



# QUEENSTOWN LAKES DISTRICT COUNCIL

## COMMUNITY OPEN SPACES ASSET MANAGEMENT PLAN 2015-2030

*FEBRUARY 2015*

<b>INTRODUCTION.....</b>	<b>4</b>
PURPOSE .....	4
SCOPE OF THE ASSET MANAGEMENT PLAN .....	4
GOALS AND OBJECTIVES OF ASSET OWNERSHIP .....	5
MISSION, VISION AND GOALS .....	6
QUEENSTOWN LAKES DISTRICT CONTEXT .....	8
OVERVIEW OF OPEN SPACE ASSETS .....	8
STRATEGIC OUTCOMES.....	10
KEY STAKEHOLDERS .....	11
<b>ACTIVITY DESCRIPTION .....</b>	<b>12</b>
ACTIVITIES COVERED BY THIS PLAN .....	12
HIGH LEVEL ASSET DESCRIPTION .....	14
SUMMARY OF PHYSICAL ASSETS OWNED .....	15
ASSET PERFORMANCE AND UTILISATION .....	15
ASSET CONDITION.....	15
ASSET VALUATION .....	17
VESTED ASSETS .....	17
CRITICAL ASSETS .....	17
STRATEGIC ASSETS.....	18
<b>LEVELS OF SERVICE .....</b>	<b>19</b>
OVERVIEW .....	19
KEY SERVICE DRIVERS.....	21
CUSTOMER EXPECTATIONS .....	21
LEGISLATIVE REQUIREMENTS .....	23
<b>GROWTH AND DEMAND .....</b>	<b>24</b>
FACTORS DRIVING DEMAND.....	24
STRATEGIC APPROACH.....	25
NUMBER OF DWELLINGS:.....	26
FUTURE DEMAND .....	28
GROWTH STRATEGIES.....	28
CAPITAL WORKS PROGRAMMING .....	29
<b>LIFECYCLE MANAGEMENT .....</b>	<b>32</b>
ASSET AND FINANCIAL MANAGEMENT SYSTEMS AND PRACTICES .....	32
OPERATIONS AND MAINTENANCE.....	32
CURRENT CONTRACT ARRANGEMENTS.....	33
CURRENT "IN-HOUSE"SERVIES .....	35
OPERATIONS AND MAINTENANCE COSTS.....	36
CAPITAL EXPENDITURE COSTS – FUTURE .....	38
ASSET CREATION AND DISPOSAL .....	40
ASSET RENEWALS.....	40
NEW ASSETS PLAN .....	40
<b>MANAGING RISK .....</b>	<b>42</b>
RISK MANAGEMENT FRAMEWORK.....	42
SUSTAINABILITY .....	42
OPEN SPACES DEBT .....	42
POTENTIAL SIGNIFICANT NEGATIVE EFFECTS .....	42

OPEN SPACES SAFETY MANAGEMENT ..... 43  
ASSET MANAGEMENT PRACTICES..... 44  
ASSET CONDITION MONITORING AND REVIEW ..... 44  
**FINANCIAL SUMMARY..... 45**  
10 YEAR FORECASTS..... 45  
3 YEAR FINANCIAL SUMMARY..... 50  
**KEY ASSUMPTIONS AND DATA CONFIDENCE..... 52**  
KEY ASSUMPTION ..... 52  
DATA CONFIDENCE ..... 52  
VALUATION CONFIDENCE LEVELS ..... 52  
THE IMPROVEMENT PLANNING PROCESS..... 54  
KEY ISSUES ..... 54

## INTRODUCTION

Queenstown Lakes District Council (QLDC) has a substantive investment in land and capital improvements to enable the delivery of many of its community outcomes. The total area of the district is over 935,774 ha. QLDC owns approximately 3011.4321 hectares, or 0.03% of the total landmass of the district. This asset management plan provides information relating to the land, improvements, associated levels of service (LoS) and financial information relating to the sustainable delivery of desired outcomes for the following activities:

- Active and passive recreation in open spaces.
- Environmental sustainability, including waste management.
- Provision of clean and sanitary public spaces, public convenience including street environments and other public spaces.

The last open space asset management plan adopted by QLDC was in 2003. At that time the plan covered the parks and reserves activities only. As such, much of the information contained within that plan is out of date. This plan represents a base line starting point for open spaces and sees the introduction of activities not previously covered in parks and reserves asset management plans such as, streetscapes, waste management and parking activities. As a consequence, this asset management plan (AMP) is very much a work in progress and will be continually edited as the asset improvement programme proceeds.

The data pertaining to the waste management activity has been sourced from the current draft 'Waste Management Activity Management Plan'. This document has a high level of detail relating to QLDC waste management operations and should be continually updated and used as a reference for this asset management plan.

## PURPOSE

The purpose of this asset management plan is as follows;

1. Ensure that the asset management requirements (maintenance and renewal requirements identified during any condition assessments) are appropriately funded, prioritised and scheduled.
2. Form the baseline document to work with the governance bodies to identify any other capital or maintenance requirements to meet community needs (for locally funded facilities).
3. To plan for the management of assets in a fit for purpose and safe manner.
4. To understand the relationship between physical assets and the role of these assets in the delivery of Levels of Service (LoS) to the community in the form of Community Outcomes.
5. Ensure that maintenance and renewal of assets are appropriately scheduled and funded.

## SCOPE OF THE ASSET MANAGEMENT PLAN

The AMP encompasses a diverse range of council services aimed at providing recreation, leisure and community facilities as well as supporting the accommodation needs of other council services. In addition this activity includes services that contribute to the amenity of both rural and urban environments. Overall these services are aimed at making QLDC a great place in which to live, work and visit. The AMP reflects Council's contribution to the enhancement of social benefits for the districts community and its role as a key service provider of recreation and leisure opportunities. The activity is also a major contributor to the environmental quality of the district's townships and rural landscapes and helps to support businesses by providing community facilities and recreational areas that encourage visitors to the district. These services and facilities focus on what people have indicated is important to them and valued by them:

- Sustainable growth management.
- Quality landscapes, a natural environment and enhanced public access.
- A safe and healthy community that is strong, diverse and inclusive for people of all age groups and incomes.
- High quality urban environments respectful of the character of individual communities.
- A strong and diverse economy.
- Preservation and celebration of the district's local cultural heritage.

The AMP has been prepared based on the best information available to QLDC personnel to plan for adequate maintenance and renewal of assets in a 'whole of life' manner. It has been prepared on an assumption that the

current level of funding is adequate for the future management of sustainable levels of service for the next 10 years.

It is intended that future Asset Management Plans will point specifically to individual projects represented in 30 Year Social Infrastructure Strategies.

A body of work is required to ensure that this assumption is correct. This relates to the collection and collation of accurate asset information to enable quality planning and sustainable management to be implemented.

The financial information contained within this plan includes minor increases of funding in the asset management planning field to enable the harnessing of accurate asset data.

If the Council decides that cannot be afforded the AMP will be later amended to make it consistent with the long-term plan – with the consequences and risks caused by the lower level of funding clearly stated.

This asset management plan provides management detail for land, assets and activities, associated to:

- Parks and Reserves
- Council Land
- Streetscapes
- Public Toilets
- Cemeteries
- Waste Management
- Parking facilities

It also details information pertaining to a variety of activities and services associated to these landforms such as:

- Playground activity
- Litter management
- Sport and recreation

## GOALS AND OBJECTIVES OF ASSET OWNERSHIP

In New Zealand, Councils are responsible for managing the delivery of agreed Community Outcomes. The use of open space is typically a medium for delivery of many of these. The Queenstown Lakes District is situated in the Otago Region of NZ.

The total area of the district is over 935,774 hectares, of which QLDC owns approximately 3011.4321 hectares, or 0.03% of the total landmass.

The following illustration highlights the Community Outcomes published in the Queenstown Lakes District Council Long Term Plan (LTP) 2012-2022.

### Our Community Outcomes



**Sustainable growth management.**



**Quality landscapes and natural environment and enhanced public access.**



**A safe and healthy community that is strong, diverse and inclusive for people of all age groups and incomes.**



**Effective and efficient infrastructure that meets the needs of growth.**



**High quality urban environments respectful of the character of individual communities.**



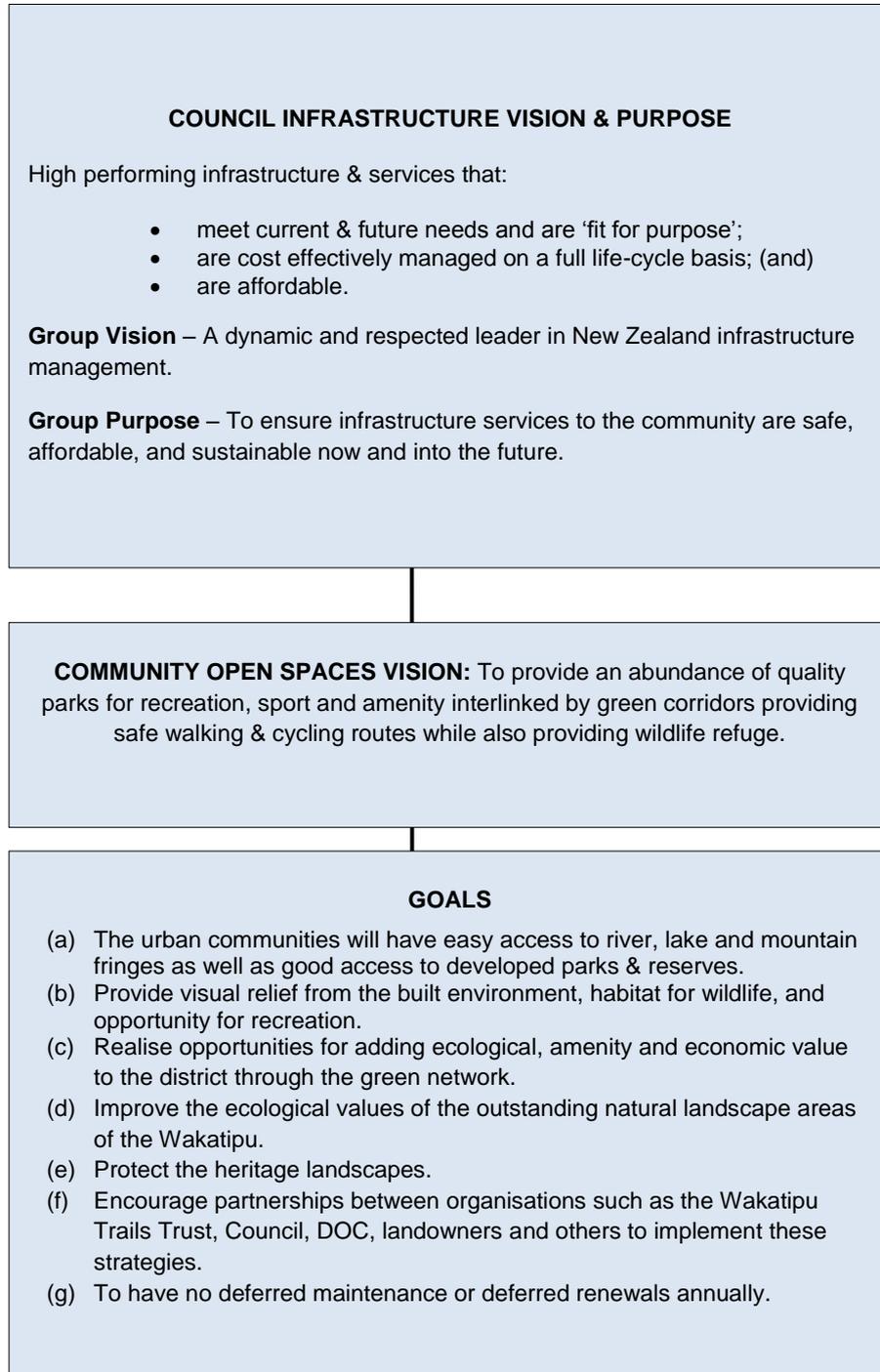
**A strong and diverse economy.**



**Preservation and celebration of the district's local cultural heritage.**

## MISSION, VISION AND GOALS

The following diagram lists the Community Open Spaces Mission, Vision and Goals –This information has been sourced from the Queenstown Lakes District Council Reserves, Public Amenities and Open Space Strategy, adopted by Council in 2002.



## QUEENSTOWN LAKES DISTRICT CONTEXT

Queenstown Lakes District Council (QLDC) was established in 1989 as a local authority (having the functions, responsibilities and powers of a territorial authority). The Queenstown Lakes District replaced the former Lakes County, Queenstown Borough, Vincent County and Arrowtown Borough Councils. QLDC operates within the area operated by the Otago Regional Council.

### GEOGRAPHIC CONTEXT

The Queenstown-Lakes District has a land area of 8,705 km<sup>2</sup> not counting its inland lakes (Lake Hāwea, Lake Wakatipu, and Lake Wanaka). The region has an estimated resident population of 29,500 (January 2014 estimate). The total area of the district (including lakes) is 9,357 km<sup>2</sup>.

Queenstown (Māori: Tahuna) is the largest centre in Central Otago, and the second largest in Otago after Dunedin. According to the 2013 census, the usually resident population of the Queenstown urban area (including Fernhill, Frankton and Kelvin Heights) is 15,000, an increase of 15% since 2006.

Queenstown is a resort town in Otago in the south-west of New Zealand's South Island. It is built around an inlet called Queenstown Bay on Lake Wakatipu, a long thin Z-shaped lake formed by glacial processes, and has spectacular views of nearby mountains such as The Remarkables, Cecil Peak, Walter Peak and just above the town; Ben Lomond and Queenstown Hill.

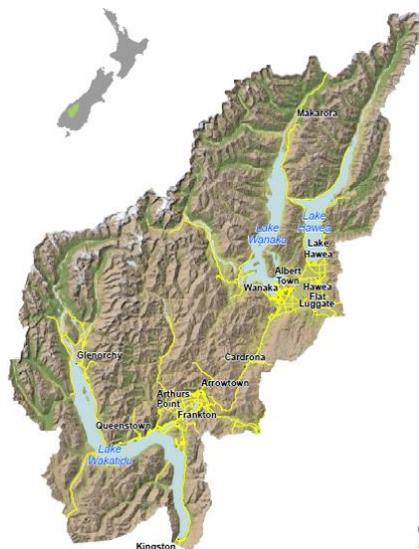
Wanaka was originally settled during the gold rush of the 19th century and is the second largest town in the district. It is situated at the southern end of Lake Wanaka, adjacent to the outflow of the lake to the Clutha River. It is the gateway to Mount Aspiring National Park. Wanaka is primarily a resort town but has both summer and winter seasons and is based around the many outdoor opportunities. Owing to the growing tourism business and the increasing number of retirees in Wanaka, large growth is occurring, with a population increase of up to 50% in the past 10 years.

Other towns in the district include Arrowtown, Kingston, Glenorchy, Lake Hawea, Makaroroa and Luggate. The district is now known for its commerce-oriented tourism, especially adventure and ski tourism.

The district is one of the coldest places in New Zealand with an average temperature of 10.7°C ranging from -10°C to 35°C with ground frosts over 130 days per year. The clear winter days with a low average rainfall of 636mm per year create a unique climate within New Zealand.

The natural environment of the Lakes District consists of a variety of systems including rivers, lakes, basins, wetlands, bush remnants, uplands, mountains and shorelines. This combination plays a significant role in the quality of life in the Lakes District by providing recreation, economic, residential, conservation and servicing opportunities.

Figure 1 Queenstown Lakes Urban Areas 2014



## DEMOGRAPHIC CONTEXT

The Queenstown Lakes District is experiencing a period of significant population growth. This places increased pressures on the three waters services in terms of capacity and extents. The district is a recognised tourism destination that supports economic growth across the southern part of the South Island. As such, the district is attractive to local and international investment in housing, services and visitor related activities.

Resident population growth in the District has typically been around 4.1% per year since 1996, while dwelling growth has been around 3.6% per year. This rate of growth is high when compared to most other towns in New Zealand.

Under the council's medium growth population projections the District's population is expected to increase by 64% from 30,700 in 2015 to 50,300 in 2045. Over the next 30 years it is expected that there will be 19,600 additional residents and 8,700 additional dwellings in the district.

