, upper floors, windows and doors.
- Roof – roof structure, linings and materials.
- Services - Electrical (switchboards, cabling, sockets, lights).
- Services - Plumbing and Drainage, (domestic hot and cold water, sewage, storm-water, soil drainage).
- Internal Fit-out – stairs, wall ceiling and floor finishes, internal doors and decoration.
- Plant – heating, ventilation and air condition – does not include heat source i.e. Boiler.
- External Works/Other Improvements – parking, layout, fencing and any other improvement on the land outside the exterior face of the building – excludes planting.

This approach takes the current fair value and when divided by the remaining useful life provides the consumption or depreciation value. Taking this at component level as above, means the impacts of low remaining lives are taken into account in the assessment of calculated depreciation.

The tables in Sections 8.2.2 above show programmed capital renewal costs plus are less than the depreciation amount. This means that there is a gap between renewal funding and depreciation.

Future decisions will need to be made for there to be a viable and financially acceptable solution for renewal funding, particularly in the case of Housing Care. This gap could be bridged by loans or third party funders to meet future costs. The Civic Theatre as a Category 1 Heritage building will need over the next period to have more detailed assessment of funding models and be treated differently because of the expectation that the building will remain at similar delivery and service levels for long periods.

What has been identified by the condition ratings undertaken, is that there is some certainty and a level of accuracy over demand projections (for works needed to keep the buildings at similar level but older) for the next 10 and 30 years and the funding levels currently in the LTP period are sufficient to meet the demands. The information also supports that there is no unseen financial demand just beyond 30 years but should recognise that the current calculated depreciation is well in excess of the current available funding. leaving a gap.

The Activity Plan for Housing Care has an improved funding approach which is reliant on an increase of rents to maintain the delivery of the service in the long term and provide some capital for renewal and expansion of the service.

Council is transitioning within areas such as piped networks to renewing its assets measured against consumption (assessed depreciation) known as funding depreciation. A future progression to a similar approach to building assets will be developed and communicated.

Any proposed new assets added to the portfolio will need to consider whole of life costs and how depreciation is considered and funded in their financial forecasts.

Depreciation is shown in Table 8.5.6 below.

Table 8.5.6 Depreciation - Fair Value

8.5.7 Depreciation - Fair Value By Components

Portfolio	Building	Structure	Roof	Electrical	Plumbing	Interior Fit-out	Plant	Site Improvement	Depr'n 2020	Book Value Closing 2020
	Corporate Buildings									
1.01	Civic Administration Building	126,303	7,398	24,999	18,749	94,633	45,800		317,881	4,217,118
1.02	Bluff Service Centre	9,936	2,141	2,400	1,530	5,609	5,404	80	27,101	289,900
	Community Facilities									
2.01	Animal Care Facility	8,559	1,427	878	1,171	2,267	732	400	15,435	778,568
2.02	Civic Theatre	141,599	23,630	58,385	15,171	179,048	90,937		508,771	17,349,231
2.03	Scottish Hall	28,330	6,869	4,868	4,612	27,993	3,201	1,600	77,475	456,525
2.04	Library and Archive	147,107	23,609	38,064	23,674	60,063	136,933		429,450	12,650,550
2.05	South Aquatic Centre	364,697	35,690	51,025	81,639	107,123	618,419	15,000	1,273,594	16,112,406
2.06	Southland Museum and Art Gallery	Southland Museum and Art Galleries will fund depreciation								
2.07	Parking Building	86,933		8,189	4,549	23,183	9,560		132,414	3,530,586
2.08	Bluff Senior Citizens Building	4,661	1,108	802	760	4,613	537	100	12,581	211,509
2.09	Solid Waste Transfer Station	47,530	10,081	1,422	349	435	5,081	2,400	67,299	1,807,741
2.1	Rugby Park Stadium	341,205							341,205	13,845,795
2.11	Anderson House									
2.12	Surrey Park Grandstand	24,586	3,768	2,446	3,127	3,780	1,890	1,400	40,997	584,003
	Housing Care									
3.01 - 3.21	Housing Care	148,639	72,622	52,461	42,539	593,724		10,300	920,285	15,746,775
	Public Toilets									
4.01 - 4.43	Toilets	36,907	4,565	2,587	9,955	18,369	752	300	73,435	1,143,286

Portfolio	Building	Structure	Roof	Electrical	Plumbing	Interior Fit-out	Plant	Site Improvement	Depr'n 2020	Book Value Closing 2020
	Parks Buildings									
6.01 – 6.04	Anderson Park	2,172	237	94	140	492	84		3,218	58,783
6.05 - 6.06	Bluff Camp Ground	2,958	1,005	536	557	874	253	1,200	7,384	251,617
6.07 - 6.15	Cemetery/Crematorium	21,525	5,772	3,490	3,306	8,851	10,272	1,400	54,616	1,078,383
6.18 - 6.20	Nursery	23,091	1,802	784	532	686	2,662	800	30,357	584,440
6.21 – 6.34	Other Parks Buildings	5,805	833	272	163				7,073	223,534
6.35 - 6.37	Parks Office	22,464	5,405	2,091	1,397	4,400	1,074	2,100	38,930	551,066
6.38 - 6.63	Queens Park	107,769	9,630	6,948	6,684	13,730	7,927	4,400	157,088	2,234,915
6.64 - 6.72	Sandy Point	8,292	1,071	623	839	6,660		300	17,785	291,214
	Total	1,711,067	218,665	263,364	221,445	1,156,534	941,518	41,780	4,554,372	93,997,945

Note that this table excludes some buildings such as Southland Museum and Art Gallery and Investment Buildings.

8.6 CONFIDENCE LEVELS IN PROGRAMMES

Building Assets had a confidence level assessment in 2017 and was assessed as level B, meaning that they are within an accuracy of $\pm 10\%$. A further confidence level assessment needs to be made of 2020 data. Condition assessments are currently undertaken to a detailed level and these provide us with sound data for projected renewal programmes.

8.7 RELIABILITY OF FINANCIAL FORECASTS

8.7.1 Maintenance and Renewal Forecasts

As mentioned above we have a confidence in our programme of $\pm 10\%$, if we were to make an error which had an impact on our budgets negatively in any one year we would first reduce the contribution to the LSOP reserve. If it was for a large renewal project and there were insufficient funds in the LOSP reserve, this would require either a reduction in the scope of the project, the timeline to be increased or would require us to use Councils good financial credit rating and debt fund the difference.

Any operational efficiencies that are achieved are first used to pay any negative reserves, if there is none then it is used to pay any loaned debt on the asset, if there is neither then an extra contribution would be made to the LOSP reserve.

8.7.2 Development Forecasts

Development forecasts are either provided by a quantity surveyor or calculated from QV Cost Builder which is the tool used by quantity surveyors to calculate the cost of new developments. There is usually a contingency built into the projected costs of any growth projects, this increases the confidence we have in the forecast financial programmes.

8.8 SUMMARY OF PROGRAMME ASSUMPTIONS

The following assumptions are particular to Building Assets, these are a continuation from the assumption documented in Section 2.4.

