



**BULLER**  
DISTRICT COUNCIL  
Te Kaunihera O Kawatiri

# Buller District Council

## Infrastructure Health Check Update

October 2023

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# 1. Overview

## 1.1. Introduction

Morrison Low were engaged by Buller District Council (BDC/Council) in June 2023 to provide an update to the Infrastructure Health Check that was completed in 2021. The purpose of the update is to provide continued assurance both internally and to the external funding partners on delivering an expanded and significant capital programme. It is a proactive review with a focus on identifying improvements for the Project Management Office (PMO) and infrastructure management.

This Infrastructure Health Check Report aligns with the separate 'PMO Review' and provides summary results for the asset management (AM) maturity assessment.

## 1.2. Project objectives

The objectives for the infrastructure health check are to:

- Ensure there have been steady AM improvements since the original review.
- Ensure that Council resources continue to deliver on their business as usual (BAU) activities and have not been distracted by the large capital programme delivery as well as the three water reforms.

## 1.3. Scope of activities

The scope of the health check covers the following activities:

- Three waters.
- Land transport.
- Other asset portfolios including parks, property, solid waste, and housing for seniors.

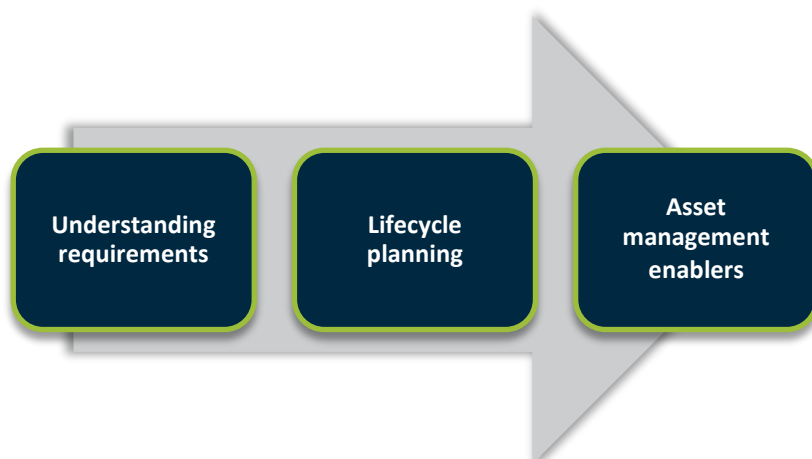
This review is solely focussed on BDC and excludes any assessment of West Coast Regional Council's assets or programmes (part of the 2021 health check). The 2023 review is focused on activities under direct control of the Infrastructure Services Group and therefore excludes the following asset portfolios that were also part of the original review:

- Westport Airport.
- Westport Harbour.

## 1.4. Methodology overview

The Asset Management Maturity Assessment Model used for the health check consists of 16 subject areas, grouped into three elements as shown in the figure below. It is based on industry best practice as described in the International Infrastructure Management Manual (IIMM). The full methodology is detailed in Appendix B.

Figure 1 Outline of maturity assessment model



The IIMM is an industry guideline on how to apply the standards for infrastructure AM. It is a well-known industry methodology to assess an organisation’s processes, systems and practices in managing its physical assets for its current and future business needs. Assessing AM maturity provides assurance to senior leadership and stakeholders that an organisation is managing its public infrastructure assets wisely.

The maturity scale is made up of five levels from aware to advanced, with a score ranging from 0 to 100 as shown below. The assessment of maturity comprises two parts. 1 - Setting the appropriate maturity target. 2 - Assessing current practice against the target. This is done for each of the 16 subject areas.

Figure 2 Maturity level gradings

Aware	Basic	Core	Intermediate	Advanced
0-20	21-40	41-60	61-80	81-100

### 1.5. Terms used

For the purpose of this health check and in relation to professional services, the following terms have been used for external service providers:

- Consultant - Specialist advisor used to provide independent advice and / or specialist services such as engineering design.
- Contractor – Supports Council in delivery of services, provided under contract acting primarily as a resource rather than specialist advisor.

## 2. Summary results

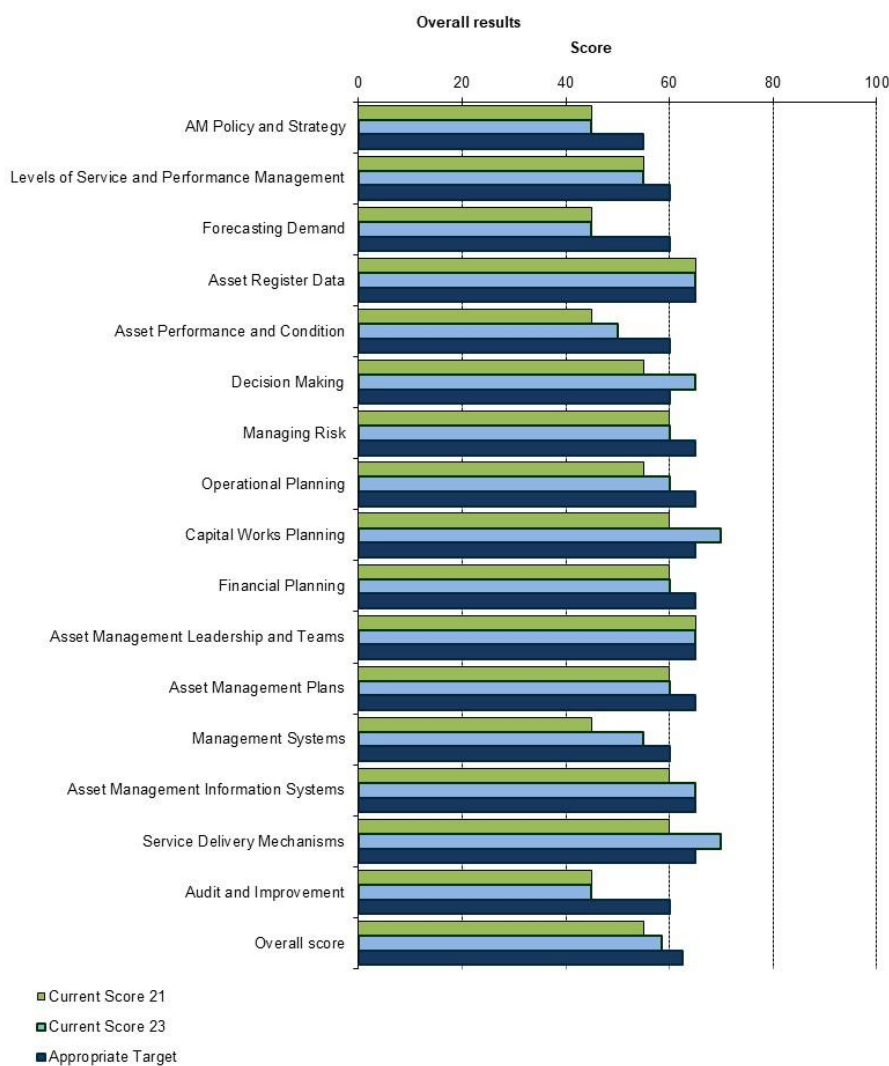
### 2.1. Assessment of three waters 2023