## OVERVIEW OF OPEN SPACE ASSETS

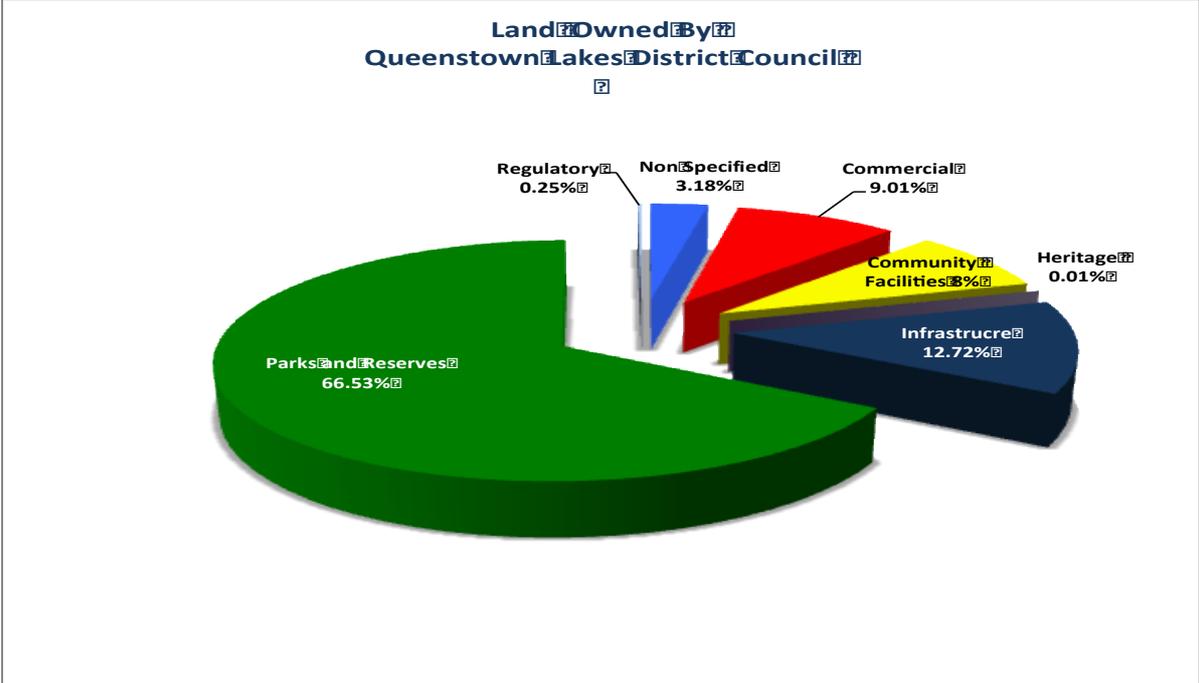
QLDC has a substantive investment in land and capital improvements to enable the delivery of many of these outcomes. The table below provides a breakdown of the values of land and the improvements:

Land Value	\$ 462,906,800.00
Value of Improvements	\$ 184,404,500.00
Capital Value	\$ 641,428,300.00
Total Number of Properties	634
Total Area	3011.4321 hectares

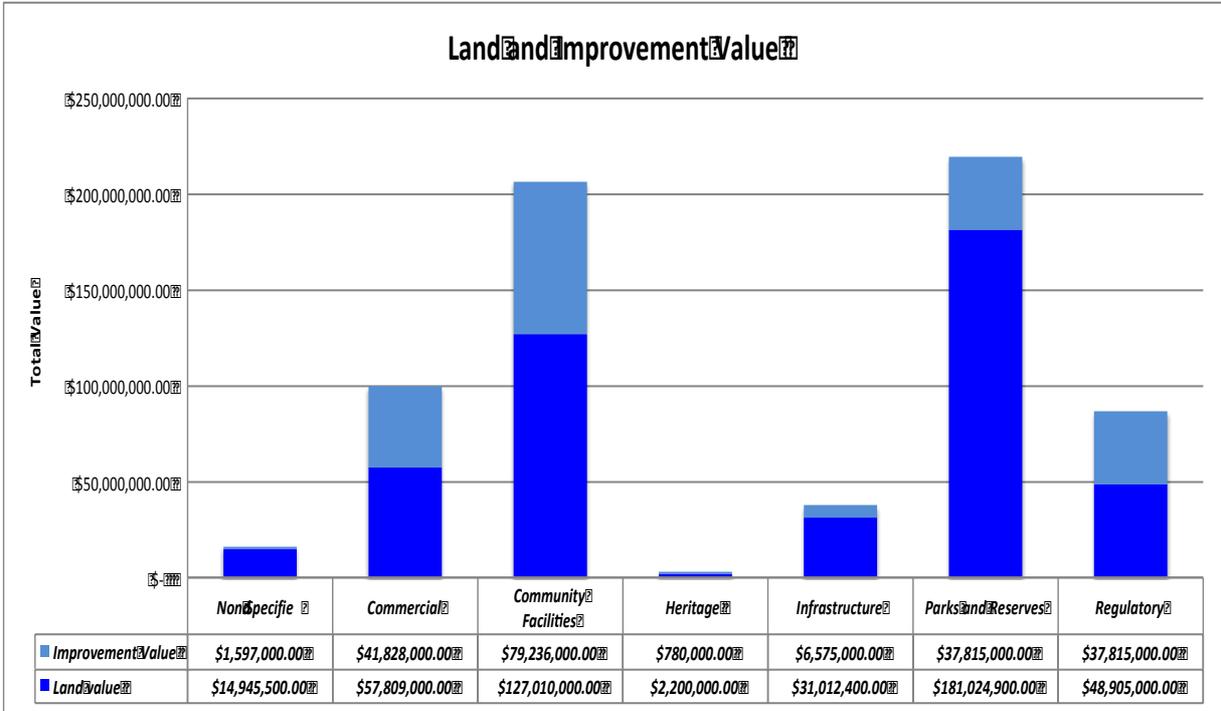
The land is used for a variety of purposes. The use of land is managed by rules and regulations set out in the QLDC City plan. Typical activities include:

- Parks and Reserves
  - Sports and Recreation
  - Neighbourhood parks
  - Civic Spaces
- Infrastructure
  - Sewerage treatment
  - Water Reticulation
  - Waste transfer stations
  - Landfills
- Community Facilities
  - Halls
  - Libraries
  - Cemeteries
  - Aquatic facilities
  - Campgrounds
  - Golf Courses
  - Event Centres
- Commercial use
  - Land For Subdivision
  - Airport land
  - Housing
  - Leased land for tourism and commercial activity
- Heritage
  - Heritage
- Regulatory
  - Car parks
- Unspecified Activity

The chart below illustrates the current use of land on a proportionate basis.



There are many improvements to the land in the form of physical assets that contribute to the capital value of the overall asset. The chart below illustrates the value of the land and the improvements as defined in the QLDC rates database.



## STRATEGIC OUTCOMES

In order to understand the “what where and why” Council owns and maintain assets, Council has defined a key set of Community Outcomes. These are agreed with the community through the public consultation processes usually held in conjunction with three yearly Long Term Plan implementation. The following table illustrates the relevant Community Outcomes for this asset management plan.

Community Outcome	Level of Service	Assets
<b>Sustainable growth management</b>	Adequate provision of open space.	Land
<b>Quality landscapes and natural environment and access</b>	Effective management of land holdings to minimise the risk of negative influences such as pest species and erosion.	Land Walkways Cycle-ways Car parks Public convenience facilities
<b>A safe and healthy community that is strong, diverse and inclusive for people of all age groups and incomes</b>	Provision of adequate space and improvements to facilitate active recreation pursuits in both organised and non-organised formats.	Land Sports grounds infrastructure Playgrounds Walkways Cycle-ways Bridges Car parks Public convenience facilities
<b>Effective and efficient infrastructure that meets the needs of growth</b>	Ongoing planning and management of Council owned or operated assets to ensure the security of the infrastructure required to deliver safe and sanitary services	Land for infrastructure and utilities Cemeteries Land Fills Public waste assets
<b>A strong and diverse economy</b>	Strategic operations and management systems for the effective asset management of land and improvements.	Land for commercial activity Information technology.
<b>Preservation and celebration of the districts local cultural heritage</b>	Protection and enhancement of significant historical places and assets	Land Historical Cemeteries Walkways Car parks Public convenience facilities Art, Monuments and Sculpture.

## KEY STAKEHOLDERS

The following groups and entities are considered to be key stakeholders in this asset management plan.

Stake Holder	Interest
All Parks and Open Space Users	Includes members of the public, sports club members, tourists, pedestrians, cyclists;
Adjoining property owners	Includes the expectation that there will be safe and convenient access, sufficient car parks and footpath lighting, well managed environmental impacts (appearance – noise – storm water control etc)
Elected Members	Councillors and Community Board Members
Otago Regional Council	Regional Plans. Water Quality, Flood Protection, Pest Management, Waste.
Utilities Companies	Use of land for electricity, gas and telecommunications infrastructure.
Emergency Service Operators	Use of the open spaces for infrastructure.
Ratepayer and Residents' Associations	Represent local interests
QLDC Personnel	Persons responsible for the delivery of the following services, <ul style="list-style-type: none"> <li>• Strategies and Policies,</li> <li>• Activity Management,</li> <li>• Regulatory enforcement,</li> <li>• Customer Services</li> <li>• Finance</li> </ul>

## ACTIVITY DESCRIPTION

For effective asset management it is assumed that appropriate asset management techniques are applied to ensure that the LoS is maintained.

The principal outputs from the exercise are:

- an explanation of the QLDC's intended future 'levels of service' and the performance measure and targets against which actual performance will be adjudged;
- a proposed work programme for the next 30 years (the first three in detail and the balance in outline form – Reference: LGA 2002, Schedule 10 (2)(1)(d)) and identification of the funding that is going to require; and
- identification of actions the Council needs to take to improve its business performance (i.e. continuous improvement) and a prioritised plan for doing so.

### ACTIVITIES COVERED BY THIS PLAN

The following extracts have been sourced from the most recently published QLDC Annual Plan. (2012/2014).

#### PARKS AND RECREATION FACILITIES

This activity provides for the health and well-being of the community, protects the ecological health of the district, enhances, and protects the landscape. Council provides, manages and maintains over 2084 hectares of parks and reserves from neighbourhood parks to natural areas, forests and sports parks. It provides an extensive network of playgrounds and facilitates a wide range of activity including golf, bowls, mountain biking parks, skate parks, cross country skiing and other sporting activities. This activity provides and maintains a network of walking and cycle trails across the district including the New Zealand Cycleway and Te Araroa Walkway.

#### CYCLEWAYS

The New Zealand Cycleway Queenstown Trail was completed in October 2012 providing a 100 kilometre circuit connecting Queenstown, Arrowtown, Gibbston, Lake Hayes and Frankton and providing access to iconic view corridors and stunning vistas. As well as providing increased access and recreational opportunities for locals, the trails provide day and multi-day options for visitors. The Council envisages the cycleway will provide opportunities for small business and other economic activities. The 10-Year Plan provides for funding for upkeep and on-going enhancement of the cycleway. There were over 70,000 users of the cycleway in the first three months of opening.

#### PUBLIC TOILETS

The Council provides 50 public toilets in order to enhance the public's experience of our outdoor places and to protect the public environment. The goal is to provide clean, accessible and conveniently located toilets. The introduction of counters to new toilet facilities and radio frequency tags for maintenance monitoring has enabled Council to consistently improve toilet facilities available to the community.

#### CEMETERIES

This activity promotes wellness in the community by enabling healthy grieving and memorialisation. There are twelve designated cemeteries under the ownership of the Queenstown Lakes District Council. There are 10 operating cemeteries. These are situated at Makarora, Queenstown, Glenorchy, Frankton, Kingston, Cardrona, Wanaka, Lake Hawea, Skippers and Arrowtown. All cemeteries in the district are of major historical importance, including Skippers and Macetown Cemeteries. Of these, only Macetown is 'closed'. A cemetery has been provided at Lower Shotover to meet future demand, once Wakatipu cemeteries are no longer operational. Its development will continue with the area's opening dependent on need. Service enhancements that have occurred in the last three years include establishing levels of service for each facility; introducing on-line cemetery records data and ensuring data management is accurate and linked to Council's GIS system.

#### PARKING FACILITIES

Parking is a fundamental part of the transport activity and as such contributes to provision of a cost effective transport system that meets the district's changing needs. The Council uses parking supply and management to ensure that high demand destinations such as town centres are accessible and, where alternatives to car based travel exist, to influence how people travel. Key drivers of the parking activity, particularly in the Queenstown Town Centre (which is serviced by a public transport network) are:

- To reduce debt associated with the past acquisition of land for parking.
- Ensure parking is available for visitors.
- Encourage awareness and use of alternative to the single occupant car.

**WASTE MANAGEMENT**

This activity ensures sustainable waste management that protects public health and the environment. The Waste Management activity is managed in three sub-activities as below:

**Waste Minimisation and Recycling** provides recycling and waste diversion services throughout the district. This includes kerb-side recycling collection, recycling litterbins, resource recovery parks, greenwaste drop off sites, composting facilities and promoting other waste minimisation initiatives.

**Refuse Collection** provides a weekly residential kerb-side refuse collection service in the urban areas in the district. Rural areas are serviced by rural drop off points where economically viable.

**Landfill Provision and Management** provide facilities for disposing of solid waste and the provision of hazardous waste facilities. This sub-activity includes the Victoria Flats landfill, transfer stations in Queenstown and Wanaka, collection of litterbin waste and ongoing management of the closed landfills and dumpsites.

There are only a small number of Waste Management assets. The most significant assets are the land where the landfills, transfer stations, resource recovery parks and greenwaste sites are located. Council also owns some buildings on these sites. Council contracts out the operation of the waste management sites and the delivery of waste management services to third parties.

The vision of the District in relation to Waste Management is:

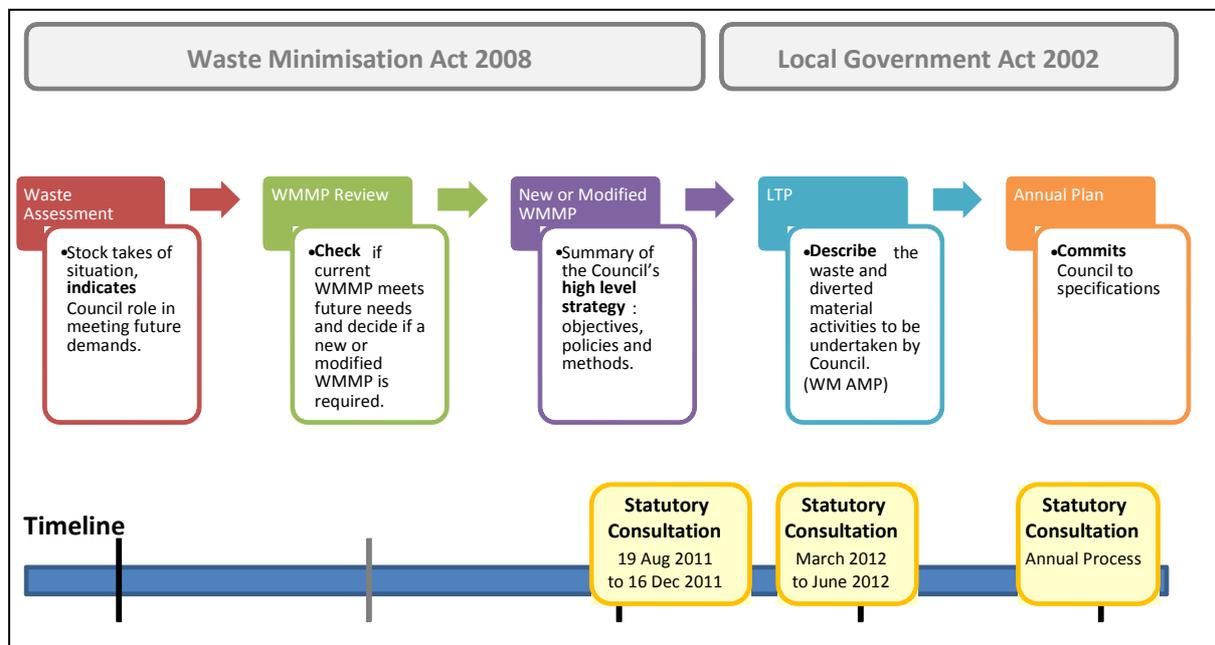
**Towards Zero Waste And A Sustainable District**

The Council’s Waste Management goals as per the Waste Minimisation and Management Plan (WMMP) are:

1. Improving the efficiency of resource use.
2. Reducing the harmful effects of waste.

The aim of these two goals is to “provide direction to the council, businesses (including the waste industry), and communities on where to focus their efforts in order to deliver environmental, social and economic benefits to all New Zealanders”.

The WMMP contains objectives, policies and methods which provide the Council with tools to reach the goals and the vision. The AMP outlines how Council’s WMMP will be delivered. The linkage between the legislation, strategies and plans is shown in the diagram below.



The above goals link to a number of Council’s community outcomes including sustainable growth ; landscapes, natural environment ; safe, healthy, strong, diverse community ; effective and efficient infrastructure and high quality urban environment.

## HIGH LEVEL ASSET DESCRIPTION

The information below details the current land and improvement assets associated with this Open Spaces asset management plan.