Assumption	Likelihood	Area of Impact	Financial Implication
The Property Team will remain in its current configuration.	High – The CEO has established a preferred structure and staff level. A new Group Manager has been appointed	Portfolio and organisational structure has changed dramatically for the Activity, should now be stable.	No significant implication
Capital programmes are achievable and not delayed further.	Moderate – Strategic Projects timelines are a current issue, priority and timing certain to creep, .	Projects are delayed and carry forward or additional spending is required.	This would affect the timing of debt but not have a significant effect on the overall programme
Each building's current use and tenant will remain the same.	Moderate – One of the main issues and challenges of this activity.	CAB, Library and Archive, Museum. -Wachner Place Restrooms affected by ACI	If the building was untenanted by Council the ownership of the building would likely be internally

Assumption	Likelihood	Area of Impact	Financial Implication
		- Rugby Park Stadium and Surrey Park Grandstand possibly replaced.	transferred to Investment Property or sold
Business as usual until the strategic direction on the Art Centre and Museum or any new developments are confirmed by Council.	Moderate – A Capital Projects manager / team is needed to carry out large capital building projects	CAB, Museum, Rugby Park, Anderson House.	Re-development projects for the CBD will have a financial impact on other building asset projects and will be taken into consideration.
Valuations moving forward are consistent.	High – Use the same Valuer if possible.	Budgets requirements.	Requirements for renewals would increase this impact.

2021-2031 Long Term Plan Assumptions

Population				
	Assumption	Level of certainty	Impact of uncertainty	Council response
Significant Assumption	<p>Population growth</p> <p>At 30 June 2020, the estimated population of Invercargill was approximately 57,100¹⁵¹⁶.</p> <p>The population growth for Invercargill is around 1%¹⁷. This rate has been observed during eight of approximately the past twelve years, making it a reasonable assumption for the current plan.</p> <p>Based on a 1% growth assumption, the expected population for 2031 is estimated to be around 62,810.</p> <p>Covid-19 might significantly change the previous growth forecasts for Council. Population growth is expected to be minimal in the short term as a result of Covid-19 limiting the ability of students and migrant workers to travel, along with continued aging of the population.</p>	Medium	<p>Council is not planning for a major change in population during the life of the current plan.</p> <p>There are multiple uncertainties related to population growth in Invercargill:</p> <ul style="list-style-type: none"> While International students currently in New Zealand are able to return to SIT for study, the number of EFTS¹⁸ to date for 2021 is only 337. This is compared to 775 in 2020. Riding out recession impacts of Covid-19 Alert Levels 4 and 3 Proposed Tiwai Aluminium Smelter closure Mid-range population forecast but noting underlying increase in population that has already surpassed StatsNZ estimates 	<p>The critical infrastructure and resources that Council provides were designed for a city with a population larger than we are now. Council has appropriate infrastructure and resources to service our population without significant financial impact as we have plenty of room to grow.</p> <p>This is in line with the higher forecast of the Southland Regional Development Strategy.</p> <p>Council will continue to monitor change in population growth during the life of the current long term plan to prepare for/respond to any significant changes realised from the multiple uncertainties identified.</p>
Significant Assumption	<p>Diversity</p> <p>The population will continue to become</p>	Medium	<p>Interruptions to travel may affect international migration although it is not</p>	<p>Council continues to explore new ways of engaging and ensures a balanced</p>

¹⁵ [Subnational population estimates \(TA, SA2\), by age and sex, at 30 June 1996-2020 \(2020 boundaries\) \(stats.govt.nz\)](#)

¹⁶ [Stats NZ Overview of data quality ratings, interim coverage and response rates, and data sources for 2018 census](#)

¹⁷ As above.

¹⁸ EFTS – Equivalent Full Time Student

	more diverse. The Maori population will grow from 17% to 19% ¹⁹ . The Asian population will grow from 6% to 9% ²⁰ .		expected to effect this assumption significantly. Impact of uncertainty is low.	sample in customer research to ensure it understands changing needs and expectations.
Significant Assumption	Ageing population Those aged 65 and older will form 23% of the population in 2031, which is higher than the current aged population in 2020 ²¹ (estimated at 10,000 of 57,100, or 17.51%) ²² .	High	The pattern of aging in the population is a long-term trend which is not expected to be disrupted.	The needs of older people and younger people are different from those in the working age and Council will continue to consider the needs of all users of its services.
Significant Assumption	Households The number of households will increase as the population ages. The size of households will decrease slightly and may vary between 2.35 and 2.25 people over the time of the infrastructure strategy ²³	Medium	The impact of a potential decline in numbers of students and migrant workers on demand for housing is uncertain.	Council's infrastructure has sufficient capacity to accommodate the potential increase in population and/or demand.

¹⁹ Growth in line with NZ stats estimate of 2% growth in the Southland region (NZ. Stats, population projections)

²⁰ Growth in line with NZ stats estimate of 3% growth in the Southland region (NZ. Stats, population projections)

²¹ NZ Census Area unit forecast

²² [Subnational population estimates \(TA, subdivision\), by age and sex, at 30 June 2018-20 \(2020 boundaries\)](#)

²³ To calculate the projected average occupancy rates we took past and projected population data from Statistics New Zealand and cross referenced this to past and projected number of households. The average occupancy is the total population divided by the total occupied households.

Economy				
	Assumption	Level of certainty	Impact of uncertainty	Council response
Significant Assumption	COVID-19 The lockdown and potential future impacts of COVID-19 may negatively impact residents' ability to pay rates. This could lead to a short term cashflow impact and increased rates arrears. Rates arrears could increase further.	Medium	To date there has been little impact on our rates receipts and the response to the new rates postponement and remission policy has led to a number of ratepayers contacting Council to go onto a payment plan for their rates.	Council has adopted an additional policy for postponement and remission of rates. This policy allows ratepayers financially impacted by COVID-19, to delay payment of up to 1 year's rates. Council staff will work with affected ratepayers to set up affordable payment plans.
Significant Assumption	Economy A recessionary period is expected for the first five years of the LTP and longer-term structural changes to the economy beyond this time. This will lead to higher unemployment and lower GDP. ²⁴	Medium	The shape of the recession (u or v) is as yet unknown. The relative impact across regions, based on industries impacted most by COVID-19, as well as potential impacts of proposed Tiwai closure and SIT becoming a subsidiary of Te Pūkenga needs to be better understood by Council in order to reduce this uncertainty. Significant errors in this area could have a significant impact on Councils budgets over the forecast period ²⁵ .	Council will focus on efficiency savings. Investment will only be made in activities which can be serviced. Council will continue to review its work programme and priorities as the level of uncertainty reduces.
Significant Assumption	Community funding Council can expect to see increased funding applications from groups as a result of Covid-19 and its impact on Community Trust of Southland and Invercargill Licencing Trust's ability to fund.	Medium	The immediate impact of Covid-19 has been seen in the local community, with reduced funding available from major community funders including the Community Trust of Southland and Invercargill Licencing Trust and Foundation.	Council acknowledges the potential community expectation that Council will be positioned to distribute grants to fund community wellbeing related activities.