Overall Council scored at **higher level of core level of maturity at 58%** in the management of its three water activities, compared to its 2021 review with 55%, using the AM Maturity Assessment Model. The results for

each of the 16 elements for Council are shown in the figure below and show the improvements since 2021. Note that core maturity level is between 40% to 60%.

An overall maturity target of 63% is recommended for Council’s three waters activities based on the criteria in the Asset Management Maturity Assessment Model. This is appropriate when considered against cost to implement higher maturity levels for a council of Buller’s size.

**Figure 3 Overall AM Maturity results for three waters (2021 and 2023)**



The strongest AM areas in the 2023 assessment are asset register data, capital works planning, service delivery mechanisms, and decision making.

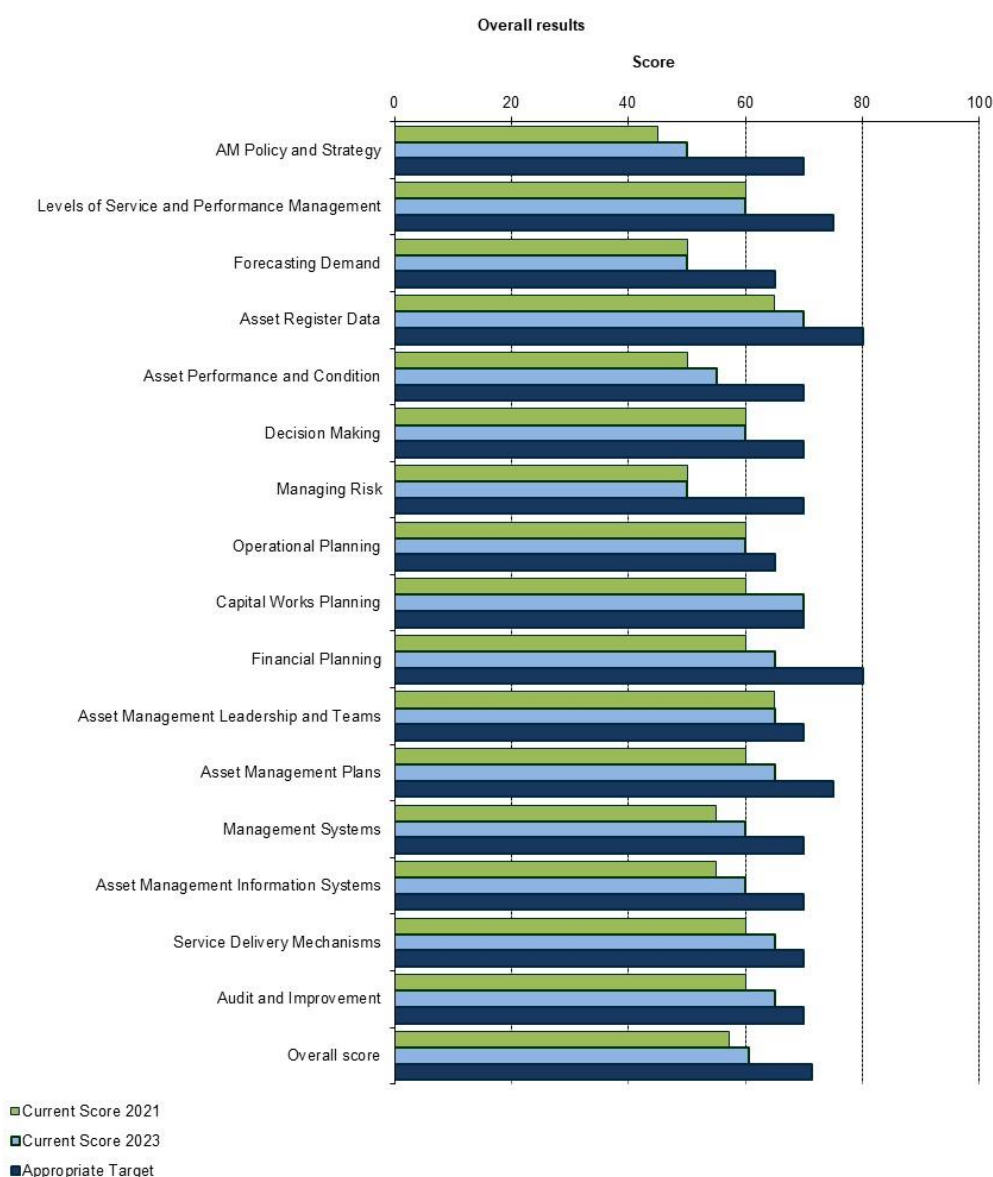
The general uplift in scores between 2021 and 2023 shows that there has been an improvement in AM practices for three waters. There was an uplift in maturity for the decision making, capital works planning, management systems and service delivery mechanisms elements.

## 2.2. Assessment of roading 2023

Overall Council scored at **higher level of core level of maturity at 61%** in the management of its roading activity, compared to its 2021 review with 57%, using the AM Maturity Assessment Model. The results for each of the 16 elements are shown in the figure below and show the improvements since 2021. This compares to a core maturity level being between 40% to 60%.

An overall maturity target of 71% is recommended for Council’s roading activity based the criteria in the Asset Management Maturity Assessment Model. As above, this is appropriate when considered against cost to implement higher maturity levels for a council of Buller’s size.

**Figure 4 Overall AM Maturity results for roading (2021 and 2023)**



The strongest AM areas in the 2023 assessment are asset register data and capital works planning.

The general uplift in scores between 2021 and 2023 results shows that there has been an improvement in AM practices for roading. There was an uplift in maturity for the capital works planning, Asset Management Plans, management systems, service delivery mechanisms, and audit and improvement elements.