### SUMMARY OF LAND ASSETS OWNED

LAND ASSET	SUB SET	N.O.	AREA (HECTARES)
Parks and Reserves	Sports Grounds	19	82.3582
	Undeveloped Sports Grounds	4	24.0312
	Recreation and Ecological Linkage	173	167.3600
	Neighbourhood Parks	63	34.3013
	Public Gardens	3	17.5700
	Nature Reserves	49	729.0064
	Cultural Heritage	6	2.7000
	Outdoor Adventure *	21	874.6600
	Civic Spaces	14	2.5440
	Other / Specialist / Utilities	29	627.0942
Cemeteries	Cemeteries	12	23.5011
Landfill Operations	Active	2	34.666
	Landfills- total site area	6	39.06
	Closed landfills- approximate landfill area	6	18.68*
Car Parks	Land used for public parking	Not currently available	
<b>TOTALS</b>		<b>401</b>	<b>2619.7924</b>

\*Note: The landfill areas are approximate only as some have been measured via capacity and others by area filled.

## SUMMARY OF PHYSICAL ASSETS OWNED

The following information has been sourced from The QLDC GIS system. In addition to the assets listed below, Council also owns and maintains several other assets such as, formed gardens and park trees that as yet have not been accurately quantified.

Asset Type	Measure
Playgrounds	40
Public Conveniences	53
Park Benches	4
Picnic Tables	4
BBQ's	21
Litter Bins	172
Signs	654
Artworks and Sculpture	7
Structures	84
Sealed Pathways/Cycleways	36.2 Km
Unsealed Pathways/Cycleways/Tracks	310.9 Km
Sports Courts	5
Artificial Cricket Surfaces	6
Skate Park Facilities	4
Street Trees	7818
Irrigation Systems	100
Parking Meters	NIA
Landfill Operations -Weighbridges	NIA
Landfill Operations –Auxiliary buildings	NIA

Asset condition rating is seen as a key priority for these activities and is highlighted within the asset improvement plan.

## ASSET PERFORMANCE AND UTILISATION

Asset utilisation and performance is not easily measured in Open Spaces assets. Notwithstanding this, it is a key component of understanding the required level of service to meet demand. Work to develop a programme of monitoring usage will be added to the asset management improvement plan.

## ASSET CONDITION

Asset condition ratings are one of the biggest challenges for the effective asset management of open spaces assets. They are often singular and spread across a wide variety of areas including remote locations. This issue is significant and has a material impact on QLDC's ability to provide a sustainable level of service. Recent activity

to improve the quality of asset data has commenced including the completion of a recent playground condition assessment and subsequent valuation.

A programme of capturing and validating the assets and the relative condition of the assets is fundamental in ensuring that the assets are fit for purpose, safe and pose appropriate levels of risk.

Council should be planning to remedy to this situation and it should be regarded as a high priority. For the purposes of this asset management plan all assets shall be regarded as being in average to poor condition overall until detailed asset data is collated. The exception to this is in the area of Playgrounds and Street trees. Playgrounds have recently been assessed a by an independent qualified person. Street trees have recently been surveyed by an independent specialist and whilst the results of this survey are yet to be published the ranking provided below reflects the views verbally expressed as at late June 2014.

Condition	Good	Average	Poor
Artificial Cricket surfaces		✓	✓
Artworks and Sculpture		✓	✓
BBQ's		✓	✓
Formed Gardens		✓	✓
Irrigation Systems		✓	✓
Litter Bins		✓	✓
Park Benches		✓	✓
Park Trees		✓	✓
Parking Assets	NIA	NIA	NIA
Picnic Tables		✓	✓
Playgrounds	✓		
Public Conveniences		✓	✓
Sealed Pathways/Cycleways		✓	✓
Signs		✓	✓
Skate Park Facilities		✓	✓
Sports Courts		✓	✓
Street Trees	✓		
Structures		✓	✓
Unsealed Pathways/Cycleways/Tracks		✓	✓
Waste Management Assets	NIA	NIA	NIA

NIA – No Information Available

## ASSET VALUATION

Asset valuation has been based on the historical capital costs for both land and the improvements in the form of physical assets. Council revalue assets every three years. Key considerations in the valuation process are

- Replacement cost.
- Total accumulated depreciation.
- Depreciated replacement cost.

The following table provides the current value of each asset category:

Asset Description	Replacement Cost	Total Accumulated Depreciation	Depreciated Replacement Cost
<b>Council Land</b>	NIA	NIA	NIA
<b>Parkland Assets</b>	NIA	NIA	NIA
<b>Streetscape Assets</b>	NIA	NIA	NIA
<b>Public toilets</b>	NIA	NIA	NIA
<b>Waste Management Assets</b>	NIA	NIA	NIA
<b>Parking Assets</b>	NIA	NIA	NIA
<b>Total</b>			

This financial data will be collected and inserted prior to the development of the 2015-2025 LTP.

## VESTED ASSETS

Another way the Council acquires assets is through the vesting of assets that are constructed by sub-dividers and developers when land is subdivided and/or developed. The value of assets that will be vested in this way is forecasted at every AMP review based on the historic actual average during the previous years:

- 2011/12 \$1,380,000
- 2012/13 \$ 515,000
- 2013/14 \$ unavailable at this time
- Average \$947,500

## CRITICAL ASSETS

Critical assets are those assets with a high consequence or catastrophic failure.

They are often found as part of a network, in which, for example, their failure would significantly compromise the performance of the entire network to a significant proportion of the population.

Critical assets should be formally identified as such in an asset information system so that their significance can influence planning. Because of their importance, their management needs special consideration.

Options include reducing effect of their failure (for example, by having a backup asset), or reducing the likelihood of failure (for example, by not running them at full capacity). Identifying critical assets is closely aligned with managed risk.

The Community Open Spaces critical assets are:

- Queenstown Aquatic Centre Sports field
- Victoria Landfill
- Pembroke Park Wanaka
- Queenstown Recreation Ground

## STRATEGIC ASSETS

Strategic assets are those assets that are important to the long-term goals of Council, a failure of one of those assets will be detrimental to realising those goals.

Any decision relating to the sale or transfer or sale of shareholding of any listed strategic assets is a significant matter and will trigger the Special Consultation Process. To clarify:

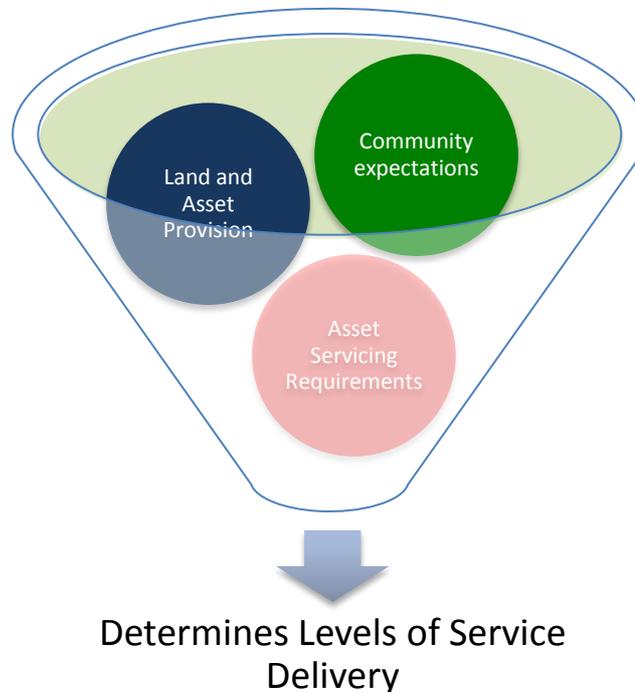
- i. Any decision that transfers or changes ownership or control of strategic assets to or from the Council is a significant matter.
- ii. The sale or transfer of shareholding of any of the listed assets will trigger the Special Consultation Process.
- iii. Long term lease of strategic assets (other than land).

QLDC lists its strategic assets in the Significance & Engagement Policy.

## LEVELS OF SERVICE

### OVERVIEW

Levels of Service (LoS) can be described in many ways. Principally for this AMP LoS are an amalgamation of provision of assets and servicing of those assets to derive the outcomes that the community require.



The first step in the formulation of 'Levels of Service' (LoS) is to identify the 'Service Areas' - those aspects of the open space network that QLDC's stakeholders value, or which are essential for its efficient and effective management. QLDC has formulated its community open space LoS under seven service area headings:

1. Asset Provision, Development, Renewal and Maintenance (i.e. Asset Stewardship);
2. Conservation, Environmental Protection and Enhancement (i.e. Environmental Stewardship);
3. Service Quality (including Aesthetics, Reliability, Responsiveness and Capacity);
4. Financial (Economic – Value for Money).
5. Performance Measures- are the means by which the organisation is able to identify the extent to which the intended 'Level of Service' has been achieved.
6. Performance Targets -are the specific quantifiable results (in relation to a 'Performance Measure') that the organisation is aiming to achieve.
7. Levels of Service -describe the outcomes that are expected to result, or the outputs that are intended to be provided, for each the above 'Service Areas'.

#### Example:

<b>Community Outcome</b>	A safe and healthy community that is strong, diverse and inclusive for people of all age groups and incomes.
<b>Assets required</b>	Current Sports ground provision 2.4 hectares per 1000 population
<b>Service provision</b>	Adequate provision of maintenance services to ensure a fit for purpose asset.
<b>Level of Service</b>	Ability to facilitate community sport and recreation in a manner that meets current type and demand in a financially sustainable manner.

The asset component of the LoS above are often presented where appropriate as a quantified value on a population basis. This is distinct from "servicing provisions", often mistaken for LoS. Servicing levels may relate to the number of times or how the asset is maintained. Service levels are most commonly managed via service

agreements either via contracted services or with internal service level agreements. The following table lists levels of service for open space asset management based on QLDC's existing asset information. Analysis of these measures allows asset managers to understand when new assets are required as a consequence of population growth and the level of investment required to maintain the LOS.

Asset Type	Asset provision per 100 pop's
Playgrounds	1.4
Public Conveniences	1.9
Park Benches	0.1
Picnic Tables	0.1
BBQ's	0.7
Litter Bins	6.1
Signs	23.2
Sealed Pathways/Cycleways	1.3 kms
Unsealed Pathways/Cycleways/Tracks	11 kms
Sports Courts	0.2
Artificial Cricket surfaces	0.2
Skate Park Facilities	0.1
Street Trees	277
Park Trees	NIA
Formed Gardens	NIA

The land that the assets sit on is also measured the same way. How the community wishes to utilise the land is derived from strategic planning. The following table provides detail on the current LoS in relation to Council owned land:

Land Asset	Sub set	Asset provision per 1000 pop'n (Hectares)
Parks and Reserves	Sports Grounds	2.4
	Undeveloped sports grounds	0.9
	Recreation and Ecological Linkage	5.9
	Neighbourhood Parks	1.2
	Public Gardens	0.6
	Nature Reserves	25.8
	Cultural Heritage	0.1
	Outdoor Adventure *	30.9
	Civic Spaces	0.09
Other / Specialist / Utilities	22.2	
Cemeteries	Cemeteries	0.8
Landfill Operations	Active	1.2
	Closed landfills	NIA

These LoS are required to understand and manage growth and recession. Defining the LoS as a measurable allows asset managers to plan for renewal of existing assets to maintain the required level of service.

### KEY SERVICE DRIVERS

Managing the influence of customer expectation and user experience is a key task for open space asset managers. Often assets are spread across a diverse and large area. In many cases interaction with assets is random making it particularly difficult to manage. Asset managers must strive to ensure that they approach asset management in a systematic and proactive manner to manage this risk. Well planned cyclical asset condition evaluation assessment is one key tool in ensuring that customer expectations are managed within reasonable margins. QLDC's open space and outdoor lifestyle is a key contributor to the economic wellbeing of the District, arguably more so than any other centre in New Zealand. As such, open spaces asset managers should have the user experience as a key performance measurement in all aspects of their operations.

### CUSTOMER EXPECTATIONS

QLDC carries out annual surveys to measure the customer's satisfaction with services provided. The survey has a five point rating system to provide respondents with the option of a mid-point response. This is considered best practice in direct feedback research, allowing the respondent to provide an ambivalent response as opposed to satisfied or dissatisfied. This is a very simple methodology that provides a broad overview. Open space managers should aim to achieve regular and targeted feedback from key user groups to achieve greater detail. An example would be organised sports clubs.

The following Levels of Service are defined within Council Annual Reports. New levels of service indicators have been added for consideration and potential inclusion in future annual reports.

Measure	Target
<b>Parks, Reserves and Walkways</b>	
Cost per hectare to maintain and manage the districts parks and reserves	<\$1967
Use of the Queenstown Trail (NZ Cycleway) increases	30,000 visitors per annum
Average daily use of Trails	TBC
Ratepayer satisfaction with: a. Playgrounds b. Trails	a. 85% b. 92%
<b>Waste Management</b>	
Cost per tonne of waste minimisation and recycling services provided by the Council	Does not exceed \$225 per tonne
The quantity of residential residual waste per capita to landfill for the district	Does not exceed 0.72 tonnes per person.
Number of complaints about the effectiveness of the recycling and refuse service reduce	190
Number of health and safety incidences	Zero
Percentage of designated short term parking spaces are available.	20% available on audit

Parking	
Customer satisfaction with street lighting.	65%
Cemeteries	
Ratepayer satisfaction with Cemetery Services	>75% (New)
Public Toilets	
Ratepayer satisfaction with public toilets	>75%
Streetscapes	
Ratepayer satisfaction with street gardens and civic spaces	75% (New)

#### WASTE MANAGEMENT

The main challenge for the Waste Management activity in the next 10 years is the Climate Change (Emissions Trading Scheme, ETS) Amendment Act 2008. From the 1st January 2013 landfill operators will be required to surrender emission units to cover methane emissions generated from the landfill.

The increasing costs of waste disposal highlights the importance of the first four levels of the waste hierarchy; Reduce, Reuse, Recycle and Recover.

The ETS charges do not apply to composting facilities therefore composting provides significant cost savings. This AMP also assumes that the need for a methane gas collection and destruction system at the landfill will be avoided.

The projected waste to landfill assumes that the facility diverts over 5,700 tonnes of organic waste from the landfill in the first year of operation (2014/15). This equates to an increase in the diversion rate of 15%, from approximately 36% to 51%.

The AMP also includes the provision of an alternative disposal option for construction and deconstruction waste. This service diverts waste from the landfill and mitigates the risk to Council's landfill expected life should another construction boom occur.

The basis of the calculated performance measures are shown below:

1. The quantity (kg) of residential residual waste per capita to landfill for the district equals

Total tonnes of QLDC waste to landfill/ total QLDC usual resident population.  
*The waste includes transfer stations, litterbins, household collection and private waste.*

2. Quantities of waste to landfill and diverted material handled by the Council services.

Diversion rate = Total tonnes of waste diverted from landfill/ (total tonnes of waste diverted from landfill + Total tonnes waste to landfill)  
*The waste includes transfer stations, litterbins, household collection and private waste.*

3. Cost per tonne of waste collection, treatment and disposal services provided by the Council equals

(Landfill costs + Transfer Costs + Household collection Costs) Total tonnes of QLDC waste to landfill excluding private waste  
*The waste includes transfer stations, litterbins, household collection and private waste.*

## LEGISLATIVE REQUIREMENTS

The following table lists the key national and Council documentation that governs and provides guidance for the management of public open spaces.

Ref	Title		
1	The Local Government Act 2002 and amendments. <table border="1" data-bbox="316 472 1418 660"> <tr> <td>Especially</td> <td> <ul style="list-style-type: none"> <li>• Schedule 10 – LTP Requirements</li> <li>• The requirement to consider all options and to assess the benefits and costs of each option.</li> <li>• The consultation requirements.</li> </ul> </td> </tr> </table>	Especially	<ul style="list-style-type: none"> <li>• Schedule 10 – LTP Requirements</li> <li>• The requirement to consider all options and to assess the benefits and costs of each option.</li> <li>• The consultation requirements.</li> </ul>
Especially	<ul style="list-style-type: none"> <li>• Schedule 10 – LTP Requirements</li> <li>• The requirement to consider all options and to assess the benefits and costs of each option.</li> <li>• The consultation requirements.</li> </ul>		
2	Reserves Act 1977		
3	The Resource Management Act 1991		
4	The Public Works Act 1987		
5	The Biosecurity Act 1993		
6	The Bylaws Act 1910		
7	The Climate Change Response Act 2002		
8	The New Zealand Coastal Policy Statement 2010		
9	The Civil Defence Emergency Management Act 2002 (Lifelines)		
10	The New Zealand Sustainable Programme of Action		
11	The Local Government (Rating) Act 2002		
12	The Health and Safety in Employment Act 1992		
13	The Building Act 2004		
14	The Building Regulations 1992		
15	The Waste minimisation Act 2008		

## GROWTH AND DEMAND

### FACTORS DRIVING DEMAND

In everything that it does the Council is always mindful of the necessity to identify all reasonably practicable options for achieving the objective of the decision in the most effective and efficient way (Reference: Section 77 Local Government Act 2002). This includes ways and means by which it may be able to defer or avoid expenditure that would otherwise be required, by managing the service demand. The following table summarises the Council's Community Open Spaces 'demand management' approach.