²⁴ BERL Local Government Cost Adjustor Forecasts – Three Scenarios Reference No: #6109

²⁵ <https://www.infometrics.co.nz/industry-concentrations-and-the-fall-of-think-big/> ; <https://www.infometrics.co.nz/examining-the-nz-industries-hit-hardest-by-the-covid-19-pandemic/> ; BERL Local Government Cost Adjustor Forecasts – Three Scenarios Reference No: #6109

Significant Assumption	Economic diversification Volatility in the global economy may affect one or more of Invercargill's key export industries. This will drive diversification but will slow growth. There may be a delayed effect through the risk of impacted industries abandoning properties.	Medium	The relative impact needs to be better understood by Council to reduce uncertainty, as significant errors could have a significant impact on Council budgets over the forecast period ²⁶ . This may directly impact rates and ability of Council to fund projects.	Council will continue to monitor changes in the global markets.
Activity Report Level	Central Business District Following a period of static activity until 2023 when the City Block development is complete, the CBD will become more vibrant and have increased connectivity. Council will work in collaboration with others to enable strategic activities and initiatives to support the success of the CBD.	High	The city centre is at the centre of Council's vision. As with any major investment of this type there is a level of uncertainty as to the impact of the development on future use patterns within the city. If the development does not succeed in drawing people to the city centre it will have an impact on Council strategy.	Council strategic activities and economic development activities delivered through Great South will align to support the success of the city centre projects Streetscape works will be designed to support connectivity to the city centre. Council will need to plan for the structural change this is anticipated to involve. Council has support for heritage buildings through the Regional Heritage Strategy and associated funds to support businesses managing high costs of older buildings.
Significant Assumption	Tourism Tourism numbers will slowly increase, returning to 2019 levels by 2031.	Low	The tourism sector is the hardest hit in the economy and is not expected to fully recover out to 2030. This may have an impact on the Airport and other infrastructure needs that may or may not be required in short term as tourist numbers reduce.	Council expects some impact, but tourism is not a major proportion of Invercargill's GDP so the effect is expected to be relatively minor.

²⁶ <https://www.infometrics.co.nz/industry-concentrations-and-the-fall-of-think-big/> and <https://www.infometrics.co.nz/examining-the-nz-industries-hit-hardest-by-the-covid-19-pandemic/>

Significant Assumption	International education The numbers of International students studying at the Southern Institute of Technology will slowly increase back to 2019 levels by 2031.	Low	Students are an important part of the economy, creating significant demand. The impact on retail, hospitality and housing could be significant.	Council is working with Great South on economic development.
Social and cultural				
	Assumption	Level of certainty	Impact of uncertainty	Council response
Activity Level	Māori culture Māori culture will become more visible in the city.	Medium	Increased awareness of the need to recognise Maori culture and tikanga (methodology), with a particular focus on partnership, participation and protection.	Council will invest more in Maori engagement to ensure strategic projects reflect Maori culture in the city.
Activity Level Significant Assumption	Socio-economic The impact of COVID-19 is yet to be realised, and there may be changes in Invercargill's socio-economic patterns over time. Māori have been disproportionately affected by the economic crisis brought about by the COVID-19 containment measures, and it is expected to continue to play out over the ten year recovery period. ²⁷	Medium	With GDP softening the long range economic outlook will hinge largely on the ability for the current and successive governments to provide economic stimulus. This may have an impact on Council activities that rely on users discretionary spend for revenue	Council acknowledges the potential community expectation that Council will be positioned to distribute grants to fund community wellbeing related activities.

²⁷ BERL (July 2020). Economic Scenarios to 2030. The post-COVID-19 scene.

Resilience				
	Assumption	Level of certainty	Impact of uncertainty	Council response
Significant Assumption	Community wellbeing The COVID-19 response measures will have long term impacts on the wellbeing of communities, requiring a long term perspective response.	Medium	The situation is evolving and will continue to be monitored.	Council has tasked Great South, the regional development agency, to focus on resilience and economic diversification. A Community Wellbeing Fund has been established.
Asset/ Activity Plan level	Community resilience The amalgamation of Southern Institute of Technology with Te Pūkenga, and the potential loss of zero fees advantage, will have an uncertain long-term effect on Invercargill's population and economy.	Medium	The effects of COVID-19 on immigration will impact student numbers in the short to medium term. The risk of losing the zero fees advantage could have an impact on our growth strategy.	Council funds Great South to promote the region and continues to monitor and plan for the impact.
Asset/ Activity Plan level	Community resilience Tiwai Point Aluminium Smelter will continue to operate until 31 December 2024.	Medium	A transition plan will be developed to prepare for the eventual closure. It is not yet clear where and how the impact will be felt in the community.	Council is working with the Just Transition team and Great South on economic diversification.
Significant Assumption	Natural disaster No natural disaster is expected to impact the City during the life of the plan.	Medium	The impacts of a disaster will be assessed at the time and an appropriate response prepared. Infrastructure renewals are undertaken using resilient design practices.	Council has a focus on resilience. Council continues to support and invest in Emergency Management Southland.

Environment – Climate Change

Climate change impacts will vary across regions in Southland. The following is a summary of impacts taken from the *Southland climate change impact assessment, August 2018* report.

	Assumption	Level of certainty	Impact of uncertainty	Management response
Significant	Mean annual and extreme temperatures (days where temp. exceeds 25°C) are expected to increase with time: By 2040: mean annual temperature increase of 0.5-1°C with 0-10 more hot days per annum. By 2090: mean annual temperature increase of 0.7-3°C, with 5-55 more hot days per annum.	High	Water - Longer period of drought may result in increased demand, whilst flood events create turbidity and increase the cost to treat for consumption. Flood Banks – increased temperature results in more extreme weather events, with a corresponding increase in height and frequency of storm surges.	A planned pathway for the review of these assumptions and the impacts will minimise large impacts upon activities.
Significant	Annual rainfall is expected to increase: By 2040: +0-10% By 2090: +5-20% Increased frequency of high rainfall days, i.e. increase in intensity of rainfall.	High	Roading - increased frequency and intensity of rainfall may require extra drainage works in the road network that may alter long-term maintenance costs Stormwater – increased frequency and intensity of rainfall events resulting in increased demand on the network. Wastewater - Increased frequency and intensity of rainfall events results in infiltration and inflows that increase volumes to be treated.	A planned pathway for the review of these assumptions and the impacts will minimise large impacts upon activities.
Significant	Mean sea level is expected to rise. By 2040: 0.2-0.3 m By 2090: 0.4-0.9 m	High	Errors in modelling will have significant impact on capital works programme required Stormwater – increased tailwater levels require consideration for outfall design. Flood Banks – Renewals need to consider increased sea level during design life. Sewerage – Clifton outfall may need to be pumped long term.	A planned pathway for the review of these assumptions and the impacts will minimise large impacts upon activities.