### 2.3. Assessment of other asset portfolios

A high level health check of the other asset portfolios managed by the Infrastructure Services Group was also completed as part of this review.

The parks and property, including housing for seniors activities, was transferred to the Infrastructure Services Group’s management so there is less information available and practices are still being established. This is a discovery phase to understand the assets owned and assess current state. The solid waste activity is considered more mature but impacted by Government’s legislative changes for the sector.

The high level health check of the other asset portfolios is summarised in the table below with detail in Appendix E.

**Table 1 High level health check for other asset portfolios**

Activity	High level health check
Housing for seniors	Housing for seniors’ activity is at core level of maturity (lower end). This is considered adequate for a small asset portfolio but practices need to be strengthened as the housing units accommodate vulnerable people in the community.
Parks and property	The parks and property activity is considered at a basic level of maturity as there are information gaps and practices tend to be ad hoc. Council wishes to improve its practices for this activity and should aim for core level of maturity in the next three years.
Solid waste	The solid waste activity is operating at a core level of maturity. This is appropriate for the activity scale, value and risk.

### 2.4. Key achievements since 2021

Key achievements since 2021, identified through interviews with key staff, include:

- Regional collaboration** – BDC continues to collaborate with Grey and Westland District Councils with regional initiatives. These include the 2024 West Coast Councils Transport Programme Business Case Activity Management Plan and various waste management initiatives. West Coast Regional Council, the three district councils and iwi partners have prepared Te Tai o Poutini Plan, a combined District Plan for the region.
- Strong delivery of the capital programmes** – There has been strong achievement on delivery of the capital programme when comparing budgets versus actuals for roading and transport, three waters, waste and property / amenities activities at 250% for 2020/21, 122% for 2021/22 and 136% for 2022/23.



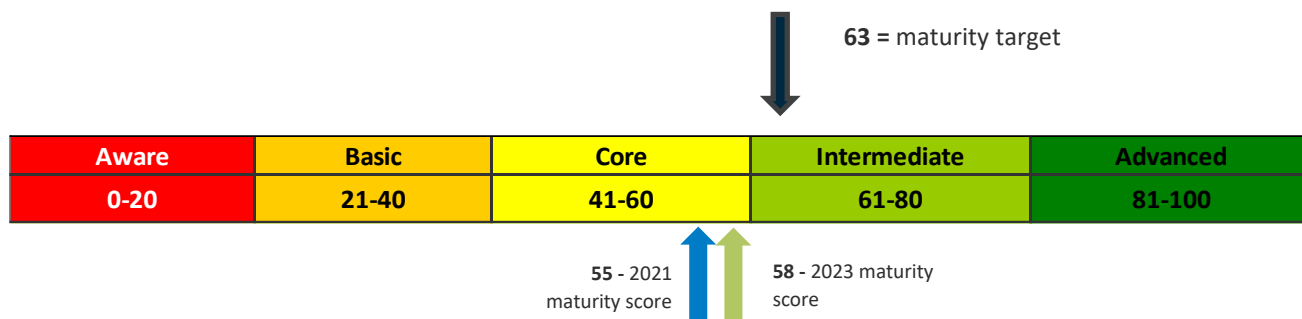
- **Processes and systems** – The PMO has been successful in delivering BDC’s much larger capital programme. Procurement processes and supporting systems, that can be used across the wider organisation, have been established.
- **New 3 waters contract** - A new performance based Three Waters Maintenance Operations and Maintenance contract with WestReef started in January 2023. The new contract also sets up BDC and WestReef for the transition to the new entity.
- **In-house capability and capacity** – BDC is seeking to grow its in-house team but continues to face challenges in this regard, similar to other provincial centres. It is difficult to recruit and retain Council staff from the local market in rural districts. The establishment of the PMO has allowed BDC to fill this gap and deliver the unprecedented level of investment across the district. It has also enabled in-house staff to be upskilled in all areas of project delivery.

## 2.5. Maturity results comparison

The 2021 and 2023 AM maturity results for three waters and roading and transport activities are shown in the following figures. Overall, there has been an uplift in AM maturity for both the three waters and roading and transport activities.

The 2023 AM maturity results for three waters increased from 55% in 2021 to an overall score of **58% or higher level of core level of maturity** as shown in the figure below. This compares to a target of 63%.

Figure 5 AM maturity results – three waters (Morrison Low)

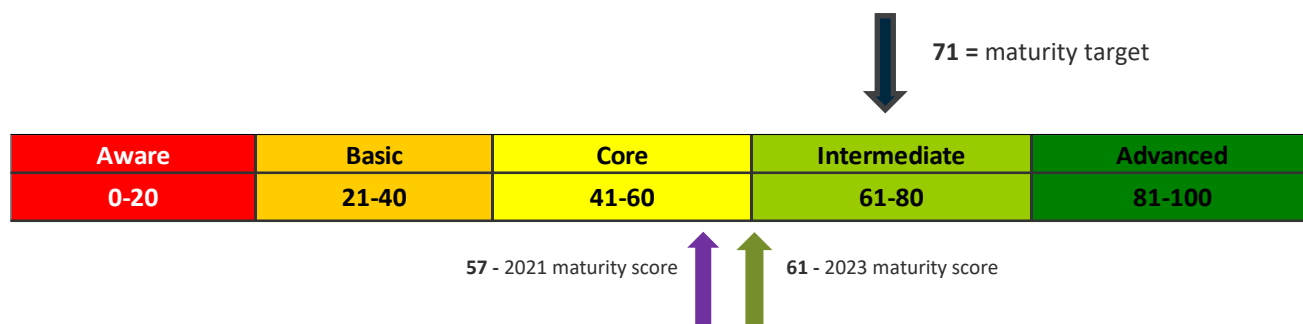


The uplift in scores was mainly due to:

- Sound PMO processes and delivering much larger capital programme.
- A new performance based Three Waters Maintenance Operations and Maintenance Contract.
- Standard Operating Procedures developed internally.
- SharePoint as the information management system.

The 2023 AM maturity results for roading and transport increased from 55% in 2021 to an overall score of **61% at a low intermediate level of maturity**, compared to a target of 71% as shown in the figure below.

Figure 6 AM maturity results – roading and transport (Morrison Low)



The changes in scores for roading and transport were mainly due to:

- Sound PMO processes to support delivery of a large capital programme and also BAU activities.
- Implementation of improvement plan from 2021 Activity Management Plan, in particular data improvement.