- Adopt a bias towards maintenance rather than renewals to reduce renewals capital expenditure.
- Identify and explore potential innovative asset and non-asset solutions (i.e. ways of achieving desired objectives more efficiently and effectively by ways other than having to expend funds on the provision, maintenance, renewal and capital developments of the physical assets).
- Be prepared to take a greater level of risk when identifying potential maintenance and renewal solutions.
- Carry out an economic analysis of the entire network to identify/justify the most efficient/effective use of the limited resources available – including perhaps the possibility of providing a lower level of service in some areas.
- Understand exactly what the critical assets are and ensure there is a management plan for each that is proactively implemented.
- Ensure the potential open space impacts, their likely timing, affordability, and the Council's ability to properly manage them are fully understood before rezoning land for future urban development.
- Ensure sub-dividers and developers pay a fair share of the impacts on the existing parks reserves and other open spaces infrastructure.
- Pay attention to ensuring sufficient and appropriate conditions are imposed when processing applications for consent for land subdivision and development and don't accept new assets from subdividers and developers unless they have been constructed to the Council's standards in all respects; Ensure that vested assets are in keeping with Councils desired levels of service.
- Where appropriate make appropriate provision for, and encourage walking and cycling through parks and reserves.
- When damage to an open space asset is identified require the offender to remedy it at his/her cost wherever possible.
- Carry out regular capacity and usage modelling to enable decisions to be based more on what is actually happening with open space true 'whole-of-life' needs (i.e. on how the asset is being consumed or utilised and on how longer term expectations can best be met), rather than concentrating so much on the core operational needs and on satisfying customers in the short term.

The key service demand matters the Council has taken into account when preparing this AMP are listed below:

• <b>Population</b>	The usually resident population will increase from 30,700 in 2015 to 37,300 in 2025 and 50,300 in 2045.
• <b>Visitors</b>	The average number of visitors per day will increase from 17,100 in 2015 to 19,700 in 2025 and 22,500 in 2045.
• <b>Dwellings</b>	The number of dwellings will increase from 16,300 in 2015 to 19,300 in 2025 and 24,900 in 2045.
• <b>Tourism</b>	The continuing importance of tourism to the local economy – and the criticality of providing welcoming, uncongested, safe, clean, environmentally attractive open spaces and recreational opportunities.

<ul style="list-style-type: none"> <li>• <b>Subdivision and Development</b></li> </ul>	The need to forecast carefully where subdivision and development is likely to occur; plan well ahead for how the future land use will be best served from the community open space point of view, and programme the work to meet the identified needs at the most optimum time.
<ul style="list-style-type: none"> <li>• <b>Walking and Cycling</b></li> </ul>	The necessity to make appropriate provision for walking and cycling in all open space planning.
<ul style="list-style-type: none"> <li>• <b>Public Open Spaces</b></li> </ul>	The need to ensure the District's future public open space needs are adequately provided for.
<ul style="list-style-type: none"> <li>• <b>Climate Change</b></li> </ul>	The potential climate change impacts.
<ul style="list-style-type: none"> <li>• <b>The Existing Assets</b></li> </ul>	The necessity to ensure the existing community open spaces assets are managed maintained and renewed sufficiently – such that the trend (over several years) is no deferred maintenance or deferred renewals. (Financial Sustainability).

## STRATEGIC APPROACH

The following table summarises councils high level strategic approach to asset management.

**Long Term Plan (LTP):** this plan is required by the Local Government Act (2002) to cover a period of at least ten years. This plan contains key information about the Council's activities, assets, level of service and cost of providing services. It sets out the Council's funding and financial policies and also a financial forecast for the years covered by the plan.

**Annual Plan:** Complements the LTP in the years between updates by reporting on variances. This is a detailed action plan outlining Council's projects and finances for each particular year.

**Funding Policies:** These policies state how future expenditure needs will be funded. Key policies are summarised in the LTP.

**Strategies:** Plans that set the strategic directions for Council and include:

- Cemeteries Strategy (2005)
- Wakatipu Trails Strategy (2004) □
- Foot by Cycle Strategy (2008) □
- Parks Strategy (2002) □
- Landfill Closure Plans
  - Hawea (2011)
  - Luggate (2011)
  - Glenorchy (2013)
  - Makarora (2011)
  - Tucker's Beach (2013)
  - Wanaka (2014)

### MAINTENANCE, RENEWALS AND CAPITAL DEVELOPMENT

- **Safety:** Focus more on the maintenance, renewal and development of assets to clear the backlog and consolidate the integrity of the asset.
- **The Cost of Growth:** To the extent it is possible to do so fund the total cost of growth by development contributions.

### NATURAL HAZARD EVENTS

Tree policy

Other H & S checks where natural events could cause damage or risk.

The asset management decisions the Council makes now, are absolutely critical to the Queenstown Lakes' future. As stated in the Long Term Plan 2012 the Queenstown Lakes District, which includes the communities of Kingston, Glenorchy, Queenstown, Arrowtown, Gibbston, Luggate, Lake Hawea, Wanaka and Makarora continues to be one of the fastest growing districts in New Zealand.

- 28,224 people usually live in Queenstown-Lakes District. This is an increase of 5,268 people, or 22.9 percent, since the 2006 Census.
- Its population ranks 36th in size out of the 67 districts in New Zealand.
- Queenstown-Lakes District has less than one percent of New Zealand's population.

**Population of Queenstown-Lakes District - 2013 Census (Source: Statistics New Zealand)**

• Male	14,133
• Female	14,091
• <b>Total people</b>	<b>28,224</b>

Number of Dwellings:

- There are 11,508 occupied dwellings and 4,467 unoccupied dwellings in Queenstown-Lakes District.
- For New Zealand as a whole, there are 1,570,695 occupied dwellings and 185,448 unoccupied dwellings.
- There are 237 dwellings under construction in Queenstown-Lakes District, and 9,756 under construction in New Zealand.

**Dwellings in Queenstown-Lakes District and New Zealand**

**2013 Census**

Occupancy status	Queenstown-Lakes District	New Zealand
<b>Occupied</b>		
Private dwelling	11,190	1,561,956
Non-private dwelling	321	8,739
Total occupied dwellings	11,508	1,570,695
<b>Unoccupied</b>	4,467	185,448
<b>Under construction</b>	237	9,756
<b>Total dwellings</b>	<b>16,215</b>	

The district-wide growth forecasts are summarised below:

- Usually Resident – increase of 26.2% from 28,440 (2011) to 35,905 (2021).
- Average Day – increase of 21.2% from 46,612 (2011) to 56,517 (2021).
- Peak Day – increase of 22.0% from 89,346 (2011) to 108,970 (2021).

The last census was undertaken in March 2013. At that time Council's growth modeling forecast, undertaken prior to census, aligned. The projections are important to the Council, government and non-government agencies, the general public, the business sector and people generally wishing to develop or invest in the area.

This AMP is developed to provide linkage between the strategic directions that Council desires to achieve (as defined in strategic plans) and the delivery of services. The Asset Management Plan is a tactical plan that enables alignment of operational delivery with Council's strategic objectives. It also shows how the delivery of services will contribute to meeting the community outcomes identified in the Council's Long Term Plan 2012.

Asset Management plans are a key component of the Council planning process, linking with many plans and documents. The Council's current high level strategic approach for satisfying the future open spaces requirements are described in its Open Spaces strategy, 2002.

Long Term Plan (LTP), is required by the Local Government Act (2002) to cover a period of at least ten years. This plan contains key information about the Council's activities, assets, level of service and cost of providing services. It sets out the Council's funding and financial policies and also a financial forecast for the years covered by the plan.

- Annual Plan: Complements the LTP in the years between updates by reporting on variances. This is a detailed action plan outlining Council's projects and finances for each particular year.
- Funding Policies: These policies state how future expenditure needs will be funded. Key policies are summarised in the LTP.

The future population growth the Council is planning to provide services for is the medium growth scenario in the report entitled "Queenstown Lakes District – Projecting for Resident Population, Dwellings and Rating Units to 2065" by Rationale (April 2014).

Output	2013	2015	2025	2045	2065	10 years (2015 - 2025)			30 year avg annual growth (2015- 2045)
						Growth	Avg annual growth	Avg annu al growt h rate	
						000's	000's	000's	
Usually Resident Population	29.5	30.7	37.3	50.3	63.2	6,600	660	2.0%	650
Total Visitors (average day)	16.9	17.1	19.7	22.5	25.0	2,600	260	1.4%	180
Total Visitors (peak day)	63.8	65.8	78.2	98.9	120.1	12,400	1,240	1.7%	1,100
Total Dwellings	15.7	16.3	19.3	24.9	31.0	3,000	300	1.7%	290
Total Rating Units	21.7	22.4	26.5	33.2	40.7	4,100	410	1.7%	360

## FUTURE DEMAND

'Future Demand' is:

"The extent to which the various services provided by the open space assets are likely to be required in the future" (It is not possible to accurately forecast future asset and funding requirements unless/until this is known).

Matters that must be considered when identifying the likely future demand for the open space assets in addition to the normal annual renewals requirements include (but aren't necessarily limited to):

- The extent to which the continuing rate of resident and visitor population growth will require new, upgraded and changed network arrangements in order to be able to satisfactorily provide for the accompanying growth in demand volumes;
- The extent to which current and future users and others may have changing expectations and require services that are different to those that are being delivered now;
- The extent to which current and future users may require (and be prepared to pay for) a higher (or lower) level of service than that which is being provided now;
- The extent to which, and the type of, new land development (and land redevelopment) that is likely to occur within the planning period, and the extent of new or upgraded assets that that is going to require.
  - Where?
  - When?
  - Type of demand (e.g. organised sport, informal recreation, passive recreation, ecological enhancement etc).
- The identification of any situations where the assets may become obsolete during the planning period and have to be replaced with different technology;
- The extent to which existing assets may be now considered to have shorter useful lives than has hitherto been appreciated;
- The extent to which existing assets may be able to be used for a longer period than earlier predicted because of surplus capacity or because of a longer than expected useful life;
- Whether or not there are (or are likely to be) any new legislative or regulatory requirements that will require a changed level of service to be provided or some sort of new regulatory compliance requirements;
- How timing of provision of the identified requirements might be affected by the intentions of other infrastructure service providers, or able to be integrated with them - e.g. The various utility providers – power, water supply, wastewater, storm-water, and telecommunications;
- Any ideas that the QLDC has itself whereby, in return for capital expenditure, or the adoption of demand management options, it believes it would be able to deliver the services more effectively and efficiently; and
- Whether or not there are any factors (e.g. Climate change or potential health and safety risks) that might give rise to a demand for additional, changed, or increased levels of service, or to the necessity to extend, upgrade, alter or demolish any of the assets during the planning period.

## GROWTH STRATEGIES

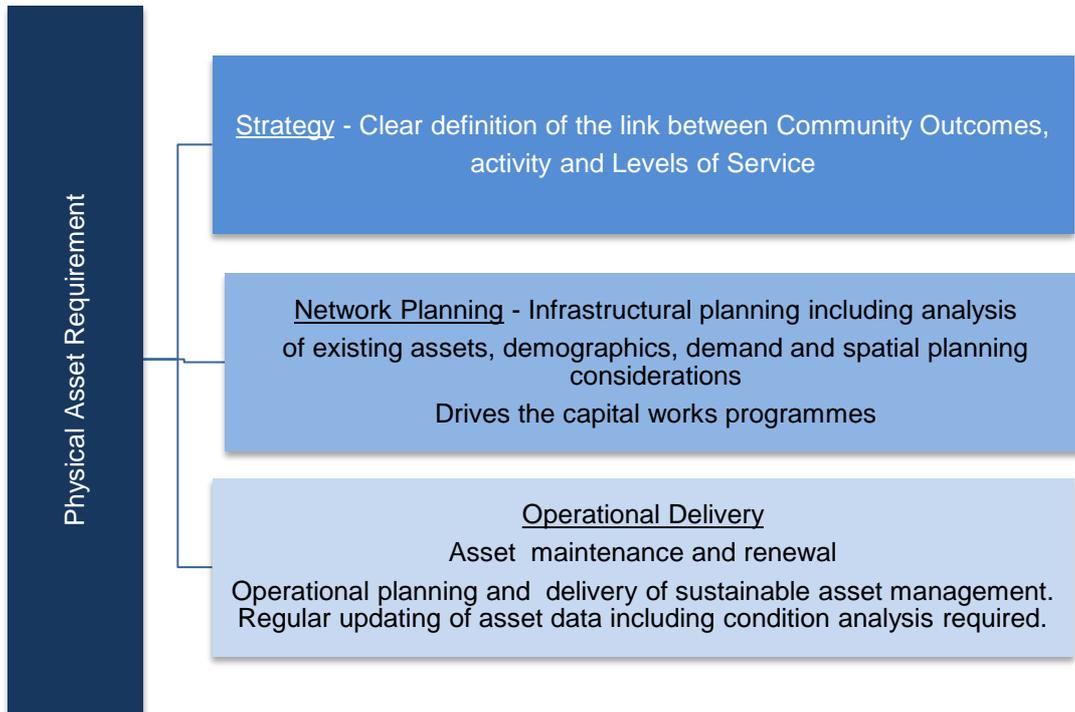
The Strategies and Plans that set the strategic directions for Council and require consideration in relation to Open Space Management include:

- ✓ Parks Strategy (2002)
- ✓ Playground Strategy (2006)
- ✓ Cemeteries Strategy (2005)
- ✓ Wakatipu Trails Strategy (2004)
- ✓ Foot by Cycle Strategy (2008)
- ✓ Wakatipu Wilding Conifer Strategy (2013-2017)
- ✓ Events Strategy (2013-2017)
- ✓ Heritage Strategy (2010)
- ✓ Waste Minimisation Plan (2011-2017)
- ✓ Urban Design Strategy (2006)
- ✓ Town Centre Strategy (various)
- ✓ Transport Strategy (various)
- ✓ Growth Management Strategy (2007)
- ✓ Flood Management Strategy (2006)
- ✓ Freedom Camping Strategy (2010)

- ✓ Social Well Being Strategy (2006)
- ✓ Otago Regional Council Strategies [plans and policies (various)].

Most of these strategies are dated and require review. In addition to the reviews a series of network plans will be required to enable strategic asset management principles to be applied.

Project prioritisation is a key consideration for ensuring that a sustainable LOS is delivered in an ongoing manner. Each activity area has a different approach to capital investment prioritisation dependent on the criticality of the asset. In principle, asset development should follow a strategically planned approach. The following diagram provides an example of such an approach.



For waste management planning there are other key drivers such as legislation that determines how assets are developed and maintained. Primarily in this area the assets are land, however there are improvements such as key operating equipment and buildings required to deliver the waste management levels of service. The relevant legislation that applies to the management of public waste is provided in the illustration on page 24 of the AMP.

Key to quality asset management is consideration of the whole of life process. Council's overall approach to the management of all of its infrastructure assets is described in the paper "Asset Management System – Working Draft – Version 1 C April 2014". That document summarises the interrelated or interacting elements of the Council that establish asset management policies and objectives and the processes needed to achieve those objectives.

The following diagram illustrates the lifecycle management process that should be adopted for open space asset management:

### CAPITAL WORKS PROGRAMMING

In developing a capital works programme the Council should be able to demonstrate clear links to the LoS affected.