Council operations

	Assumption	Level of certainty	Impact of uncertainty	Council response
Significant Assumption	Council services and structure Council is planning for the current structure to deliver the current set of services, with the exception of water and sewerage.	Medium	If amalgamation does occur, costs to the ratepayer will remain the same, although revenue and financing will be done by a different operator.	Council will proactively engage with neighbouring authorities and central government to ensure that the best result is achieved from any amalgamation.
Asset/Activity Level	Water Reform As a result of the Central Government directed Waters Reform, it is assumed there will be a change in water reticulation and sewerage delivery services within the life of the plan. This will result in a structural change for Council in relation to the ownership of assets and associated debt capacity. The services will continue to be delivered, but these will be provided by another party. This will include increased regulatory requirements as required by the new regulatory authority.	High	The services will continue to be delivered but these will be provided by another party. This will be managed in line with Government best practice, and will remain within the Council financial and 10-year assumptions.	Council will assess proposed reform options when Central Government has provided their final recommendations to Local Government entities. Council will proactively engage with neighbouring authorities and central government to ensure that the best result is achieved from any reforms. Council is incorporating management of this potential outcome through planning for management of debt.
Asset/Activity Level Significant Assumption	Legislative changes There will be changes to legislation that have an impact on how Council will provide services. These changes may affect the Council organizational structure but not change the level of service received by the customer/ratepayer.	High	Changes may affect the Council organizational structure but not change the level of service received by the customer/ratepayer.	Management will continue to engage with Government and plan for changes in services in response to policy and regulation changes as these arise.

Asset/Activity Level	Consents Council will continue to carry out legislation-directed ordinary functions while factoring in an increase to required quality for consent conditions.	Medium	If unexpected consent conditions are imposed there may be unexpected costs to compliance.	Council will work with the Regional Council early to minimise the risk of unexpected consent conditions. The cost of obtaining consents, knowing environmental standards are increasing, will be built into activities.
Asset/Activity Level	The Funding Assistance Rate (as advised from Waka Kotahi NZTA) will reduce by 1% each year until reaching 51% funding assistance in the 2023/2024 and then remain at 51% for the life of the plan.	High	Increase in demand on rate funding for roading activities, including the forecast NZTA portion of the city centre streetscape project.	Continue to engage with NZTA on funding assistance.
Asset/Activity Level Significant Assumption	Asset life Assets will remain useful until the end of their average useful life, assuming asset average life expectancy assumptions are correct. ²⁸ Infrastructure installed in the 1920s are nearing the end of their lives and require renewal within the term of the Infrastructure Strategy.	High	Assets may need renewal earlier if this assumption is incorrect and change the renewal profile. Or may allow delayed renewal in other cases.	Review the appropriateness of assets at the time of renewal including, where appropriate, whole of life cycle assessment. Increase knowledge of asset conditions to better predict the average use of life if assumptions are lower than expected.
	Investment property and Forestry Investment Property and Forestry Assets are valued on a yearly basis. They are expected to increase in line with inflation. This is reflected in our Financial Strategy, and Accounting policies.	High	Variation in valuations have no cash flow implications for Council.	Continue to value Investment Property and Forestry assets on an annual basis.
Asset/Activity Level	Capital programme delivery Implementation of a Project Management Office will increase effectiveness of delivery of	High	It may take longer to implement the Project Management Office than expected, including as a result of	Active management of project processes, including engaging consultants as required, active and early engagement with

²⁸ Council will use national standards is asset revaluation.

	the capital programme over the Long-term Plan. 75% of the capital programme will be delivered In Year 1, 80% in Year 2, 85% in Year 3.		challenges in attracting qualified personnel. Availability of contractors may have a greater impact than expected. Delay in the programme will result in higher costs as a result of inflation.	contractors. Management of the programme rather than individual projects will enable contractor availability as well as funding levels to be actively managed. The financial risk of higher levels of delivery than expected across multiple areas will be monitored. Any impact of delayed capital expenditure on renewals on maintenance budgets will be actively managed.
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Financial forecasting

	Assumption	Level of certainty	Impact of uncertainty	Council response
Significant Assumption	Inflation Operational forecasts and capital work programmes will increase by the accumulated Local Government Cost Index inflation forecast by BERL.	Medium	Cost change factors are based on information developed for Council's by Business and Economic Research Limited (BERL). Significant variations to inflation would have an impact on Council's financial management.	Council will continue on the planned pathway for the Capital Works programme and review operational revenue & expenses each year.
Significant Assumption	Asset revaluation Asset values will increase by the accumulated Local Government Cost Index inflation forecast be BERL on the last valuation value. Revaluation occurs in 2021/22 and every third year therefore.	Medium	Changes in the valuation or life of Council assets may have a significant impact on Council's financial management and capital programme.	Council will continue on the planned pathway for the Capital Works programme and monitor with after each revaluation cycle.
Activity Report Level	Interest rates - Borrowing Expected interest rates on borrowing will be 2.5%.	High	The treasury report from Bancorp projects the ICC Borrowing interest rate are currently at 2.20% in 2020, and is expected to fall and remain under 2% for the next 10 years. Significantly higher interest rates would impact Council's financial position.	2.5% would allow some upside if the situation changed (interest rates increase or credit rating decreases); but Council have potential to go to 2.25% or 2% to lower costs.
Activity Report Level	Interest rates – Cash and Deposits Return on cash and term deposits are forecasted to expect a negative rate at some stage within 2020/2021.	Medium	Term deposit rates currently vary from 0.5% for under 6 months to a flat 1% for longer. Most forecasts still expect a negative rate at some stage within 2020/2021.	An assumption of 0.5% should be comfortable and if rates do increase again in the future, this will put Council in a more positive position.
Activity Report Level	Dividends from ICHL will be \$4.8m + CPI.	Medium	This would have a negative impact on Council's overall revenue and cash position, which would increase the burden on ratepayers.	Council will consider strategic reliance on dividends noting increased levels of economic uncertainty.
	External Funding It is assumed Council will achieve the	High	The immediate impact of Covid-19 has been seen in the local community, with reduced	Council acknowledges the challenge of obtaining external funding at this time.

	level of external funding as estimated.		funding available from major community funders including the Community Trust of Southland and Invercargill Licencing Trust and Foundation.	Should Council not be able to obtain funding as indicated this would impact project scope and in some cases require further consultation.
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9. DELIVERING AND MONITORING THE PROGRAMME