### 3. Health check conclusions and recommendations

#### 3.1. Three waters

Overall, we assessed Council’s AM maturity at **higher level of core level of maturity** for its three waters assets, managing their assets at a level appropriate for a small rural District Council. The strongest AM areas are capital works planning, service delivery mechanisms, and decision making.

There has been good uplift in scores in the decision making, capital works planning, service delivery mechanisms and management system areas.

Overall Council’s Infrastructure Services Group has achieved good progress since the 2021 review especially considering:

- There has been a second significant flood event (February 2022).
- It has delivered a much larger capital programme as part of the flood recovery works.
- The water sector has changed with Taumata Arowai now established as the water regulator as well as the three waters reform demand on BDC resources and uncertainty.

The three water challenges for BDC going forward are:

- Managing the potential transition to a new entity.
- Adjusting the PMO capacity to match the future workloads while retaining the good practices.

#### 3.2. Roading and transport

Overall, we assessed Council’s AM maturity at **the low end of an intermediate level of maturity** for its roading assets, appropriate for a small rural district.

In particular, BDC scores well for asset register data (use of RAMM and delivery of a data improvement strategy) and capital works planning (improved through PMO practices and systems).

Overall Council's Infrastructure Services Group has achieved good progress since the 2021 review considering the storm events and consequent level of disruption and volume of recovery works. The challenge now will be to complete the construction phase of the recovery works and then continue to deliver LTP works as the PMO down-sizes.

### 3.3. Other asset portfolios

AM practices are still being established for parks and property activity as it was transferred to the Infrastructure Services Group's management so there is less information available. This is a discovery phase to understand the assets owned and current state. Housing for seniors' activity is at core level of maturity (lower end) and this is considered adequate for a small asset portfolio but practices need to be strengthened. The parks and property activities are considered at a basic level of maturity as there are information gaps and practices are ad hoc.

The solid waste activity is considered more mature but impacted by Government's legislative changes for the sector. The solid waste activity is operating at a core level of maturity and this is appropriate for the activity scale / value and risk.

### 3.4. Recommended improvements

Through this health check, several improvements have been identified. The key recommendations by activity are:

#### All activities

- Policy – Update the 2015 AM Policy to cover all infrastructure asset groups as part of the 2024 LTP.
- Systems – ensure that new processes, systems and templates developed through the PMO are implemented as appropriate across all activities.

#### Three waters:

- Demand:
  - Implement the proposed zone metering and installing pressure reducing vales to reduce water leakage and to better understand demand.
  - Continue with the resilience programmes to address stormwater infiltration into Westport's wastewater network.
- Data:
  - Continue with the good data management processes so BDC's are not stopped through the proposed transition phase.
  - Ensure the significant asset condition data captured after the two storm events are adequately stored and managed in the asset management system.
- Decision making processes – Apply Te Mana o te Wai and the hierarchy of obligations into BDC's three water decision making processes.

- Risk – Finalise the Source Water Risk Management Plans in 2023 as scheduled.
- Operational planning – Review BDC’s trade waste processes to ensure it is meeting its own bylaw. Explore a regional approach with shared services.
- Financial planning – Refine the three waters financial forecasts as part of the 2024 LTP to ensure these are up to date, accurate and meet asset and community needs.
- Audit and improvement – Start proactively monitoring the improvement programmes for BDC’s infrastructure assets (three waters, roading, parks and property, solid waste) as good industry practice.

## **Roading and transport**

- Demand:
  - Monitor growth and demand on existing networks post COVID as visitors return and the district grows.
  - Monitor networks and structures for HV volumes and loadings – impact on networks.
  - Forecasting assumptions to be assessed further in general.
- Data:
  - Continue with the good data management processes through RAMM and OBIS.
  - Ensure the asset condition data captured after the two storm events are adequately stored and managed.
  - Continue to work on filling gaps in asset data, including condition.
  - Collection of footpath data to inform annual report LOS
- Decision making:
  - Continue to work with the other West Coast Councils in delivering ‘joined up’ thinking and planning through the combined Activity Management Plan
  - Continue to work towards an increased in-house team to enable more ownership and control in future planning and decision-making
- Risk – critical assets to be identified and managed appropriately.
- Financial planning:
  - Ensure valuations and financial forecasts are up to date and incorporate any flood recovery / resilience works.
- Audit and improvement – Proactively monitor and implement the improvement plan in the AMP.

## **Other asset portfolios:**

- Operational planning:
  - Reset the rolling work programme for Housing for Seniors portfolio.
  - Investigate a joint waste collection services contract with Grey and Westland District Councils in anticipation of BDC’s contract expiring and to respond to the Government’s mandates and sector changes.

- Data:
  - Complete the discovery process for improving the accuracy of the parks and property asset inventories.
  - Start collecting asset condition of the parks and property portfolio to understand the current state.
- Systems - Select a suitable asset management system for parks and property assets as an alternative to Unity with three water assets removed.

## Appendix A      Acronyms

Acronym	Definition
AM	Asset management
AMP	Asset Management Plan
BDC / Council	Buller District Council
BAU	Business as usual
CCO	Council Controlled Organisation
DIA	Department of Internal Affairs
FWP	Forward Works Programme
HV	Heavy vehicles
IIMM	International Infrastructure Management Manual
LOS	Levels of service
LTP	Long Term Plan
NLTP	National Land Transport Programme
NTU	National Transition Unit
OBIS	Online Bridge Information Systems
O & M	Operations and Maintenance
PMO	Project Management Office
Waka Kotahi	Waka Kotahi New Zealand Transport Agency

## Appendix B Methodology

### Health check methodology

The methodology used to undertake the infrastructure health check was as follows:

1. Relevant AM and financial information were gathered and reviewed prior to the interviews with key managers and staff.
2. An onsite independent review of Council's AM practices was completed by Morrison Low specialists on 11 and 12 July 2023 including interviewing key Council managers covering infrastructure activities.
3. The health check was focussed on the agreed scope for the 2023 - three waters, roading and transport activities, and other asset portfolios. The 2023 review was solely focussed on BDC and excluded any assessment of West Coast Regional Council's assets or programmes.
4. Each AM area was assessed based on the interviews and compared with the maturity target. The 2021 and 2023 maturity results were compared for three waters, roading and transport activities. The 2021 maturity target was retained.
5. A summary report was completed to document the high-level review findings and is structured to align with the AM Maturity Assessment Model.
6. Validation of the draft report with BDC key senior managers. The report was updated to reflect the agreed changes.