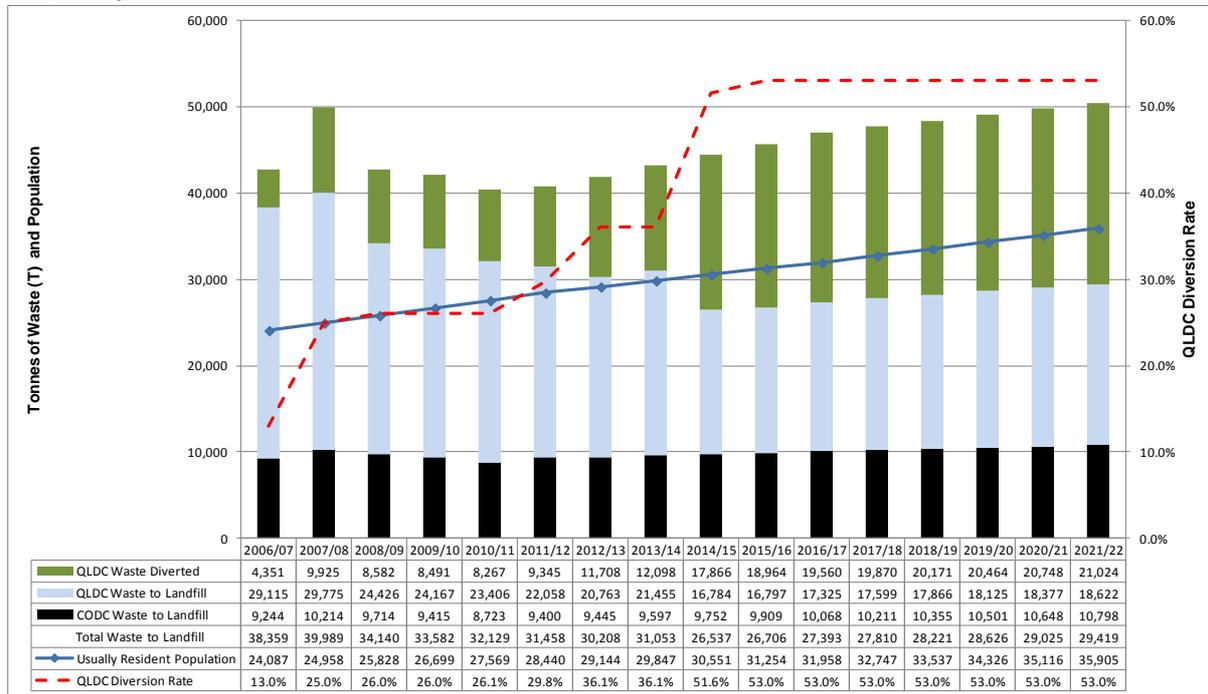
The project should have clearly defined capacity that is being developed and proportional splits for;

- Any backlog capacity
- Renewal of existing capacity
- New capacity created and its effect on the current LOS

Understanding this will enable Council to understand the funding implications for all projects and consider relevant sources of funding. The following waste management demand model is a good example of demand models required for all open space assets.

### FORECAST WASTE DEMAND

The following graph shows that although QLDC’s population and total waste produced is projected to increase, the waste sent to landfill remains relatively stable. This is due to the increased waste diversion due to the organic composting service and other waste diversion initiatives.



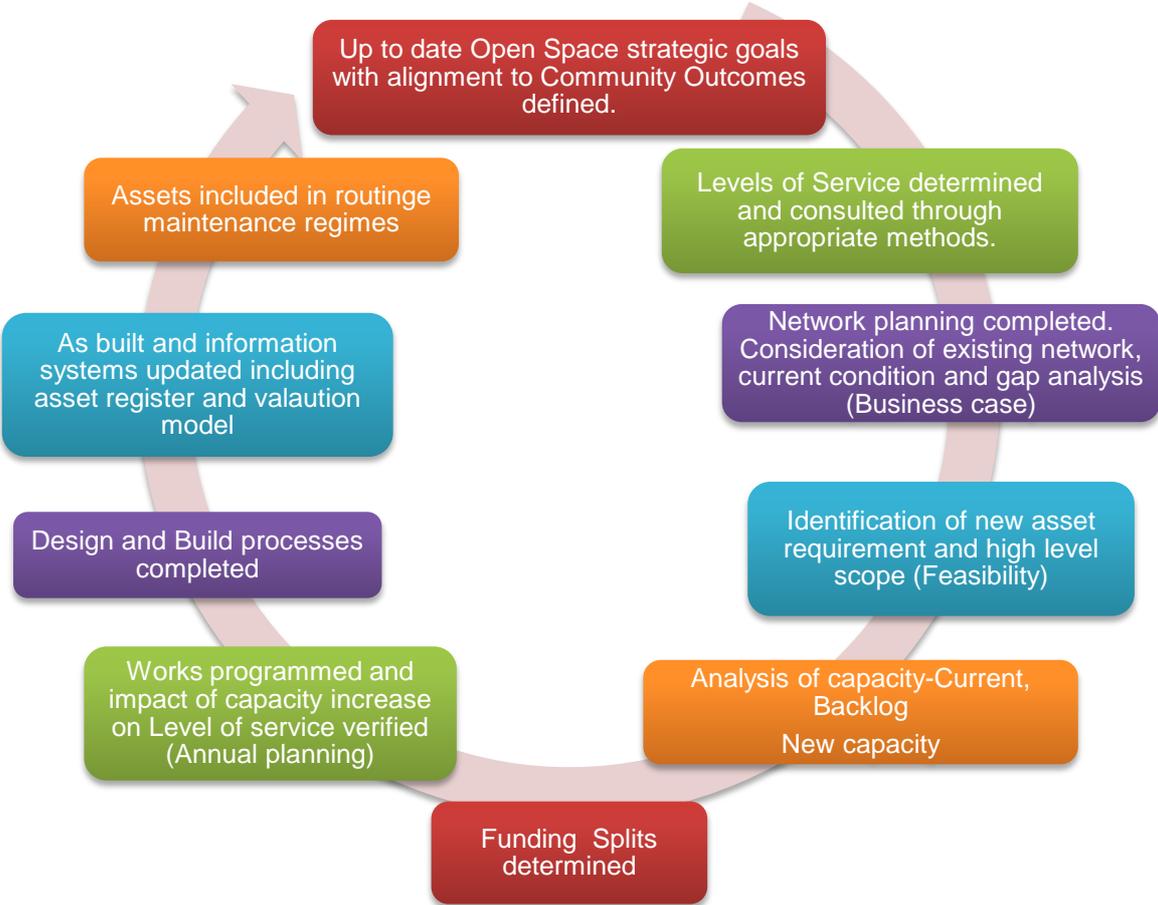
The most significant uncertainty of the landfill demand projections is the uptake of the composting service and the impact of another construction boom. Waste diversion measures are being put in place to mitigate these risks.

Management of growth and demand is a critical component of strategic asset management. QLDC do not have a clear understanding of the real requirement for asset renewal, development or dissolution as they do not currently have adequate demand models available. Development of these models is highlighted in the improvement plan, and classified as a high priority.

QLDC has a series of strategic documents available to guide future provision. Many of these documents are approaching or beyond the 10 year mark and require review and update. Missing from the planning framework is a series of network plans that act as a bridge between strategic goals and delivery of the levels of service. Network plans consider existing assets including the current condition of those assets, the on-going suitability of existing assets, growth and demand and a geospatial analysis of potential developments. In this manner they act as a feasibility tool for the goals and objectives defined in strategic documentation. They also form the business case for the requirement to carry out a capital works programme and when publically consulted enable the public to understand the implications of the proposed developments.

The following diagram summarises this planning approach:

ASSET DEVELOPMENT AND MANAGEMENT CYCLE



## LIFECYCLE MANAGEMENT

### ASSET AND FINANCIAL MANAGEMENT SYSTEMS AND PRACTICES

Council's overall approach to the management of all of its infrastructure assets is described in the paper "Asset Management System – Working Draft – Version 1 C April 2014". That document summarises the interrelated or interacting elements of the Council that establish asset management policies and objectives and the processes needed to achieve those objectives. The more detailed asset and financial management systems the QLDC uses are described below:

#### ASSET AND FINANCIAL MANAGEMENT SYSTEMS

Database	Comment
RAMM	A software system that tracks costs, valuation, and work history/condition and information.
GIS (Geographic Information System)	Electronic as-built data, road network, aerial photography, property information (QLDC).
dTiMs	A modelling system that enables the identification of renewals requirements.
As built drawings	Hard copy plans held by QLDC, Infrastructure Services.
RFS (Request for Service)	A record of customer complaints (KBase). This has the potential to be managed within Hansen.
CS-VUE	Inventory of resource consents issued by the Otago Regional Council held by QLDC.
Financial Model	Predictive model for expenses, revenue, debt, depreciation, asset value and surpluses
NCS Accounting System	General ledger, asset valuation, budgeting and historical cost records.
Project Database	Contains the forward work programmes for Infrastructure Services and Community Services. Also contains key funding decisions such as cost drivers, 3rd party funding and General Ledger information.
Project Financial Control (PFC)	A cost control tool for the management of projects. Includes purchase order management and detailed reporting.
Data Warehouse	A large database designed to link all AM data into one place for ease of reporting.
TRIM	A records management system.
SharePoint	SharePoint offers web-based document collaboration to manage multiple inputs from stakeholders.
Tech One	An asset repository for capturing all plant and vehicles' fleet information. (Insurances, Warrants of Fitness, Inspections, Equipment Carried (e.g. chains) etc... Also tracks kms travelled, fuel usage etc.

### OPERATIONS AND MAINTENANCE

The Council has a combination of in house and outsourced service delivery functions. The Council undertakes maintenance of the Queenstown Gardens and all amenity horticulture work with its own staff, while mowing, tree maintenance and building maintenance is undertaken under contract. A specialist "in-house" turf team maintains sports turf. Some of the facilities supported and/or maintained by Council include:

- Queenstown Gardens and Wanaka Station Park.
- 37 playgrounds and four skate parks.
- Three BMX jump parks in association with local mountain bike clubs.
- 30 ha of sports fields in Queenstown, Arrowtown and Wanaka and Hawea.
- Over 150km of walkways, tracks and mountain bike trails.

## CURRENT CONTRACT ARRANGEMENTS

The following tables details the current service agreements in place with external contracting companies.

Contract number	Contract Name and/or Activity	Contractor	Form of contract	Contract value per annum	Term	Start date	Expiry date	Plan
Parks, Reserves, Streetscapes								
801	Cleaning Services Streetscapes and Rubbish collection from public open spaces	City Cleaning Services	NZS 3910:2003					
802	Grounds Maintenance	Asplundh	NZS 3910:2003				June 2017	Prioritise negotiation of improved service delivery and key performance indicators
	Tree Maintenance	Asplundh	NZS 3910:2003				June 2017	Prioritise negotiation of improved service delivery and key performance indicators
Cemeteries								
804	Cemetery Services Queenstown	Asplundh	NZS 3910:2003					
804a	Cemetery Services Wanaka	Wanaka Landscapes	Bespoke			June 2015		
Public Services								
806	Building Services- Public Toilets	Asplundh	NZS 3910:2003			June 2017		

Waste Management								
08-006	Wakatipu Recycling Litter Bin Collection Service	Smart Environmental	NEC3 Term Service Contract	87,485	3+1+1	July 2009	June 2014	Option 1 Closed tender process with incumbent and All Waste commenced June 2014.
512	Glass Crushing	Fulton Hogan	NZS 3910:2003	120,000	3+1+1	July 2009	June 2014	Recommendation to extend contract for 1 additional year to expire on 30/06/2015
13-014	Waste Education	Wanaka Wastebusters	Bespoke	\$77,255	3+1	July 2012	June 2015	Review contract Feb 2015 with a view to extend for 1 year
08-009	Refuse and Litter Bin Collection Service- Wanaka	Allwaste	NEC3 Term Service Contract	\$899,999	8+1+1	October 2009	September 2017	Review contract in Feb 2016 with a view to extend for 1 year
11-010	Kerbside Recycling Collection Service- Wanaka	Smart Environmental	Bespoke	\$301,000	6 + 3 years	March 2012	February 2018	Review contract in July 2017 with a view to extend for 3 years. Opportunity for amalgamation with other solid waste contracts.
462	Kerbside Recycling Collection Service- Queenstown	Allwaste	NZS-3910-2003	\$441,000	10years	October 2007	June 2018	Review contract in Nov 2017 with a view to extend for 3 years. Opportunity for amalgamation with other solid waste contracts.
466	Queenstown Recycling Centre Operation	Streetsmart Ltd	NZS-3910-2003	\$627,350	10 years	October 2007	June 2018	Review contract in Nov 2017 with a view to extend for 3 years. Opportunity for amalgamation with other solid waste contracts.

306 part 2(b)	Transfer Stations and Transfer of Solid Waste	Allwaste	Bespoke	\$840,000	20years	July 1999	June 2019	Review Contract in June 2018. Opportunity for amalgamation with other solid waste contracts.
306 part 1	Sanitary Landfill Works and Services	Scope Resources Ltd	Bespoke	\$1,300,000	30 years	July 1999	June 2029	Review contract in June 2018. Opportunity for amalgamation with other solid waste contracts.
Parking Services								

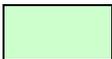
**CURRENT "IN-HOUSE"SERVIES**

- Queenstown Gardens and all amenity horticulture
- Sports turf
- Parking Wardens

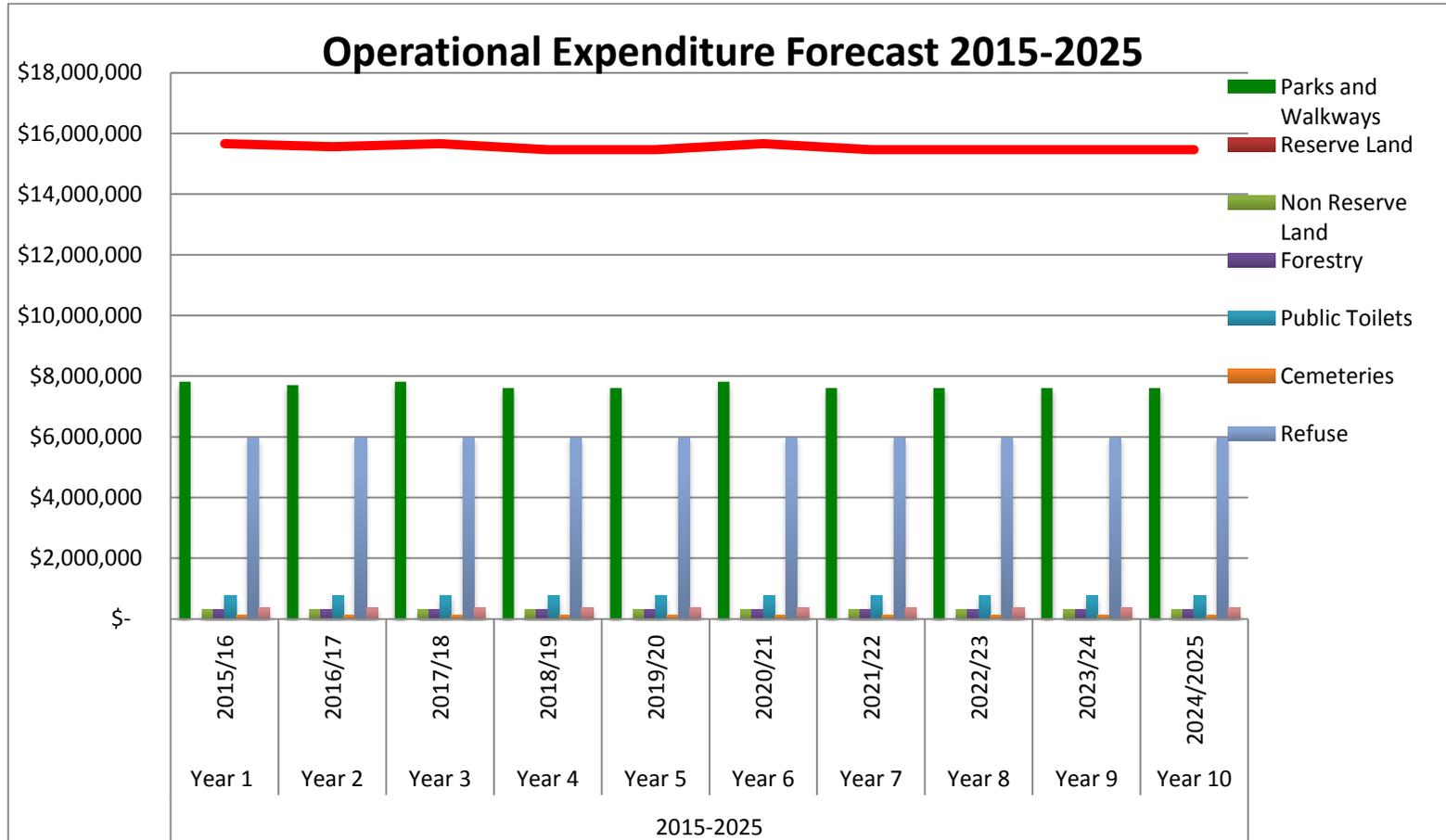
## OPERATIONS AND MAINTENANCE COSTS

The following table lists the operational budget required for the on-going management and maintenance of open spaces assets for the proposed values for the 2015-2025 Council Long Term Plan.