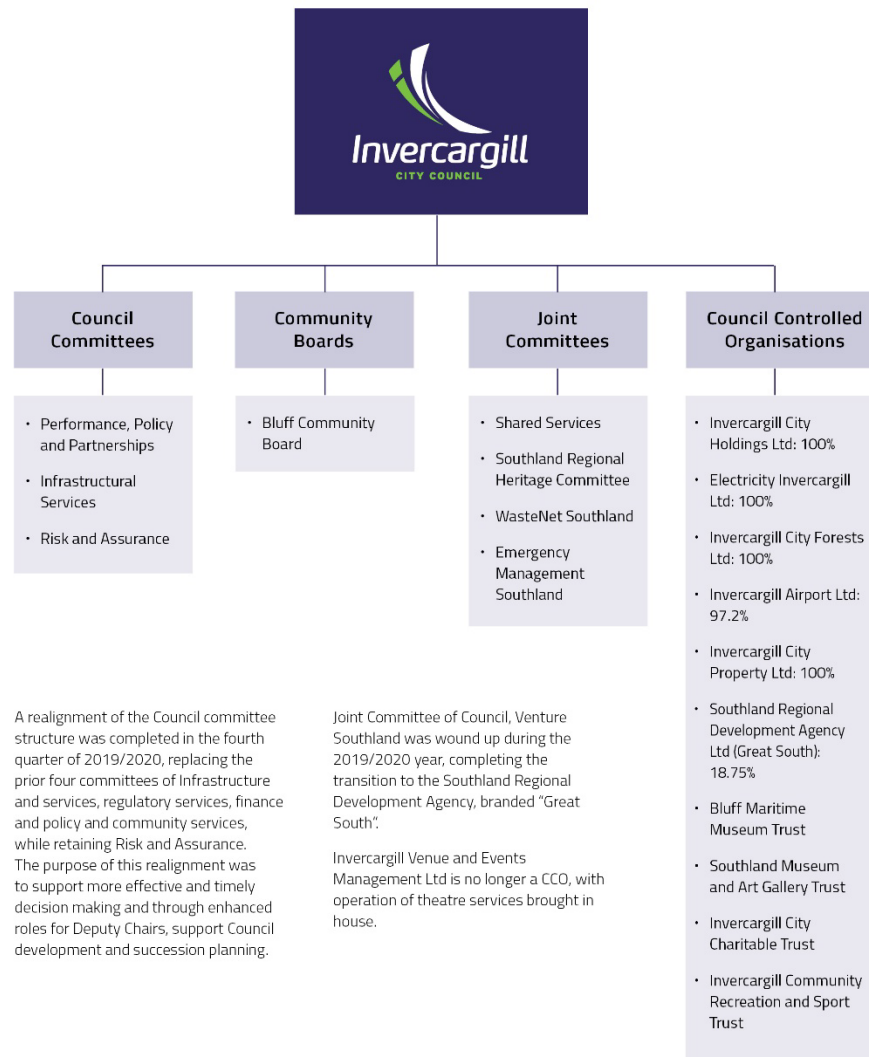
9.1 PROGRAMME GOVERNANCE AND REPORTING

Council operates on a four-weekly cycle with two committees and a Council meeting. These committees have full representation of elected members and accept and receive reports from their relevant Groups with full approval of reports at each meeting. Management Staff attend these meetings to answer any questions that arise.

This reporting process ensures accountability to Councillors and allows for transparency to the public. Further to the two committees and Council, there are smaller sub-committees such as Audit that meets to discuss issues relating to the Annual Report, Annual Plan, Long Term Plan processes and any other audit related issues.

The Bluff Community Board is established as a committee which reports to Council on behalf of the Bluff area and deals with any issues relating to their area. Council provides direction to this committee and has a representative sitting on this board.

Council Structure



Invercargill introduced 7

Councillors are elected on a triennial basis through local government elections with the community voting for 12 Councillors and a Mayor. The Chief Executive role is reviewed every five years. In addition to this, Council undertakes a Representation Review every six years to ensure that the community is aware and accepting of the current Council structure.

Council develops their Long-Term Plan every three years in line with their obligations under the Local Government Act 2002, every year following this Council will adopt an Annual Plan which will make any amendments to the existing Long-Term Plan and allows for members of the community to submit on this process.

Further, Council will provide an Annual Report, which is a full year financial snapshot of Council's activities for that financial year. This is also compared to the financial projections in Council's Long-Term Plan.

9.2 STAKEHOLDER ENGAGEMENT AND COMMUNICATIONS

Council currently utilises a number of methods to engage in consultation with members of the community. The Local Government Act 2002 states specific methods of consultation to be utilised by Council for certain processes, Council adds to this through innovative and community-tailored engagement techniques.

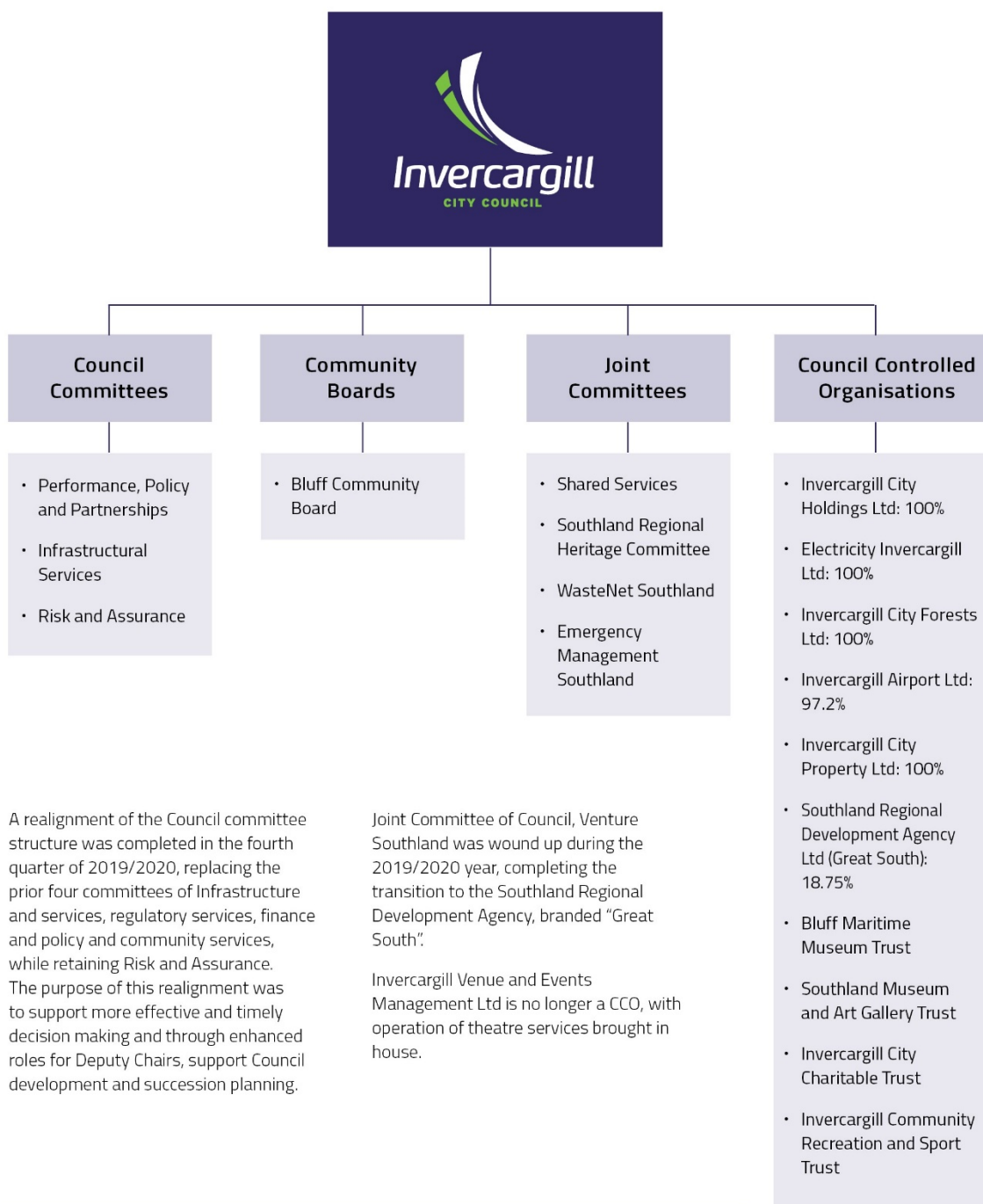
The following are examples of current Council consultation methods:

- Imagine Invercargill is a new engagement website where members of the public can submit ideas on how to improve Council services.
- Consult South is a website that highlights any current or up and coming consultation items.
- Regular use of the Consultation Caravan where members of the public can pop in to ask questions of elected members and staff.
- Public Forums at Council and Committee meetings.
- Public requests to be heard as a specific Agenda item.
- Regular features in the newspapers and rates newsletters which inform ratepayers of issues.
- The City Focus Radio show that highlights current topics that the Council is addressing.
- The Mayor holds appointments with residents who wish to raise issues of concern.
- Community Engagement processes when Council is considering making a significant decision.
- Formal consultation through the Special Consultative Procedure for issues such as the Long-Term Plan and some Bylaws.
- Facebook page where individuals can ask questions and express opinion to Councillors and staff.