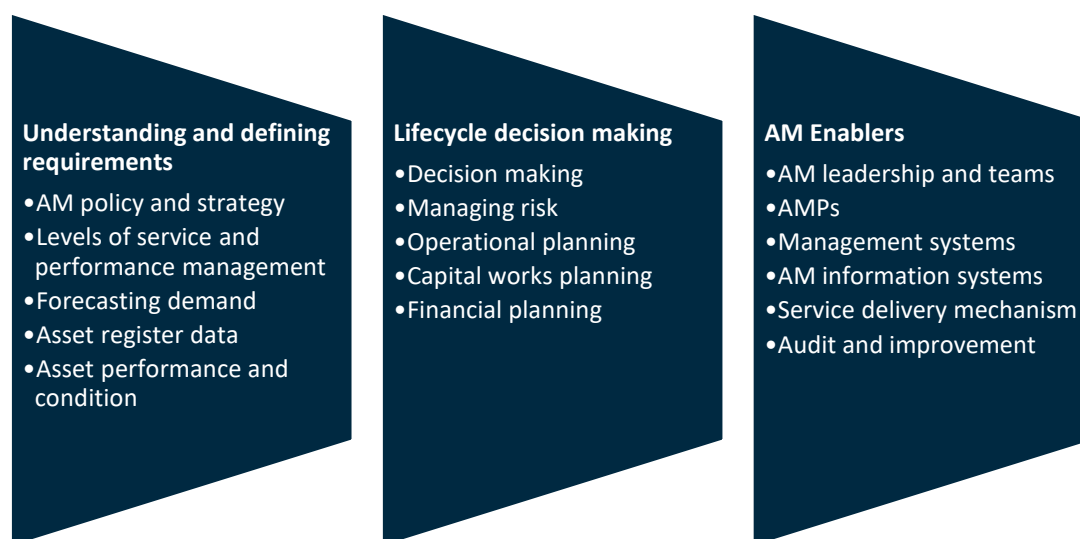
Refer to the PMO Review Report for the overall review methodology and scope, and qualifications of the Morrison Low's specialists.

### Maturity model

The assessment was structured to align with the 16 AM areas defined in the International Infrastructure Management Manual (IIMM) as part of the AM Maturity Assessment Model. The model is grouped into the following three elements to be consistent with the asset lifecycle and as shown in the figure below.

- Understanding and defining requirements
- Lifecycle decision making
- AM enablers.

Figure 7 Outline of AM maturity model



The maturity scale is made up of five levels from aware to advanced, with a score ranging from 0 to 100 as shown in Figure 2.

The maturity assessment consists of two parts and is completed for each of the 16 subject areas:

- Setting the appropriate maturity target.
- Assessing current practice against the target.

Current practices are expected to achieve core maturity level for a small rural district council **for core infrastructure**. Note that the core maturity level is between 40% to 60%. It may be appropriate for some elements that the target maturity levels are working towards lower end of intermediate level particularly for the roading and transport activity.

### Review limitations

There were the following limitations with this review:

- It was a very high level review for assurance purposes for both BDC and external funding partners. Therefore, it is not considered a full AM practices review where gaps are systemically identified and developed into a full AM Improvement Programme.
- It was based on the three water assets transferring to a new water services entity by 1 July 2025.



## Appendix C Key Assessment Results for Three Waters

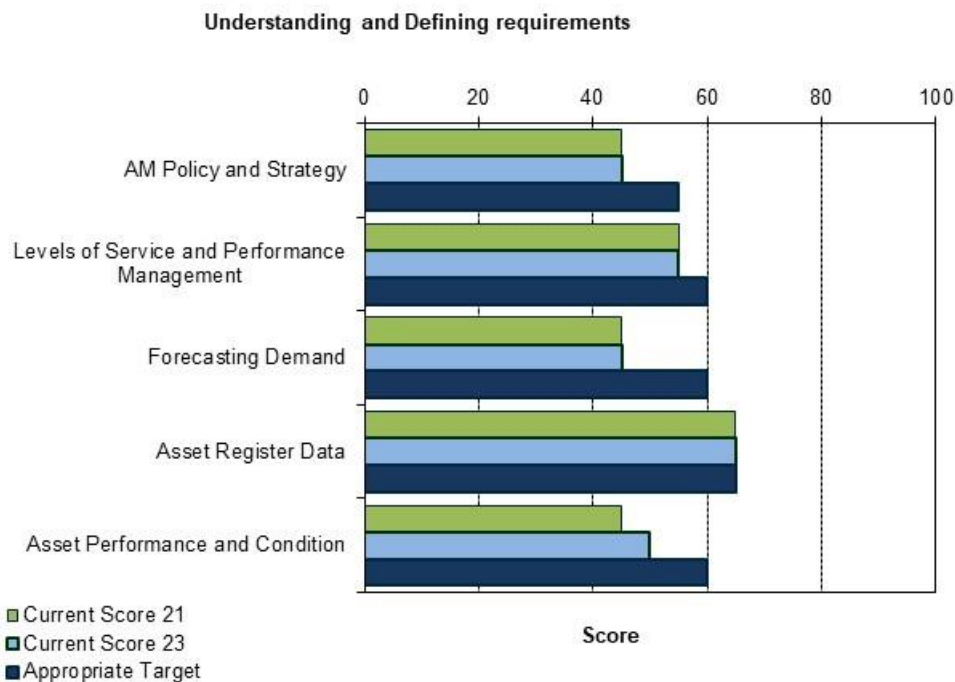
### Findings - Understanding and Defining Requirements

#### Overview

Council has demonstrated that it continues to be operating AM at core level of maturity in relation to understanding and defining requirements as summarised in the figure below. The strongest AM areas are asset register data and levels of service.

The Three Waters Reform Programme has impacted BDC in relation to the understanding and defining requirements elements as well as the new compliance requirements being progressively implemented by Taumata Arowai. Many scores remained the same as the 2021 review due to the reform impacts except for an increase in asset performance and condition score. BDC had major assessments to complete post storm events particularly of the drainage networks.

Figure 8 Three water results for Understanding and Defining Requirements (2021 and 2023)



There was uplift for the asset performance and condition element only when comparing the 2021 and 2023 results. The other elements were impacted by the Three Waters Reform Programme as noted above.