Activity	New LTP 2015-2025 \$ (000)									
	Year 1 new LTP	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Year	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/2025
Parks and Walkways	\$7,812	\$7,612,	\$7,812	\$7,612,	\$7,612,	\$7,812	\$7,612,	\$7,612,	\$7,612,	\$7,612,
Non Reserve Land	\$310	\$310,	\$310	\$310,	\$310,	\$310	\$310,	\$310,	\$310,	\$310,
Forestry	\$310	\$310	\$310	\$310	\$310	\$310	\$310	\$310	\$310	\$310
Public Toilets	\$762	\$762	\$762	\$762	\$762	\$762	\$762	\$762	\$762	\$762
Cemeteries	\$133	\$133	\$133	\$133	\$133	\$133	\$133	\$133	\$133	\$133
Refuse	\$5,974	\$5,974	\$5,974	\$5,974	\$5,974	\$5,974	\$5,974	\$5,974	\$5,974	\$5,974
Parking Facilities	\$361	\$361	\$361	\$361	\$361	\$361	\$361	\$361	\$361	\$361
<b>Total</b>	<b>\$15,662</b>	<b>\$15,462</b>	<b>\$15,662</b>	<b>\$15,462</b>	<b>\$15,462</b>	<b>\$15,662</b>	<b>\$15,462</b>	<b>\$15,462</b>	<b>\$15,462</b>	<b>\$15,462</b>



Increase in funding for asset improvement programme operational cost.



## CAPITAL EXPENDITURE COSTS – FUTURE

The following table lists the proposed capital expenditure budget for the July 2015 – June 2025. The values are consistent with the existing 2012-2022 LTP with the exception of the introduction of funds to enable the required asset forward planning to occur. This is based on a percentage of the overall capital budget for that year.

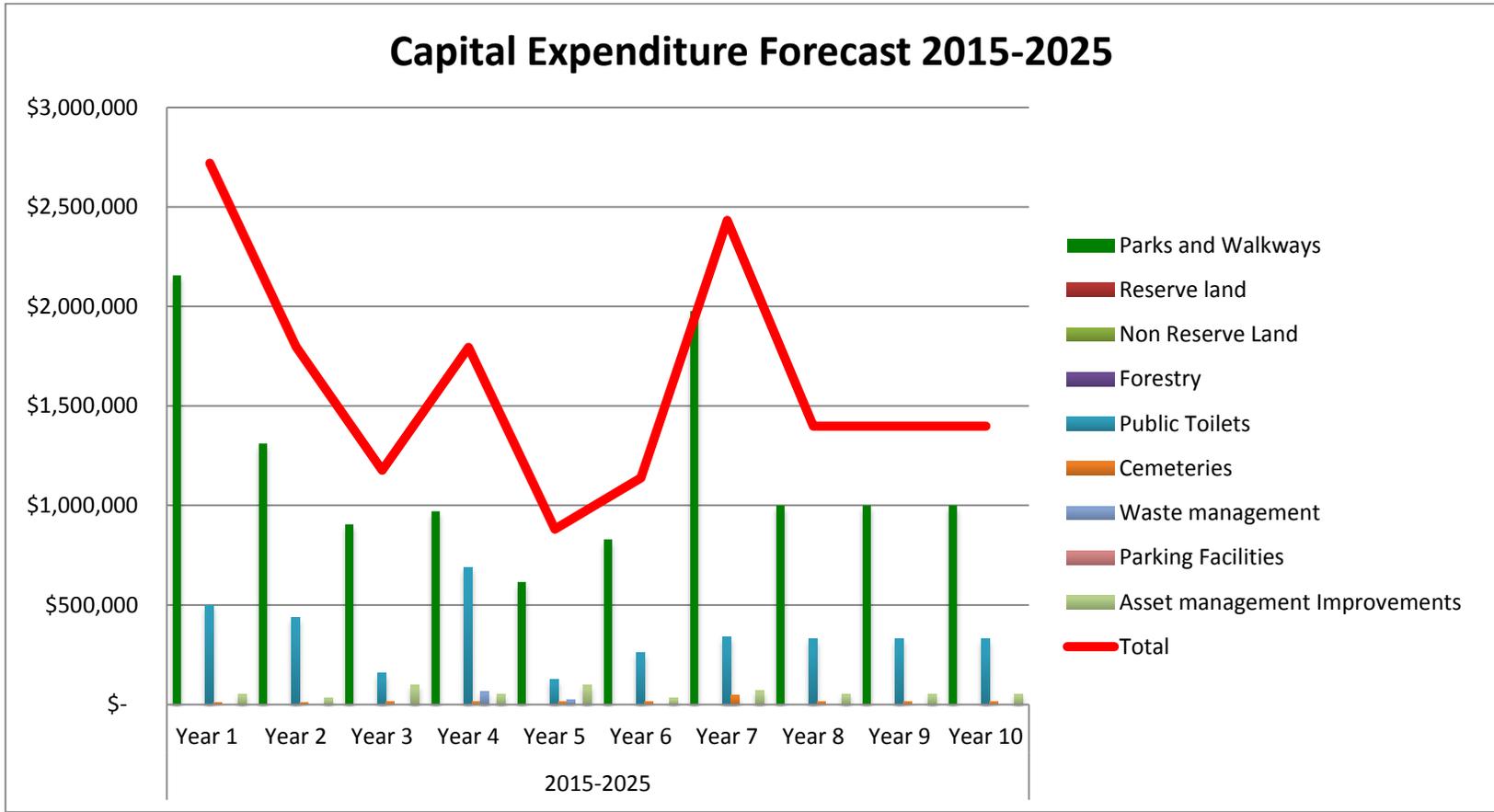
Activity	New LTP 2015-2025									
	Year 1 new LTP	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Year	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/2025
Parks and Walkways	\$2,156,217	\$1,311,55,	\$905,496	\$971,382	\$615,265	\$829,376	\$1,976,056	\$1,000,000	\$1,000,000	\$1,000,000
Non Reserve Land										
Forestry	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-
Public Toilets	\$497,355	\$438,232	\$159,203	\$689,841	\$127,100	\$261,800	\$338,000	\$330,000	\$330,000	\$330,000
Cemeteries	\$11,645	\$11,984	\$12,344	\$12,736	\$13,805	\$13,456	\$46,583	\$15,300	\$15,300	\$15,300
Waste Management	\$-	\$-	\$-	\$67,469	\$24,723	\$-	\$-	\$-	\$-	\$-
Parking Facilities	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-
Asset Management Improvements	\$53,304	\$35,235	\$100,000	\$52,242	\$100,000	\$33,139	\$70,819	\$53,812	\$53,812	\$53,812
<b>Total</b>	<b>\$2,718,521</b>	<b>\$1,797,002</b>	<b>\$1,177,043,</b>	<b>\$1,793,671</b>	<b>\$880,893</b>	<b>\$1,137,771</b>	<b>\$2,431,458</b>	<b>\$1,399,112</b>	<b>\$1,399,112</b>	<b>\$1,399,112</b>

Note that years 8-10 inclusive are based on the average spend of the preceding years.



Increase in funding for asset improvement programme capitalised cost.

### Capital Expenditure Forecast 2015-2025



## ASSET CREATION AND DISPOSAL

No current strategy or plan for an asset creation or disposal of assets exists. This AMP refers to the requirement to update the existing Open Space Strategy 2002, and to develop a series of asset network plans as the basis of determining asset development and disposal.

## ASSET RENEWALS

At this time no detail of planned works is available for publication in this asset management plan. All expenditure on renewal is based on the current Annual plan and 2012-2022 LTP. The improvement plan highlights some key priorities to ascertain the current quantity, and relative condition of the assets. Once complete this will enable a more accurate valuation process and facilitate the alignment of depreciation costs to renewal programmes and prioritised, condition driven asset renewal.

## NEW ASSETS PLAN

The following provides detail for the next 2 years new capital works programmes covered under this AMP.

### PARKS AND RESERVES

Council has budgeted \$ 4,255k between 2015/16 to 2016/17 for the development of parks and reserve assets. This includes funding for enhancement and development of streetscapes.

### WAKATIPU WARD

Projects	Cost Driver	2015/16	2016/17
Arrowtown River and Surrounds	Level of Service and Growth	\$11,984	
Frankton Domain	Level of Service and Growth	\$294,989	
Park Street Foreshore Enhancement	Level of Service and Growth	\$29,961	
St Omer Park Improvements	Level of Service and Growth	\$179,768	
Neighbourhood Park Improvements	Level of Service and Growth	\$56,600	\$58,300
Millbrook Corner	Level of Service and Growth	\$269,653	
Marine Parade Playground	Level of Service and Growth		\$408,100
Playground Renewals	Renewal		\$98,756
Replacement of Flatdeck Utes	Renewal		\$49,378
Lighting Renewals	Renewal	\$11,984	
Park Garden enhancements	Level of Service and Growth	\$17,977	\$18,517
Fencing and Entrances	Level of Service and Growth	\$11,985	\$12,345
Signs and Furniture	Level of Service and Growth	\$71,907	\$74,067
BBQ's, Fountains, Shelters	Level of Service and Growth	\$11,985	\$12,345
Irrigation Renewals	Renewal	\$5,992	\$6,172
Street Trees	Level of Service and Growth	\$29,961	\$30,861
Pigeon Island Revegetation	Level of Service and Growth	\$17,977	
Bridge and barrier renewals	Renewal	\$11,985	\$12,345
Small plant/tools replacements	Level of Service and Growth	\$5,993	\$6,173
Internal Path Renewals	Level of Service and Growth	\$22,640	
Wakatipu trail development	Level of Service and Growth		240,600
<b>Total</b>		<b>\$ 1,063,342</b>	<b>\$ 1,027,958</b>

### WANAKA WARD

Projects	Cost Driver	2015/16	2016/17
Street Trees	Level of Service and Growth	\$29,961	\$30,861
Park Garden enhancements	Level of Service and Growth	\$17,976	\$18,517
Neighbourhood Park Improvements	Level of Service and Growth	\$28,300	\$29,150
Wanaka Show Grounds field development	Level of Service and Growth	\$357,972	
Sports Park Improvements	Level of Service and Growth	\$11,320	
Domain Road Playground	Level of Service and Growth	\$119,845	
Playground Renewals	Renewal		\$98,756

Playground Developments	Level of Service and Growth	\$119,846	
Bridge and barrier renewals	Renewal	\$11,320	
Small plant/tools replacements	Renewal	\$5,660	\$5,830
Lighting Renewals	Renewal		\$6,172
Roys Bay to Wanaka Station Park Improvements	Level of Service and Growth	\$291,793	
Fencing and Entrances	Level of Service and Growth	\$11,984	\$12,344
Signs and Furniture	Level of Service and Growth	\$50,940	\$52,470
Irrigation Renewals	Renewal	\$5,992	\$6,172
Lake Hawea Foreshore re-vegetation	Level of Service and Growth	\$29,961	
Albert Town Lagoon	Level of Service and Growth		\$23,320
<b>Total</b>		<b>\$ 1,092,874</b>	<b>\$ 1,070,951</b>

#### PUBLIC TOILETS

Council has budgeted \$ 935k between 2015/16 to 2016/17 for the development Public Toilets.

Projects	Cost Driver	2015/16	2016/17
Glenorchy Waterfront - Replace norski with landmark	Renewal	\$71,908	
Arrowtown - Rose Douglas Novaloo	Level of Service and Growth	\$155,799	
Frankton - Replace with Novaloo	Renewal		\$111,101
Existing Toilets Refurbishment - 10 Year Refits	Renewal	\$59,922	
Clutha Outlet - Replace norski with landmark	Renewal		\$86,412
Lake Hawea Boat Ramp - New Novaloo and dump station	Level of Service and Growth	\$179,768	
Lake Hawea North Beach - Replace NZED Block with landmark	Renewal		\$86,412
Existing Toilets Refurbishment - 10 Year Refits	Renewal	\$29,961	\$154,306.75
<b>Totals</b>		<b>\$ 497,360</b>	<b>\$ 438,232</b>

#### CEMETERIES

Council has budgeted \$ 24k between 2015/16 to 2016/17 for the development of cemetery assets.

Projects	Cost Driver	2015/16	2016/17
New Beams Wakatipu	Level of Service and Growth	5,992	6,172
New Beams Wanaka	Level of Service and Growth	5,992	6,172
<b>Total Capex</b>		<b>\$ 11,984</b>	<b>\$ 12,344</b>

#### WASTE MANAGEMENT

Council has not allocated capital funding within its Annual Plan for this activity.

#### PARKING FACILITIES

Council has not allocated capital funding within its Annual Plan for this activity.

## MANAGING RISK

A 'risk' is:

*'the possibility of an event occurring that will have an adverse impact on achievement of the QLDC's objectives.'*

The relative significance of every risk is measured in terms of the likely degree of the impact and the likelihood of the event occurring.

'Risk Management' is:

*'The process by which the Council:*

- *identifies, assesses and prioritises each risk;*
- *identifies and takes the action required to reduce the Council's exposure to each risk; (and)*
- *takes action during and after an unplanned risk event (i.e. during the recovery period) and identifies and implements ways to avoid or reduce the possibility of a repetition (or the adverse consequences of a repetition).'*

### RISK MANAGEMENT FRAMEWORK

The Council has reviewed and updated its Risk Management Framework in accordance with ISO 31000. The Risk Management Framework has been rolled out across the Council at a corporate level and is in the process of being imbedded at an operational level. The Council has also established an Audit and Risk Committee. The role of this committee is to provide guidance on the effectiveness of the Councils risk management framework, internal controls, legislative and regulatory compliance, external audits and financial reporting.

### SUSTAINABILITY

The sufficiency of the Council's annual maintenance and renewal budget is determined by comparing the depreciation provision (the extent to which the assets are being 'consumed' or continuing to wear out every year) with the annual renewals and replacement expenditure.

- If the two are 'in sync' **over time** (i.e. not every year) the current state of the network is largely being maintained.
- If there is a gap the network is continuing to deteriorate (and the 'backlog' will have increased).
- If the renewals expenditure exceeds the depreciation provision the network is being improved.

Another way of ensuring a sustainable network (after any deferred maintenance and deferred renewals has been eliminated) is to require that not less than the annual depreciation provision be funded annually and the proceeds be set aside and used only for renewals. This is what the QLDC does.

The amount of backlog for open spaces assets is yet to be determined for areas covered by this plan. This is due to the lack of quality data quantity and condition data associated to Open Spaces assets. This does not include the waste management assets.

### OPEN SPACES DEBT

In order to be able to fund everything that has to be done, the Council has to, from time to time, raise loans. The forecasted future debt for community open spaces will be defined for inclusion in the 2015-2025 LTP.

### POTENTIAL SIGNIFICANT NEGATIVE EFFECTS

Proactive management of risks is key to minimising the financial impact of mitigating risk on the community.

QLDC manages risk via multiple mechanisms. Key to minimising risk and harm is to continually monitor record and mitigate risks as they arise. The best mechanism for Council to manage this requirement is to ensure all contracted service providers and or Council personnel are fully trained and conversant in identifying and reporting risk factors. These risks will increase if Council does not regularly update its risk register. The Council is reviewing its Risk Management Framework and risks. The following list identifies the potential significant negative effects that may be caused by the community open spaces activities.

1. Inadequate attention is paid to the potential impacts of climate change when maintaining and developing the parks and reserves network
2. Poor and inadequate maintenance and renewal programme.
3. Poor quality data on asset quantity and condition.
4. Failure (through poor forward planning and/or insufficiently specified land development controls or an inability to fund) to have sufficient infrastructure to meet the demand when it is required.
5. The Council provides open spaces assets in order to meet a forecasted demand that doesn't eventuate either at all or within the timeline envisaged or occurs in a different form – resulting in unnecessary expenditure, and 'stranded' or inappropriately designed infrastructure.
6. Insufficient funding to be able to meet the specified/required levels of service.
7. Changing/unreasonable/unaffordable customer demands and expectations.
8. Changes in the marketplace affecting the availability and cost of goods and services, contractors and consultants – Excessive tender prices/no tenders.
9. Unforeseen asset collapse or failure (including the physical failure or incurring of additional whole-of-life costs as a result of alternative road maintenance and renewal solutions adopted in an attempt to reduce annual costs).
10. Government legislative or regulatory changes (e.g. the proposed change to the Council's current powers to charge Development Contributions).
11. The acceptance of sub-standard assets from subdividers and developers.
12. Utilities' use of the open space in an uncontrolled or insufficiently integrated way – not consistent with the Council's forward planning, limiting its future options in terms of both the proposed future timing and the physical works' design, or causing higher maintenance costs.
13. Unauthorised encroachments by private individuals and/or commercial concerns onto public open spaces.
14. The QLDC isn't (or isn't sufficiently) reimbursed when an insurance loss occurs – because of a lack of understanding of the extent and/or conditions of its insurance cover/inadequate insurance cover (or after the receipt of an insurance payment isn't able to recover from the event quickly).
15. Substandard contractor performance.
16. Potential contamination of natural waters from closed landfills.
17. Noise generated from sporting activity and events.
18. Vehicle emissions in public open spaces carparks.
19. Disruption to motorists and to local businesses and adjoining residential properties when new construction work, or renewals construction work, is being carried out.
20. Sports park flood lighting causing interference to adjoining properties or a distraction to motorists.
21. Traffic congestion associated to sporting or other events within parks and reserves.
22. Land is developed without sufficient consideration of the impacts on the existing road network.
23. Potential damage to wildlife habitats or sites of archaeological or historical significance through development or landfill operations.