9.3 BUSINESS PROCESSES

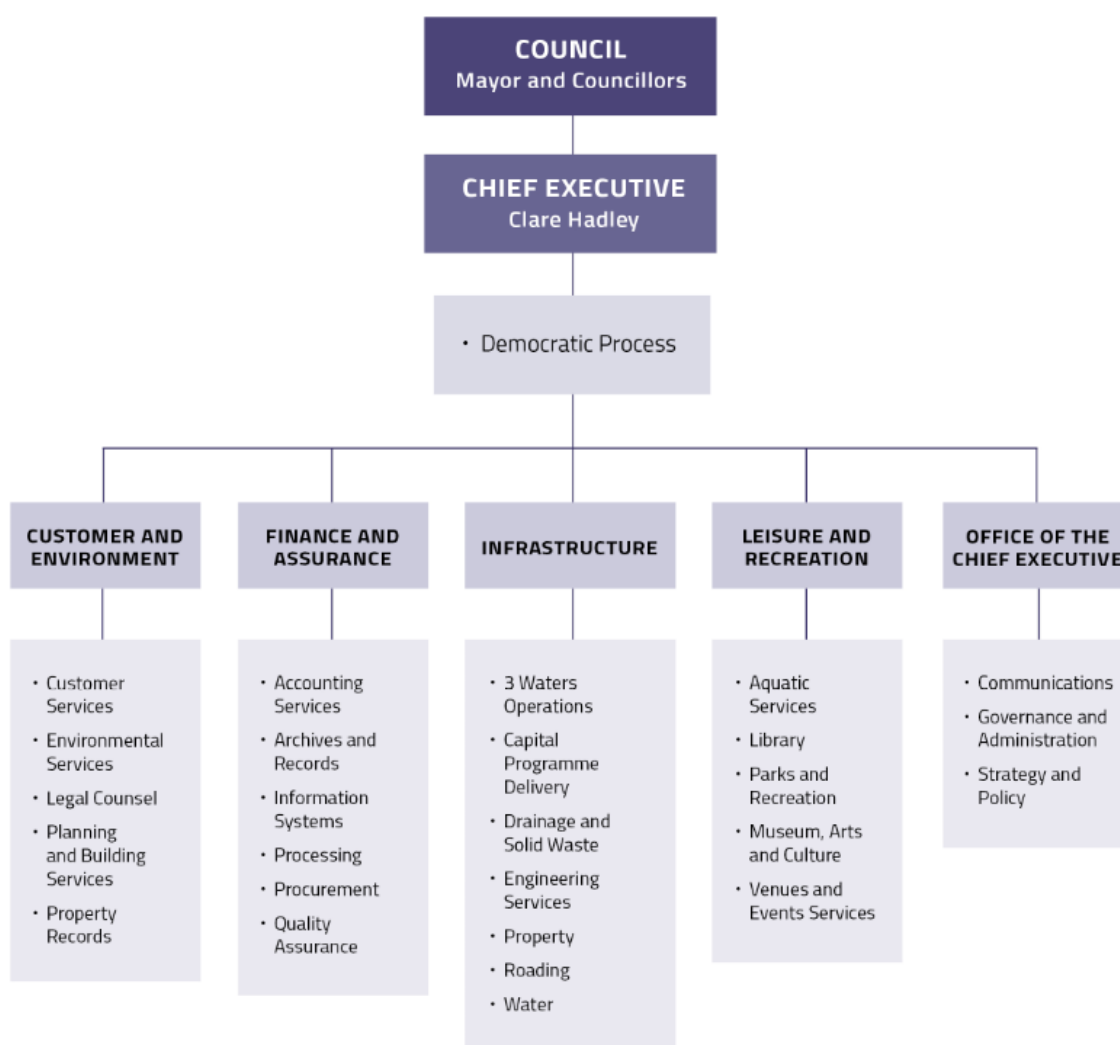
The management structure of the Invercargill City Council is as follows:

Council Structure



Invercargill introduced

Management Structure



Council staff operates under a Delegations Register (Appendix 1.10) that is adopted by Council; this Register lists every department with specific delegations that are required under legislation or Council policies so that staff members are able to carry out their specific job requirements.

Level 3 Managers have a financial delegation authorisation limit of \$20,000 for operations, maintenance, renewal and capital expenditure. Any financial requests above the delegated value are required to be approved by the Level 2 Group Manager of Infrastructural Services or Level 1 Chief Executive.

Property asset maintenance work is managed using IPS (Infor Public Sector) (described in more detail in Section 9.4). IPS provides tools to improve asset efficiency, conduct planned and unplanned maintenance, manage work costs, provide asset inspection scheduling, and assists in optimising assets life cycles.

9.4 INFORMATION SYSTEMS AND DATA

Geographical Information Systems (GIS)

Provides mapping and spatial analysis tools for Council to graphically determine and understand where Council facilities or assets are located. This includes geocoding of our data, putting it on a map, and symbolizing it in ways that can help visualize and understand the data. The software displays how places are related which helps make more informed decisions about the best locations and paths for infrastructure and planning. Utilising these attributes we can use the software to help make predictions and better understand our environment.

Infor Pathway

Delivers a comprehensive offering of fully integrated functionality for managing council related business processes including:

- *Customer Service and People Management* - central name/address register and customer request management;
- *Land and Property Management* - administration tools to assist with land and property management;
- *Revenue Management* - capabilities such as rates accounting, property valuations, debtors and water billing;
- *Regulatory Management* - a comprehensive range of workflow-driven modules to ensure that local and national regulatory legislation for consents processing, parking and animals, and health and liquor licensing are complied with;
- *Internet-enabled customer self-service* - ePathway enables Council customers to conduct local government e-commerce online.

IPS (Infor Public Sector)

IPS is a centralised Asset Management Information System (AMIS) that allows for the effective management of infrastructure assets.. Asset needs analysis in IPS can be used to determine and recommend which maintenance and renew programmes are likely to be needed, to assist with long term maintenance and budgeting plans.