#### AM Policy and Strategy

Council has a complete strategic framework to guide decisions for the three waters (no significant change since 2021). The framework includes the LTP, Annual Plan, Annual Report, Infrastructure Strategy, Financial Strategy, District Plan, AM Policy, technical AMPs and specific plans and strategies such as Water Safety Plans.

The significant change since 2021 has been the three-water reforms programme and the development of draft AMPs for the new entities. The National Transition Unit (NTU) has been leading the AM work for establishing the new entities including the AMPs. NTU has directed local authorities to exclude three-water

activities from the 30 Year Infrastructure Strategy. AMP addendums have been offered to local authorities to bridge the two year gap until the entities are stood up (1 July 2025 for BDC).

Council is currently working through the financial forecasts for the first two years in the 2024 LTP based on asset / community needs and meeting compliance requirements rather than the 2021 LTP forecasts or the numbers submitted to NTU. An internal BDC Steering Group (not part of PMO) is being formed for preparing the key documents for the 2024 LTP including Infrastructure Strategy and AMPs. The resourcing of the key LTP documents is still being worked through i.e. BDC internal resources versus external consultants. The goal is to use BDC internal resources as much as practical (dependent on resource capacity).

The 2015 AM Policy covering infrastructure asset groups is overdue for update. It has been put on hold with the three-water reforms programme but should be updated as part of the 2024 LTP. However, the separate Transport AM Policy is currently being refined.

There is currently no Strategic AMP covering the infrastructure asset groups as noted in the 2021 review. We endorse BDC to continue with this approach as it is not normal practice for small rural district councils to have a separate Strategic AMP. In addition, Strategic AMPs and AM Policies are being developed for the new entities so therefore are not relevant for three water assets now.

### Levels of service and performance management

Council's achievement against (Department of Internal Affairs) DIA's mandatory performance measures is disclosed in its Annual Report. There is still a gap in providing safe drinking water. For 2022/23, not all supplies met the bacterial compliance requirement (part 4) or the protozoal compliance requirement (part 5). BDC has been undertaking significant investment to address this service gap. The Reefton chlorination plant was commissioned in June 2023 with other plant upgrades planned.

Taumata Arowai has been established as the new water regulator. They are progressively releasing their performance measures for water suppliers to monitor and report on as required by the Water Services Act 2021. The Drinking Water Quality Assurance Rules replaced parts 4 and 5 compliance requirement as obsolete as of November 2022. BDC is setting up its processes to meet the new rules and standards.

The mandatory performance measures for providing reliable water as measured by water loss and average consumption were also not achieved or not able to be measured. Council has various programmes to address these reliability service gaps including:

- Installing water meters (manual meters sourced from New Plymouth District Council).
- Installing zone meters to understand leakage better and target the highest leakage areas.

The mandatory performance measures for wastewater overflows and discharge compliance, and stormwater discharge compliance were achieved in 2022/23. The mandatory performance measure for stormwater capacity was achieved in 2022/23 as no dwellings affected by storm events. The mandatory performance measure for customer satisfaction not achieved in 2022/23 for the water supply activity. Customer satisfaction was achieved for the wastewater and stormwater systems in 2022/23.

Council's Utility Services Contractor WestReef has used GPS handhelds in the field since 2022 to report on technical performance data. This includes meeting service requests for responding to faults and system failures (such as overflows) and water quality complaints. Fault response times were not achieved in 2022/23 for the water supply and wastewater activities but achieved for stormwater.

## Forecasting demand

Buller District's resident population has been steady, and the district's socio-economic profile provided in the 2021 LTP remains unchanged. The Buller district has a socio-economic deprivation index of 9 (where 10 is the most deprived) as of December 2020. This socio-economic context is considered with Council's decision making across the infrastructure assets.

BDC is planning to locate new development in the Alma Road area. This will help Council to future proof Westport long term as people's homes are not repeatedly flooded and they feel safe. The proposed Alma Road area is subject to external funding (refer to the PMO Review Report).

There is limited information on current water demand with water meters only installed for some commercial properties. Zone metering and pressure reducing valves are proposed to help address the high leakage and also to understand the current demand. The major trunk lines in Westport and Punakaiki have been (being) replaced to resolve the ongoing leakage issues as well as providing network resilience. These are BDC's initial projects to address the major leakage issues.

There are various programmes to address the stormwater infiltration issues into the Westport wastewater network exacerbated by the two flood events. This included raising the wastewater pump stations in the flood prone areas.

The Westport stormwater network has capacity but the wastewater network is known operationally to be constrained. So removing stormwater (from the public and private systems) will help the wastewater network to perform (i.e. reduce wet weather overflows). There is a smoke testing trial in Adderley Street, Westport, underway to understand the existing private connections in the commercial area.

## Asset register data

Unity (formerly AssetFinda) is still Council's asset register for the three waters assets. Through the three water reforms, it is proposed that the asset management system will be centralised nationally. BDC will need to be careful that the good processes from field into Unity and data cleansing undertaken internally are not stopped during this transition phase. There are dedicated Asset Information roles in BDC's Infrastructure Planning Team for sound data management.

Recent CCTV surveys of the drainage networks (i.e. wastewater, stormwater and combined) initiated by post storm assessments are also stored in Unity. The post storm assessments identified significantly more defects than in normal circumstances (i.e. steady state). These defects are driving investments which has been captured in the Transition AMP prepared by NTU.

The latest valuation (November 2022) assessed the asset data in terms of completeness and data confidence.

## Asset performance and condition

The condition of the water network is measured in break history and leakage. There are various programmes underway including physical works and knowledge gathering to address the known high leakage as noted above. Council continues to broadly follow the Water Leakage Plan prepared by WSP (formerly Opus) Consultants in 2012.

There has been significant data captured to assess the state of the three water assets after the two storm events. About 25% of Westport's combined sewer system has been surveyed. Pipe relining to address the identified defects is underway in the Adderley Street sub catchment.

The resource consents for all three water schemes are fully compliant and none have expired. The achievement in meeting the discharge compliance requirements for wastewater and stormwater are disclosed as mandatory performance measures in the Annual Report.

## Findings - Lifecycle Planning

### Overview

Council has demonstrated that it is operating AM at the higher end of core level of maturity in relation to lifecycle strategies requirements as summarised in the figure below. Overall, there was an uplift in scores for this element with results in the higher end of core and into lower end of intermediate maturity levels (for capital works planning).