## OPEN SPACES SAFETY MANAGEMENT

Safety management is a fundamental part of community infrastructure management. The following table summarises the Council's approach.

- Adopt and maintain an open spaces safety management strategy based on **Crime Prevention Through Environmental Design (CPTED)**. The four key principles are:
  - Surveillance – people are present and can see what is going on.
  - Access management – methods are used to attract people and vehicles to some places and restrict them from others.
  - Territorial reinforcement – clear boundaries encourage community 'ownership' of the space.
  - Quality environments – good quality, well maintained places attract people and support surveillance.
- Safety Audits of key physical assets are carried out on a basis consistent with industry best practise.
- Safety Audits of key physical assets inform development of and regular updating of Asset Network Plans
- Safety audits are carried out for all proposed major capital projects.
- The network maintenance contractor monitors and addresses safety deficiencies. Those that can't be attended to by the contractor are captured in a 'deficiency database' and considered for inclusion in the minor improvements' programme.
- School Travel Plan surveys identify safety deficiencies relating to the use of the pathways and cycleways in Parks Reserves and other Open Spaces.

## ASSET MANAGEMENT PRACTICES

Regular monitoring and review of information is a requirement for quality asset management. QLDC open space asset managers should develop a programme of inspections that is consistent with best practice principles and appropriate national standards to enable accurate and current reporting.

## ASSET CONDITION MONITORING AND REVIEW

This assumes that current and accurate information exists within an appropriate asset management database. For open spaces management, most Council's consider geospatial systems to be the most effective form of asset management database types.

It may be that there is a backlog of information to collect. QLDC should prioritise any gaps in its information inventory on a public health and safety basis. QLDC should generate a rolling programme and fund this activity accordingly to ensure optimisation of asset performance. Opportunities exist to include these assessments with regular auditing of service contract performance to minimise on-going costs of this activity.

An example is provided below. Note these are representative only and an appropriate asset assessment frequency model, post the initial round of data capture, should be developed.

Asset	
Playgrounds (Safety Audit)	Every 2 years
Public conveniences	Every 4 years
Bridges Boardwalks and safety rails	Every 3 years
Park Furnishings	Continuously via service agreements
Sealed Pathways/Cycleways	Every 4 years
Unsealed Pathways/Cycleways/Tracks	Every 2 years
Sports Fields Courts	Annually
Courts Artificial Cricket surfaces etc.	Every 2 years
Skate parks facilities	Every 2 years
Street trees	Every 3 years
Park Trees	Every 3 years
Formed Gardens	Continuously via service agreements
Car parks and equipment	Every 4 years
Waste Management Assets	Every 3 years

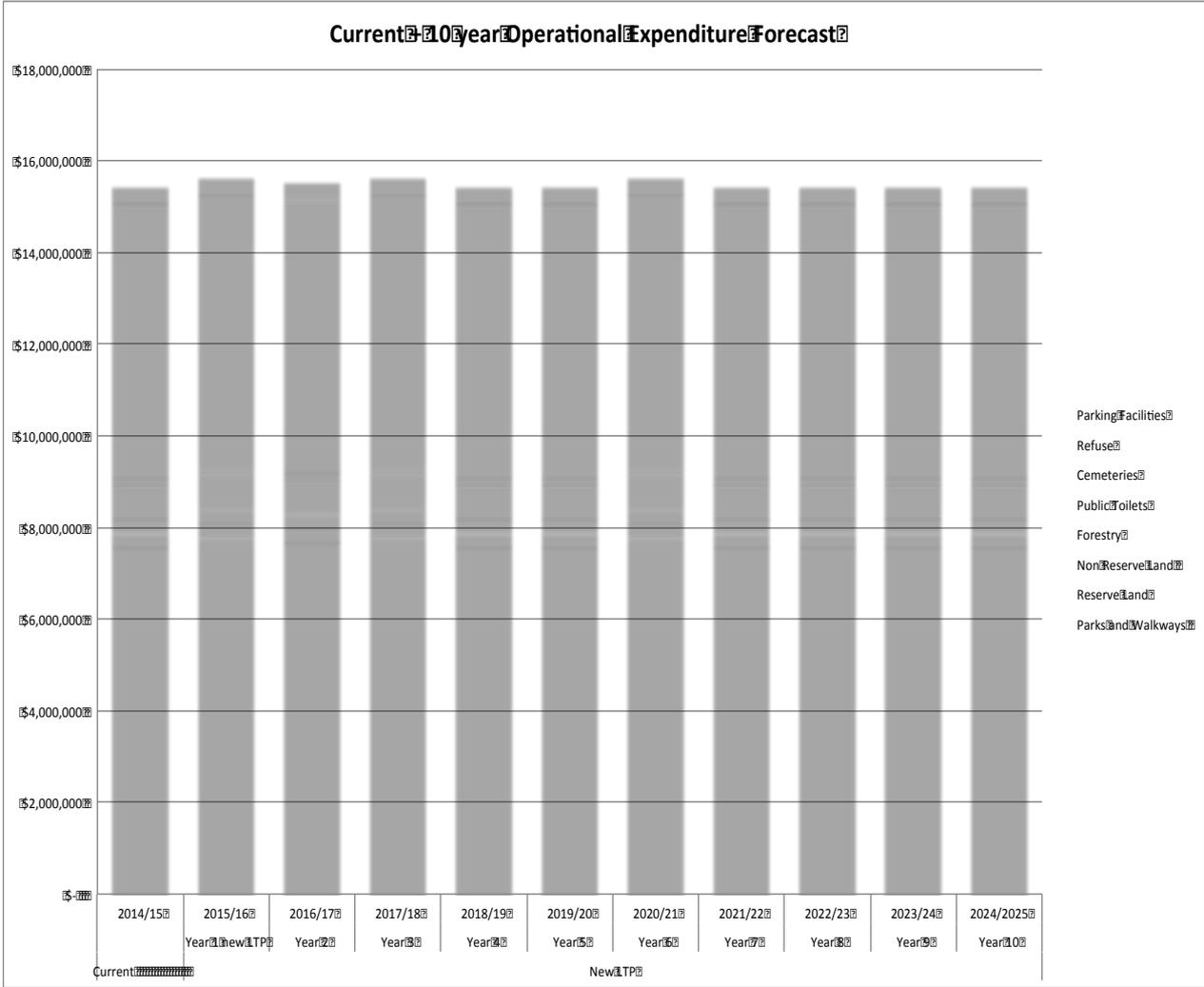
# FINANCIAL SUMMARY

## 10 YEAR FORECASTS

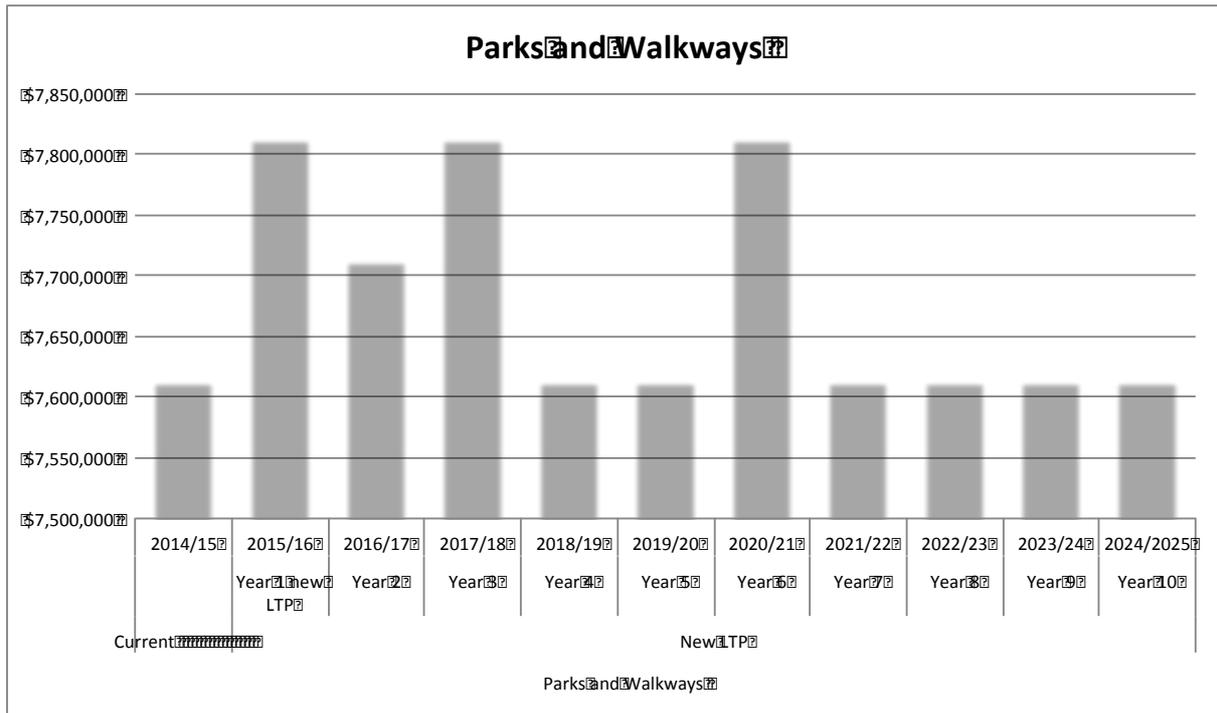
The following figures show the forecasted future financial requirements. These forecasts are incomplete and are based on the Council’s traditional way of managing Community Open Spaces. In the future they will be required to be updated (for a 30 year timeframe) after the Council has decided its future proposed strategic approach.

### OPERATIONAL EXPENDITURE – all figures exclude inflation

#### SUMMARY ALL ACTIVITY



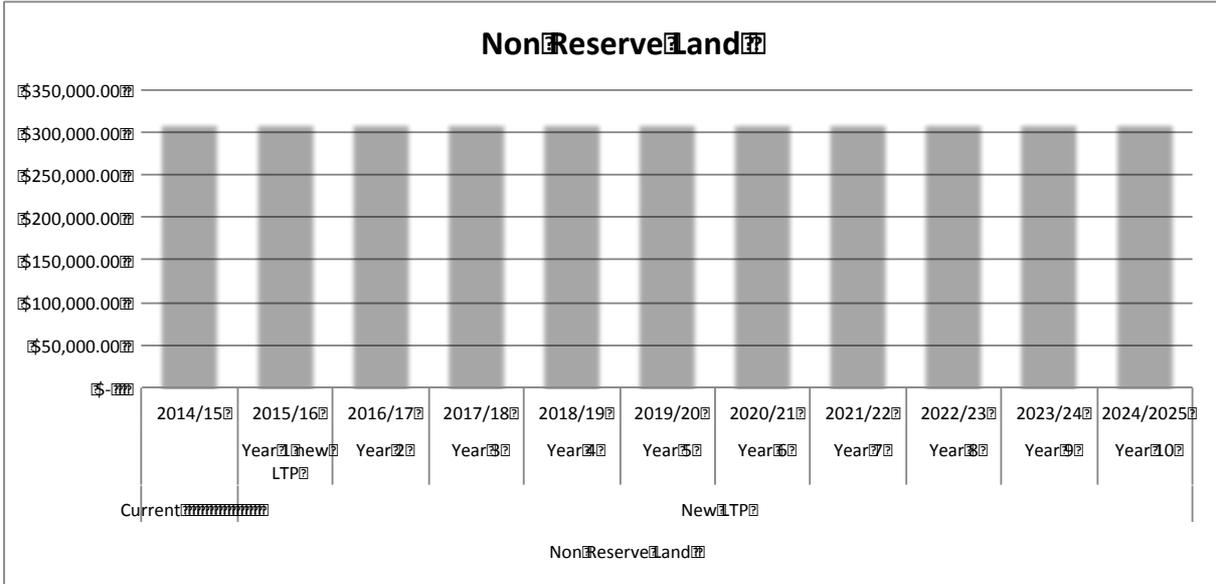
The forecast expenditure is consistent with the current 2012-2022 Long term plan with the exception of minor periodic increases in Parks and Walkways. This amounts to an average of \$ 60K per annum over the 10 year period or 0.38%. Further explanation is provided on the following page.



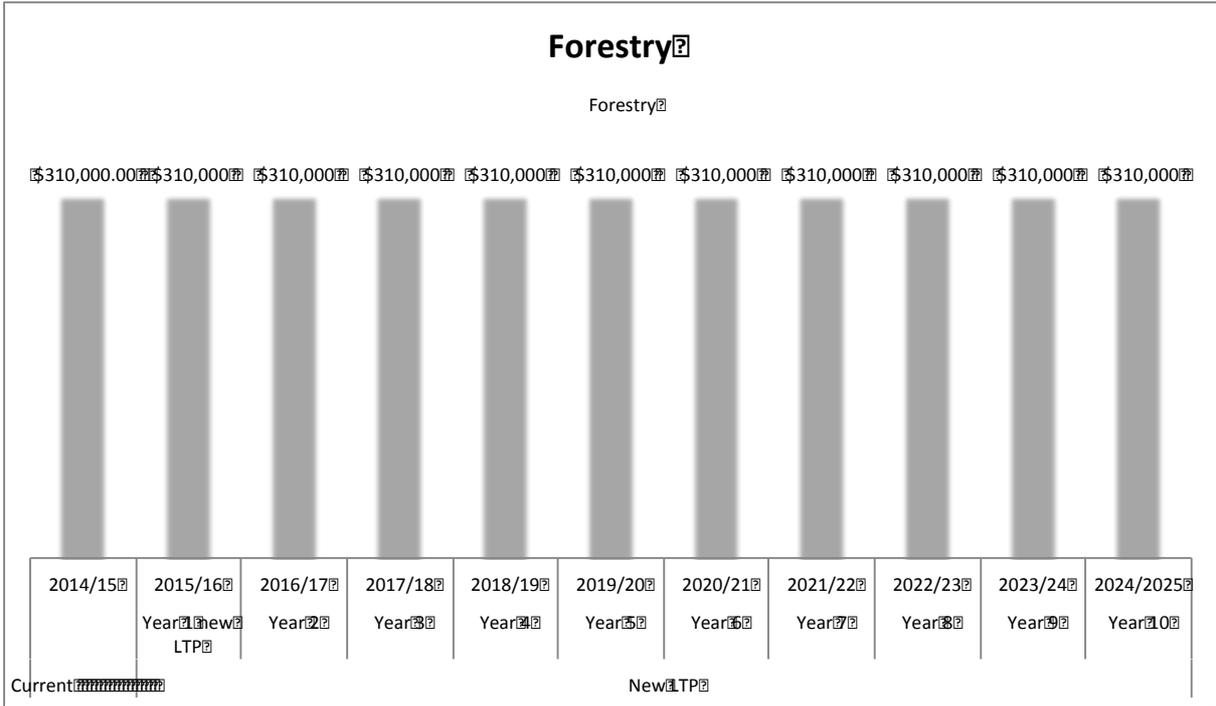
Of note in the above forecast are the proposed modest increases of funding (\$200 k) required in 2015/16, 2017/18 and 2020/21. The reasoning behind these increases is three fold:

1. Firstly there is an identified need to immediately improve the quantity and quality of asset information. There is a potential risk that the current level of operational funding will not be sufficient to sustain the current servicing levels.
2. The second is that there is an inherent risk that there will be a market led correction of rates when contracts expire and are re-tendered.
3. The final spike in expenditure assumes that strategic and network planning will require amendment at the 7 year period.