This application has features which provide for:

- Listing of assets in a hierarchical structure e.g. complex, building, facility, equipment. It provides for asset information to be stored e.g. make, age, capacity, location, maintenance schedules, maintenance history, sub-components, condition assessment, etc.
- Management of reactive maintenance work using Work Orders which record work done, cost, contractors employed, types of failure, etc.
- Scheduling of Routine and Periodic maintenance work using work orders as above.
- Inspections of assets and recording of condition, faults, etc.
- Recording of Customer complaints and management of corrective work.

TECH ONE (recently migrated from Microsoft AX Dynamics)

This programme is Council's accounting software which records all accounting entries, inventory entries, account payable entries and fixed asset data. Fixed assets held within the infrastructure area are revalued every three years and data from the revaluation is held with the system. The system then generates depreciation figures that are used for reporting purposes and also for the funding of depreciation in relation to Councils capital renewal programmes. During the period between revaluations assets are capitalised into the Tech One system as purchased. The system also provides the council reconciliation control environment,

maintaining such control as GST and FBT obligations, bank reconciliations, as well of all other balance sheet reconciliations of Council.
Tech One replaced AX in November 2020.

MYOB PayGlobal

Provides a workforce management with the payroll and human resources management software provides the analytical, planning and operational tools to monitor staff activities and performance. There is a self-service platform (Ernie) where employees and managers access leave, personal info, payslips, and timesheet data online and manage employee attendance and tracking.

Objective

Delivers an Electronic Document and Records Management (EDRMS) service across all of Council providing information management processes and business process automation with robust security, version control and audit management to ensure Council complies with recordkeeping standards. This reduces the risks associated with managing information in multiple locations.

9.5 PROGRAMME PERFORMANCE MONITORING AND REVIEW

9.5.1 Monitoring Approach

Council is provided with monitoring and reporting data by Quarterly financial accounts for each department. The Committee will question these reports with Managers present to answer any questions that arise from the reports.

The information for these reports is captured by various software systems as detailed in Section 9.4. These monitor the performance both fiscal, and service based against targets and budgets from Council's Long-Term Plan. Targets can be key performance indicators, internally driven targets or statutory requirements for Ministries that monitor legislation e.g. Department of Internal Affairs.

9.5.2 Frequency of Review

Every financial year Council prepares an Annual Report that is the key document for ensuring the expenditure for the year was efficient and pertinent in ensuring accountability to the community and ratepayers.

The Annual Report does not just show the current financial status, but also shows the levels of service for all Council activities and assets measured against the yearly targets set in the Long-Term Plan. As noted in 9.1, these are measured and reported Quarterly in Council meetings. The Annual Report is a holistic overview of their performance.

10. Continuous Improvement

10.1 CURRENT ASSET MANAGEMENT PRACTICE

The current practice for buildings assets is shifting from managing asset to managing the activity as a whole, where managing the assets is part of the process. For this to be achieved an awareness is required of where our current practices are so the directorate has undertaken asset management maturity self-assessments. In the Property Self-Assessed Asset Management Maturity (Appendix 4.06) our current maturity is core, our final target is to be advanced, but as per the Asset Management Policy (Appendix 2.01) our goal is to achieve intermediate by 2021. There are many opportunities for improvement in the management of Property Assets and knowing the gaps in our activity helps us to achieve these.

Please refer to the Asset Management Strategy (Appendix 2.02) for our current actions to achieve our asset management objectives.

10.2 ASSET MANAGEMENT IMPROVEMENT PROGRAMME

Objective	Approach	Action	Measure	Timeline	Responsible
Council infrastructure assets are managed in accordance with statutory and regulatory requirements	Identify all Statutory and Legislative requirements and ensure these are covered by the set levels of service	Develop lifecycle Asset Management Plans	Asset Management Plan is not 30-year plan but a lifecycle plan	November 2023	Property Manager
	Monitor that we are achieving the required and legislated levels of service	Report data to Service Activity Managers from IPS	Service Level Manager is receiving an annual report prior to service level agreements so that they are better informed going into the agreement.	June 2023	Assets Technician
		Integrate AMIS and Tech One	Service Levels can be reported on from RAMM or IPS	Unknown	Asset Management System Manager
Progressively improve and integrate catchment of asset evidence for planning, delivery, operation, renewal and disposal of assets	Collect and maintain accurate and detailed information for all assets using an Asset Management Information System (IPS and RAMM)	Process for data collection and storage is developed, including establishing asset hierarchy to record condition data.	Condition data from Opus is recorded against individual assets in IPS	August 2023	Assets Technician
	Hold condition and performance information to support decision making	Large increase in data to be collected from Investment Property, Parks Toilets and Parks buildings.			
	Assets are assessed using a common criticality framework	Develop one common criticality framework for all activities.	Criticality data is recorded against all high critical assets in IPS and RAMM	August 2023	Asset Management Team
	Asset criticality, risk and resilience are considered in decision making and prioritisation	Review of Risk Management Framework	New risk management framework is adopted by Council	June 2023	Corporate Planning and Asset Management Team
	Use predictive modelling to develop and implement preventative maintenance and efficient renewal programmes	Develop Advanced Asset Management (AAM) Model in IPS	AAM is used to plan for renewals	June 2025	Asset Management System Manager
		Seamless integration of asset and financial data	Interface AMISs with Council financial system.	Unknown if Tech One will have full integration	Group Manager Infrastructure Services

Objective	Approach	Action	Measure	Timeline	Responsible
The activity is operated in a prudent manner	Regularly review the operational aspects of the infrastructural services to ensure that they are being delivered effectively, efficiently and to best practice	Develop a method to record fault response times (this may require contractor access to IPS)	Response times are recorded and reported on	Unknown	Asset Technician
	Operational and Maintenance services (in house and outsourced) are procured in such a manner that value for money is attained through a competitive market contract	Develop a procurement strategy (2020 ICC Project)	Building Assets are using Terrace Communications templates for procurement.	September 2022	Property Manager
Assets are renewed in a financially prudent manner	Renewals are carried out based on optimised decision making, major expenditure decisions are prioritised in order from the highest benefit cost ratio and non-asset solutions are considered	Procedures are used for optimized decision making(ODM), cost benefit analysis (BCA) and Lifecycle Cost Analysis (LCA)	New projects and large renews are reported to the Executive Leadership Team Meetings in a better business case format	March 2023	Asset Management Team
			Better business case training is undertaken	March 2023	
			Capital projects prioritisation is documented	June 2023	Asset Technician
	The quantity and impact of deferred renewals (if any) is tracked	Deferred renewals are monitored and reported against in regards to risk, cost and impact.	Agenda reporting at end of financial year	Ongoing	Property Manager
	Transparent financial processes are used within building assets	Individualise the loss of service potential reserves.	Assets have clear reserves.	March 2023	Property Manager and Finance Team
		Market rental on buildings assets are assessed	All commercial properties have their rental assessed		
Monitor and review levels of service to meet demand	Monitor requests for service to determine user expectations and/or needs, to consider how they align with current levels of service	Develop an Education Strategy to increase the understanding of asset management with Staff, Council and Customers with appropriate and factual information.	Education strategy is in place, used and understood.	December 2023	Asset Technician and Property Support Officer