The uplift in scores was mainly due to:

- Sound PMO processes and delivering much larger capital programme.
- A new performance based Three Waters Maintenance Operations and Maintenance Contract.

Figure 9 Three water assets results for Lifecycle Strategies (2021 and 2023)



There was uplift for the decision making, operational planning and capital works planning elements when comparing the 2021 and 2023 results.

### Decision making

The overarching justification for the investment for three waters is still consistent with the 2021 Infrastructure Strategy with evidence provided in the supporting technical AMPs. At a high level, the capital project priorities are still to provide safe drinking and reliable water. Individual capital projects may have been amended due to post flood event assessments and reprioritisation as part of the overall Westport recovery programme.

Asset criticality continues to be used as part of the prioritisation of the proposed capital programmes. It was used to inform the critical investment strategy for Westport and Reefton.

Council has started applying Te Mana o te Wai and the prioritised hierarchy of obligations in its three waters decision making processes. Te Mana o te Wai is new requirements since the original review as part of the Water Services Act 2021. BDC has one non-elected Māori Portfolio Councillor in a liaison role.

The decision-making roles and responsibilities between the three teams within the Infrastructure Services Group and with the PMO are clear and understood. The capital planning processes with supporting decision-

making processes for the major capital projects were strengthened within the PMO to deliver a much larger programme than approved in the 2021 LTP. The processes also needed to be strengthened to meet the funding partner requirements which are generally higher than for BDC.

The following committees provide governance oversight of the major projects:

- Projects and Partnership Committee – membership consists of BDC’s Mayor and 1 Councillor, and funding partner representatives.
- Risk and Audit Committee with an Independent Chair – BDC’s Mayor, all Councillors and Māori Representative.

Refer to the PMO Review Report for detail on the PMO processes and oversight.

BDC continues to work collaboratively regionally as part of its decision-making approach to get better outcomes for small rural district councils. This is mainly for the roading and transport and solid waste activities but also with the Three Waters Reform Programme.

### Managing risk

BDC’s Corporate Risk Management Framework includes the Risk Management Manual and Strategic Risk Register and is largely unchanged since the 2021 review. Project risk registers are also developed for the capital projects as part of the PMO reporting processes. WestReef’s Contract Management Plan covers emergency planning, COVID, industry high risk activities and general activity risk management.

The three water criticality framework assets have been classified in terms of criticality from very high to low or non-critical and is unchanged since the 2021 review. The are full critical spares located at the water and wastewater treatment plants as part of BDC’s emergency management planning.

BDC’s people and infrastructure resilience was tested with the two flood events. Capital projects to strengthen the infrastructure resilience have been identified as part of the recovery and now the rebuild process.

Compliance requirements are increasing particularly for drinking water as Taumata Arowai implements its quality management framework including rules and standards. BDC uses WaterOutlook to store its water quality results. There are Water Safety Plans for all water supply schemes and BDC is working through the identified gaps such as providing treatment and residual disinfection. The development of Source Water Risk Management Plans is a new requirement and form part of the Water Safety Plans. These are currently being finalised and are likely to be complete October 2023.

The permanent precautionary boil water notice for Reefton is being lifted with the chlorination plant commissioned in June 2023. Permanent boil water notice still applies for three smaller schemes.

### Operational planning

Council’s Infrastructure Delivery Team manage the day to day operations of the three water networks with WestReef. A new contract with WestReef started in January 2023 for Three Waters Maintenance Operations and Maintenance. The new contract also sets up BDC and WestReef for the transition to the new entity.

The new contract is performance based using set of KPIs, desired outcomes sought, and NZS 3917:2013 Conditions of Contract. It is also better aligned to the new compliance requirements set by the regulators – West Coast Regional Council and Taumata Arowai. An external consultant provides the Engineer to Contract role.

All treatment plants are performance managed against the drinking water standards and rules, and consent conditions. Existing asset performance gaps are identified as noted above. Council reports regularly on

meeting the mandatory and technical performance measures for Annual Report and the regulators using WaterOutlook as noted above.

There are Standard Operating Procedures for managing the contract and to ensure consistent internal process. The procedures are developed and updated internally.

The current trade waste processes are being reviewed as BDC wishes to be more proactive in this area and ensure it is meeting its bylaw. This may be an area for a regional approach with shared services (similar to the Waikato).

### Capital works planning

The capital programmes are developed mainly internally through the Infrastructure Planning Team for renewals and the PMO for the large programmes that are externally funded. External consultants are used to undertake designs for the large projects due to their specialist capability with dedicated project managers through the PMO.

WestReef undertakes the minor network and treatment plant renewals in work packages to a defined threshold through BDC's procurement plan. This was set up with making the new contract more efficient for BDC and providing certainty for WestReef so they can plan resources appropriately.

The forward works programme for renewals is prioritised based on asset criticality. The number of faults and identified asset performance issues has greatly increased due to the flood event impacts. Council's focus continues to be on upgrading the water schemes to be compliant with the drinking water standards and rules and to address leakage.

BDC continues with the strong achievement on delivering the business as usual (i.e. renewals) and major capital programmes. The original capital programme that was approved in the 2021 LTP has almost doubled from 2021/21. The achievement on delivery of the capital programme for three waters was 156% for 2021/22 and at 222% for 2022/23. Refer to the PMO Review Report for detail on capital delivery metrics.

### Financial planning

BDC is delivering a much larger capital programme than approved in the 2021 LTP. The PMO was set up to allow for the scaling up. The PMO findings for financial planning are covered in the main report including delegation and appropriate financial sign offs.

BDC faces two challenges in relation to financial planning going forward:

- Long term financial forecasts - Ensuring the asset and community needs for the first 2 years of the 2024 LTP for three waters activities is adequately covered before the assets are transferred to the new entity. BDC's LTP Steering Group identified that the financial forecasts submitted to NTU may not reflect the asset and community needs. Refining the three waters financial forecasts is a major focus.
- PMO scaling – The PMO has been successful in delivering BDC's much larger capital programme. The PMO process and system are now established and can be scaled down (and up again) as the capital programme reduces back to BDC's business as usual programmes. Council has been successful in gaining external funding in response to the flood recovery as well as future proofing Westport. Sound financial planning processes was identified by the funding partners as critical for them to have assurance in Council (refer to findings in the main report).

Three water activities are to be excluded from the 2024 Infrastructure Strategy as directed by NTU but will need to be included in the Financial Strategy. The justification for the latest AMP investment programmes is provided in NTU's 60% draft AMPs.