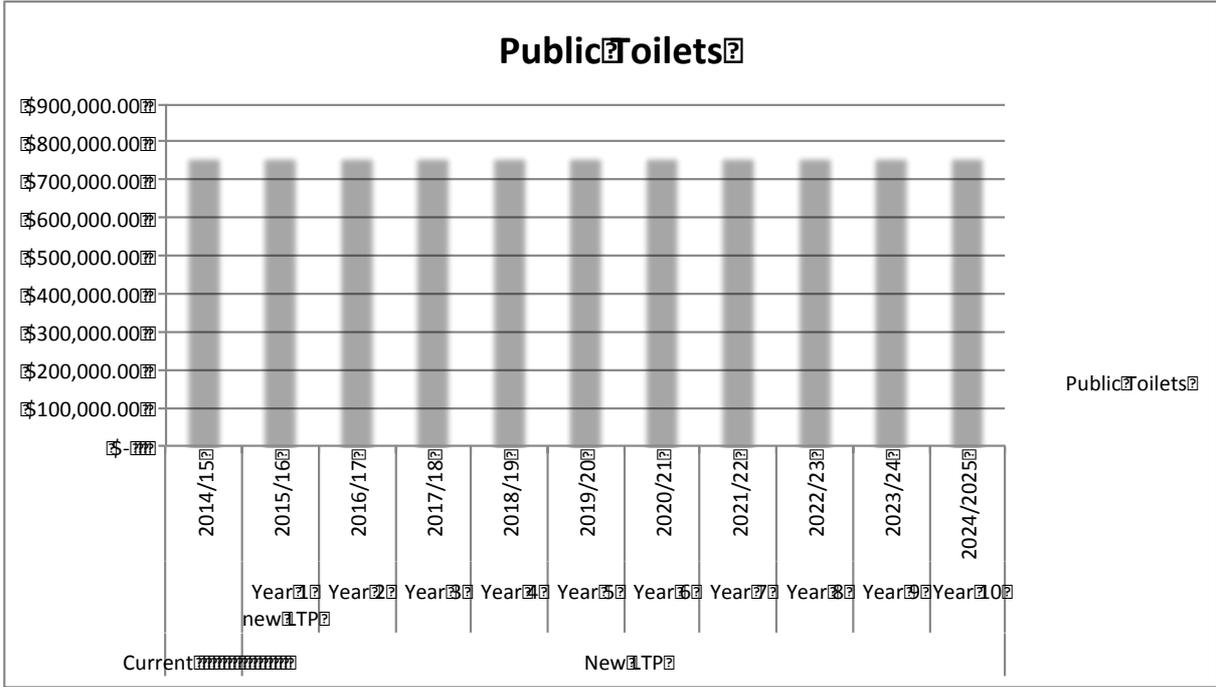
Once the parks operations unit has completed the necessary reviews and market analysis it is anticipated that the new service agreements will enable a greater level of flexibility with cost management, and that, funding requirements will settle back to consistent levels.



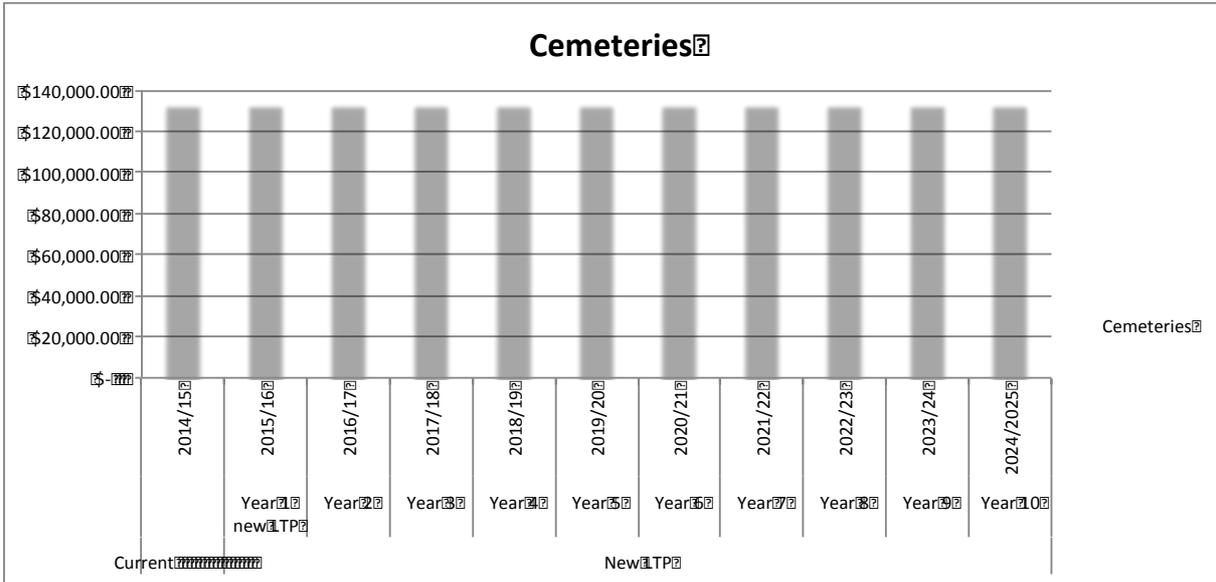
Expenditure on non-reserve land is forecast to remain consistent with the current financial year in the next 10 year period.



Expenditure on forestry assets is forecast to remain consistent with the current financial year in the next 10 year period.



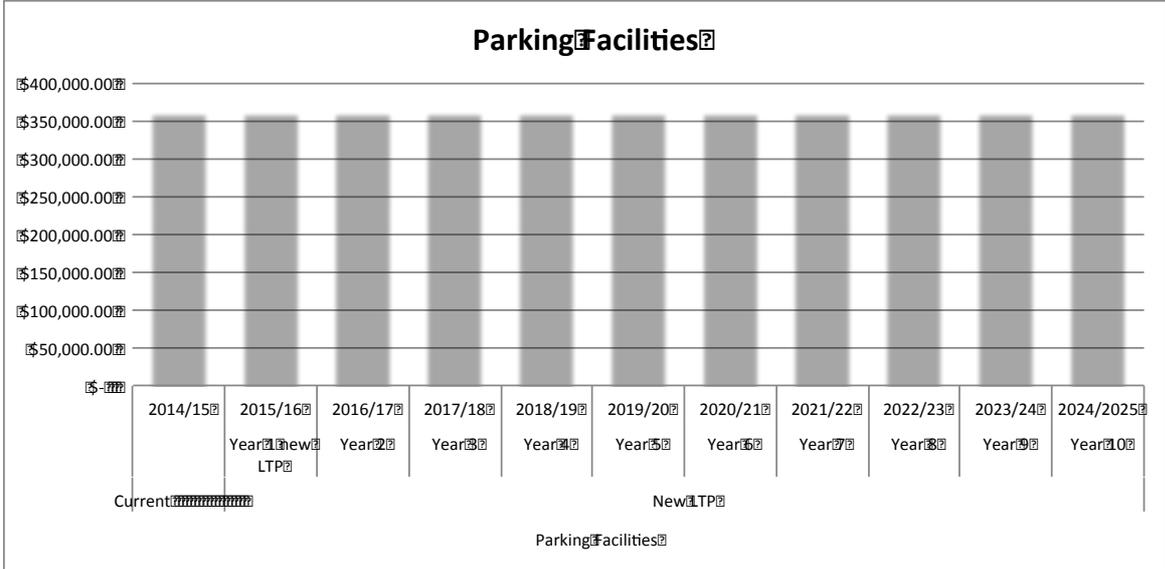
Expenditure on public toilets is forecast to remain consistent with the current financial year in the next 10 year period. This may need to be reviewed in alignment with planned capital expenditure.



Expenditure on cemeteries assets is forecast to remain consistent with the current financial year in the next 10 year period. These numbers should be reviewed through network planning to take into consideration the population demographics such as the ageing population.



Expenditure on refuse assets is forecast to remain consistent with the current financial year in the next 10 year period. These numbers should be reviewed through network planning to take into consideration the population demographics.



Expenditure on Parking assets is forecast to remain consistent with the current financial year in the next 10 year period. These numbers should be reviewed through network planning to take into consideration the population demographics.

### 3 YEAR FINANCIAL SUMMARY

The open spaces asset managers will need to develop a funding model that clearly defines future needs for the continued delivery of the required levels of service. A clear understanding of existing backlog, growth capacity and current asset condition combined with up to date valuations will be required to enable accurate assessment of future needs for the following areas of expenditure:

- *Operating Expenditure*
  - Maintenance
  - Management and Overheads
  - Loan Interest
- *Depreciation*
- *Capital Expenditure*
  - Renewals
  - New Capital
    - Growth
    - Backlog
- *Loan Repayments*
- Vested assets

This will then enable an understanding of the appropriateness of current funding sources including:

- Unfunded Depreciation.
- Targeted Rates.
- NZTA Subsidies for road reserve maintenance.
- Development/Financial Contributions.
- Loans.
- Vested Assets.
- Parking Meter Receipts ('On Road' Parking only)
- Depreciation Reserves.
- Other Reserves.
- User Charges.
- Other potential revenue sources.

The figures are to be updated annually and comprehensively reviewed every three years. The Council has medium confidence in the accuracy and completeness of this financial forecast. The below table will be populated as part of the on-going Improvement Plan.

2013/14 Actual \$000	2014/15 Budget \$000	Item	Budget		
			2015/16 \$000	2016/17 \$000	2017/18 \$000
		<b>Operating Expenditure</b>			
		Maintenance			
		Management and Overheads			
		Loan Interest			
		<b>Sub-total</b>			
		Depreciation			
		<b>Total Operating Costs</b>			
		<b>Capital Expenditure</b>			
		Renewals			
		New Capital			

2013/14 Actual \$000	2014/15 Budget \$000	Item	Budget		
			2015/16 \$000	2016/17 \$000	2017/18 \$000
		• Growth			
		• Backlog			
		• Improved LOS			
		<b>Sub-total</b>			
		Loan Repayments			
		Vested Assets			
		<b>Total Capital Expenditure</b>			
		<b>Total Funding Requirements</b>			
		<b>Funded By:</b>			
		Unfunded Depreciation			
		Targeted Rates			
		NZTA Subsidies			
		Maintenance			
		Development/Financial Contributions			
		Loans			
		Vested Assets			
		Parking Meter Receipts ('On Road' Parking only)			
		Depreciation Reserves			
		Other Reserves			
		Other Revenue (Specify)			
		<b>Total Funding</b>			

## KEY ASSUMPTIONS AND DATA CONFIDENCE

### KEY ASSUMPTIONS

In preparing its future proposed programme of work the Council has had to make a number of assumptions. The most significant ones are listed below.

#### SIGNIFICANT ASSUMPTIONS

- No provision has been made in this AMP for annual inflation and cost escalation. The figures are also GST exclusive.
- Subdividers and developers will contribute towards the council's costs by paying development contributions at the levels and times forecasted
- The depreciation provision will be as forecasted.
- An extraordinary major storm (or other natural hazard) event won't occur.
- Government legislative, regulatory, or policy changes won't cause higher council costs.
- Actual project costs will (accumulatively) be as forecasted.
- Minimal costs will be carried forward from year to year – all projects will be paid for in the year in which they are programmed.
- No unforeseen significant asset failures will occur (or other unexpected costs be incurred).
- The council will be able to obtain all necessary resource consents for completion of capital works, in a timely manner.
- The extent to which new community open spaces assets will be vested in the council will be generally as forecasted.

### DATA CONFIDENCE

Data confidence is currently a major constraint for many of the assets covered in this plan. This relates primarily to the physical improvements that council owns rather than the land the assets occupy.

The following graphical representation highlights the areas for improvement. The light brown lines in the table show the areas requiring the most urgent attention:

### VALUATION CONFIDENCE LEVELS

Council currently is unable to extract fixed asset valuations in a categorised manner. It is anticipated that this will be implemented with the introduction of the new financial management system, Technology 1. It is anticipated that this will be fully functional in approximately 12 months time. The following table highlights the confidence data confidence ranking scale.

#### VALUATION CONFIDENCE

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

Asset Description	Data Confidence
Council Land	A
Parkland Assets	D
Streetscape Assets	D
Public toilets	D
Waste Management Assets	B
Parking Assets	C

## IMPROVEMENT PLAN

### THE IMPROVEMENT PLANNING PROCESS

The most important aspect of the whole AMP process is identification of the QLDC's weaknesses and of the opportunities for future business improvement – **and then actually 'doing something to solve them'**.

"Any plan is of absolutely no value at all if the work it identifies as being necessary isn't subsequently carried out".

At every annual update of this AMP (in July each year) the extent to which items listed in this Improvement Plan have been achieved will be assessed. If the progress is less than was intended the extent to which that is the case (and 'why') will be quantified and reported to the CEO (together with a recommendation concerning the remedial action that needs to be taken to address the work that hasn't been done (that should have been) and to ensure the problem doesn't reoccur.

Together with:

- management of the risks listed in the Risks' Register and
- achievement of all of the performance targets listed

Resolution of all of the 'issues' listed in the Improvement Plan is the key business driver for the whole Community Open Spaces activity.

### KEY ISSUES

The key challenge facing QLDC for the management of the assets within its open spaces is the lack of reliable and quality information pertaining to the assets that it currently owns. Without accurate information on both quantity and quality it is difficult to manage the impact of either growth or reduction in demand. This has a material impact on the LoS desired by the community and can have a detrimental effect on successful delivery of community outcomes. Inaccurate information translates to poor quality financial resource planning. At this time financial planning for the sustainable management of QLDC assets in the open space area have primarily, although not exclusively, been based on historical expenditure and revenue sources.

Ideally these improvements will be completed in a timely manner so that any results from this programme can be highlighted for discussion and consultation in time for the 2015-2025 Long Term Plan (LTP) adoption.

### IMPROVEMENT PLAN SUMMARY

The following table provides a summary of asset management improvement projects in a prioritised manner. The first and most important improvement is to develop a comprehensive improvement plan including costing and allocation of resources. This will enable consideration of appropriate funding streams for each item. The items for improvement are listed from highest to lowest priority.

Item No	Improvement Item	Priority
1	Continuous Improvement – Prioritise and cost all items listed in this Improvement Plan.	1
2	Work Contracts conduct a contracts review of all existing services to ensure contracts deliver appropriate levels of service <ul style="list-style-type: none"> <li>• Value for money.</li> <li>• Performance is measurable and reportable.</li> </ul>	1
3	Work Contracts - Ensure future arrangements for the provision of services, are decided well before the existing contracts expire.	1
4	Quality Management – Document and implement a Quality Management System.	1

5	Asset Management - Confirm all existing assets in geospatial format suitable for measure and value.	1
6	Develop asset capacity models and determine the current level of backlog and new growth capacity.	1
7	Develop a comprehensive set of Levels of service statements that align to capacity models.	1
8	Improve quality of annual performance measures.	
9	Asset Management - Post confirmation generate condition ratings for all assets.	1
10	Asset Condition Assessment – Review the sufficiency of the asset condition assessment process.	1
11	Asset Performance Assessment - Review the performance of assets that have been maintained, renewed (or recently built) to ascertain how well they are performing.	1
12	Deferred Maintenance and Deferred Renewals - Identify the value of deferred maintenance and deferred renewals as at 1 July 2015.	1
13	Depreciation Confidence - If the 'data completeness and accuracy' review identifies significant discrepancies in the asset data ascertain if this has implications for the depreciation calculations (and as a result, the annual rate requirement).	1
14	Complete collation of all financial reporting information for this asset management plan.	1
15	Internal Service Level Agreements –Formalise internal service level agreements.	1
16	Strategic Documents' Review – Review and update the Council's Community Open Spaces strategy – what its high level approach to the provision and management of Community Open Spaces for Queenstown-Lakes is.	1
17	Establish a programme for the development of asset network plans.	2
18	Risk Management Policy - review and edit policy– Complete the update of the risk register.	2
19	Occupational Health & Safety – Explain how the Council manages its Occupational Health & Safety obligations.	2
20	Asset Management Policy and Strategy – Prepare and adopt an asset management policy and asset management strategy.	2
21	Land Purchase and Disposal – Develop a land acquisition strategy and network plan that identifies future demand.	2

22	Community Open Spaces Debt Policy - Review the Council's debt policy to make it clear when external and internal debt will be used to fund the Community Open Spaces activity.	3
23	Update the AMP Immediately Following Adoption of the LTP - Update this AMP in July annually to ensure total consistency with the LTP and/or the adopted Annual Plan for the year just passed – and in preparation for the next year's Annual Plan.	3
24	Critical Assets – Identify any Open Spaces critical assets and prepare a management plan for each.	3
25	Business Continuity, Operations Recovery and Lifelines – Develop detailed emergency response/business continuity plans.	3
26	Insurance Cover - Review the Community Open Spaces Assets' insurance arrangements etc to ensure the Council has adequate cover.	3
27	Contracts' Compliance Register – Update the Contracts' Compliance Register.	3
28	Flood Plan - Locate the Flood Plan. Develop a plan detailing risk to assets from flood damage.	3
29	Resource Consents Issued by QLDC - Prepare a summary list of all Community Open Spaces Resource Consents issued by the QLDC. If any have expired (or are due to expire) and need to be renewed lodge the necessary applications.	3
30	Development Contributions – Council Policy - Check the correctness of the Council's Development Contributions Policy for Community Open Spaces and the way in which it is being applied.	3
31	Development Contributions – Proposed Legislative Changes - When the Local Government Amendment (No 3) Bill is enacted ascertain its development contributions' impacts (if any) for Community Open Spaces).	3
32	Climate Change Impacts - Adopt a policy for managing the potential impacts of climate change on the road network.	3