Objective	Approach	Action	Measure	Timeline	Responsible
	Use satisfaction surveys and/or specific focus groups as a means of determining the needs and expectations of the community	Use surveys to identify customer expectations and delivery gaps	1000 responses to survey	August 2023	Asset Technician and Property Support Officer
Measure, advance and improve the asset management system to the maturity as set out in the Asset Management Policy	Development of Asset Management Plans to maturity levels as outlined within the Asset Management Policy	Develop a process for implementing regular Asset Management Maturity Assessments to monitor progress	Process is in place	July 2024	Asset Technician and Property Support Officer
		Understand the cost of moving to the maturity level that the activity is committed to.	Cost and requirements documented	September 2024	Property Manager
	Staff responsibilities for Asset Management activities be included in the Asset Management Plans and also reflected in individual job descriptions	Report annually in individual performance reviews to the Director of Works and Services against the Improvement Plan documented in Asset Management Plans.	Improvement plans are link to job description and performance reviews.	April 2024	Group Manager Infrastructure Services
	Report annually to the Director of Works and Services against the Improvement Plan documented in Asset Management Plans.				
	Risk Register is actively maintained and projects are evaluated on their reduction of identified risks	Assess that the Corporate Risk Framework is applicable to our activities.	New risk management framework is adopted by Council	June 2023	Corporate Planning and Asset Management Team
Management of our assets is undertaken in a sustainable and environmentally conscious manner	Look to provide sustainable outcomes throughout asset processes	Understand how sustainability can be consistently applied to Asset Management Plans.	Integrate sustainability into the new risk management framework is adopted by Council	June 2023	Corporate Planning and Asset Management Team
		Work with EECA to develop better sustainability processes	Implemented improvements recommended in energy audits	June 2023	Building Assets Supervisor

Objective	Approach	Action	Measure	Timeline	Responsible
		Consider the most sustainable method to renew Housing Care flats	Housing Care strategic direction is understood and agreed with Council	2023	Group Manager Finance, Property Manager, Asset Technician and Housing Care Officer.
		Depreciation is fully funded	Depreciation is fully funded	Unknown	Group Manager Infrastructure, Building Assets team.
	Develop resilience for the activity	Develop contingency plans with Activity Service Managers for their activity	Documented contingency plans for all buildings.	October 2024	Service Activity Managers and Building Assets Team

The long term expectation for buildings and in particular Housing Care needs to be strategically considered as the funding approach indicates that the delivery of the service may in the long term need capital injection otherwise the service will not be viable

10.3 IMPROVEMENTS FROM PREVIOUS ASSET MANAGEMENT PLAN

The following improvements have been made to the activity since the 2017 AMP:

- Used external consultants WSP to provide us with condition assessments of Housing Care Flats with projected maintenance and renewal timing and costings.
- Additional buildings and property have been added in 2020 which has caused short term deterioration of the plan quality. This will be recovered in two years.

10.4 MONITORING AND REVIEW

Improvement plans will be integrated into staff job descriptions, this will put emphasis on improvements to be developed within the Activity. These will be discussed at individual performance reviews.

Plans will be reviewed annually for the annual plan, this will also be another opportunity to review the improvement programmes.

11. GLOSSARY

- Asset Management Plan (AMP)
- Asset Management Information System (AMIS)
- Better Business Case (BBC)
- Central Business District (CBD)
- Civic Administration Building (CAB)
- Community Housing Provider (CHP)
- Council Controlled Organisation (CCO)
- Crime Prevention Through Environmental Design (CPTED)
- Energy Efficiency and Conservation Authority (EECA)
- Energy Technical Services (ETS) and input to 'e-Bench', an analysis and reporting service
- Green building - is the practice of increasing the efficiency with which buildings use resources — energy, water, and materials — while reducing building impacts on human health and the environment, through better siting, design, construction, operation, maintenance, and removal — the complete building life cycle
- Heating Ventilation and Air Conditioning (HVAC)
- Independent Qualified Person (IQP)
- Infor Public Service (IPS)
- Information Technology (IT)
- Invercargill Venues and Events Management (IVEM)
- Investment Logic Mapping (ILM)
- Institute of Public Works Engineers Australasia IPWEA
- Long-term Plan (LTP)
- Loss of Service Potential (LOSP)
- New Zealand Asset Management Support (NAMS)
- Society of Local Government Management (SOLGM)
- Southland Aquatic Centre (SAC, Splash Palace)
- Southland Museum and Art Gallery (SMAG)
- Southland Regional Development Strategy (SoRDS)

Expenditure Definitions

The following definitions have been used in this Asset Management Plan:

- Operational expenditure – expenditure that has no effect on asset condition but is necessary to keep assets utilised appropriately i.e. power, insurance, rates, overhead costs.
- Maintenance expenditure – ongoing day-to-day work required to keep assets operating to required service levels i.e. repairs and unplanned maintenance, scheduled maintenance.
- Periodic Maintenance expenditure – maintenance renewal works that can be expected within a 10 year period but at intervals exceeding annually to protect and preserve lives of existing components of assets at original size or capacity e.g. redecoration, exterior painting.
- Capital renewal – works that restore or replace an existing asset towards its original size, condition or capacity (i.e. separately identifiable components e.g. lifts, HVAC plant, roof cladding, the value of which will be 'capitalised' i.e. added to the Asset Register, and depreciated).
- New Capital expenditure – works to create a new asset or to upgrade or improve an existing asset beyond its original capacity or performance in

response to changes in usage, customer expectations or anticipated future need (i.e. separately identifiable projects, the value of which will be 'capitalised' i.e. added to the Asset Register, and depreciated).

- Disposal cost – Any costs associated with the disposal of a decommissioned asset.

12. APPENDICES

The Appendices for all of Council's Asset Management Plans are kept separately from the Plan. The list below highlights the appendices that relate to this Asset Management Plan and where to find them in the Corporate Appendices Register.

See Objective File Plan: Folder fA230454

Number	Type	Title
2.01	Policies and Strategies	Asset Management Policy, April 2017
2.02	Policies and Strategies	Asset Management Strategy, April 2017
4.01	Building Assets	2020 Building Assets Portfolio
4.02.01	Building Assets	Service Level Agreement Animal Care Facility 2020
4.02.02	Building Assets	Service Level Agreement Aquatic Services 2020
4.02.03	Building Assets	Service Level Agreement Corporate 2020
4.02.04	Building Assets	Service Level Agreement Housing Care 2020
4.02.05	Building Assets	Service Level Agreement Venues 2020
4.02.06	Building Assets	Service Level Agreement Library and Archive 2020
4.02.07	Building Assets	Service Level Agreement Museum 2020
4.02.08	Building Assets	Service Level Agreement Roding 2020
4.02.09	Building Assets	Service Level Agreement Parks Buildings 2020
4.02.10	Building Assets	Service Level Agreement Parks Toilets 2020
4.03	Building Assets	Building Asset Criticality Criteria
4.04	Building Assets	Building Asset Condition Criteria
4.05.1	Building Assets	LTP Property Financials and Graphs
4.05.2	Building Assets	LTP Public Toilets Financials and Graphs
4.05.3	Building Assets	LTP Investment Property Financials and Graphs
4.06	Building Assets	Building Self-Assessment Asset Management Maturity