Asset valuation is undertaken every three years. The latest valuation of the three water assets was completed as of 16 November 2022.

## Findings - AM Enablers

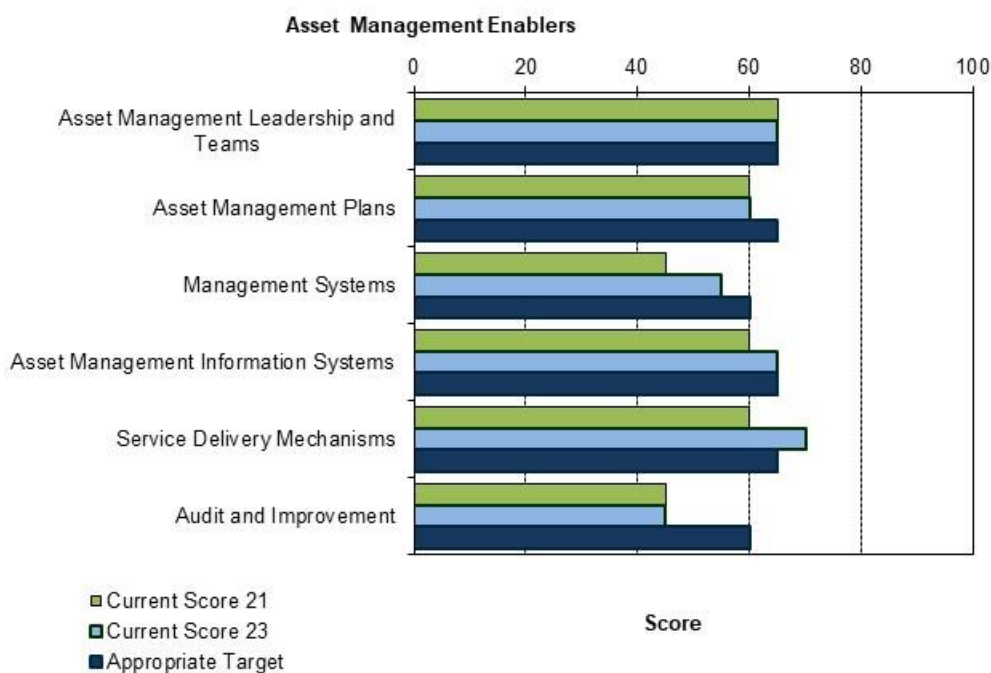
### Overview

Council has demonstrated that it is operating AM at the higher end of core level of maturity in relation to AM Enablers requirements except for Audit and Improvement as summarised in the figure below. Overall, there was an uplift in scores for this element with results in the higher end of core and into lower end of intermediate maturity levels (for service delivery mechanisms).

The uplift in scores was mainly due to:

- Standard Operating Procedures developed internally.
- PMO’s comprehensive quality management system including processes and people capability.
- New contract with WestReef and improved working relationship.
- SharePoint as the information management system.

Figure 10 Three water results for AM enablers (2021 and 2023)



There was uplift for the management systems, AM information systems and service delivery mechanisms elements when comparing the 2021 and 2023 results.

### AM leadership and teams

The Infrastructure Services Group is responsible for managing the three waters, roading and transport, solid waste, parks and property activities. There are three managers (including the PMO Lead) and two specialists (3 waters transition and future area planning) reporting to the group manager (refer to organisational structure in Section 2.1 of the main report).

AM continues to be mainly undertaken by the Infrastructure Planning team for managing asset information, developing forward works programmes and preparing AMPs and Infrastructure Strategy. The current

Infrastructure Planning Manager is being filled by a contractor so that person was the acting Group Manager while the permanent role was on secondment to NTU (ended in August 2023)

It is Council's aim to have roles filled by staff rather than contractors. This has not always been possible with a tight labour market, being a rural district council in a remote region as well as delivering a much larger capital programme as part of the flood recovery and rebuild. BDC has looked at alternative approaches such as attracting people from other sectors then developing them into roles.

The AM roles and responsibilities between the three teams in Infrastructure Services Group are clearly defined. There is a strong relationship between the Infrastructure Delivery Manager and PMO Lead. It needs strengthening with the Infrastructure Planning Manager particularly as Council moves into future proofing Westport. Long term strategic thinking is required rather than the current focus on returning existing assets back to service.

### Asset Management Plans

NTU have developed 60% draft Three Water AMPs for the new entities. BDC provided various information to NTU so they could prepare the regional plans.

The 2024 LTP process has been impacted with the delay in establishing the entities from the original 1 July 2024 date for the four entities. There are now ten entities with staggered start dates. AMP addendums have been offered to local authorities to bridge the two-year gap until the entities are stood up (by 1 July 2026 and is 1 July 2025 for BDC).

The challenge for BDC is to ensure their financial forecasts are their best numbers to meet the asset and community needs as noted above.

### Management systems

There are various supporting processes and plans prepared for the sound management of three waters (refer to the above sections). The major changes since the 2021 review are:

- Standard Operating Procedures developed internally for managing the contract and to ensure consistent internal process.
- PMO has comprehensive suite of processes and system set up for managing the much larger capital programme (refer to the main report for details).
- BDC is transitioning SharePoint for information filling (live since January 2023).

Council has a strong continuous improvement culture of its business processes including its O & M contracts. A service review of the Utilities Services Contract was completed and identified improvements, based on the roading contract review. This informed the new performance-based contract.

The three waters engineering requirements is also being centralised by NTU for consistency nationally. The National Engineering Design Standards is a technical code for drinking, stormwater, wastewater gravity, and wastewater pumped reticulation infrastructure methods of design and construction.

### Asset Management Information Systems

Council's main systems are for managing three water assets and the key changes since the 2021 review are:

- MagiQ as the financial system:
  - There is an electronic purchasing system review underway to ensure the right processes are in place since the system implementation.
- ESRI as the GIS system.



- SharePoint as the information management system:
  - This went live in January 2023 and is being transitioned through Council functions / departments.
  - A SharePoint site has been set up to share information between WestReef and Council’s Infrastructure Delivery Team to improve information flow, efficiency and communication.
- Unity (formerly AssetFinda) as the asset register for the three waters assets.
  - It has been used for a long time so has good asset records.
  - The asset management system will be centralised nationally with the three water reforms.
- Water Outlook used for compliance reporting:
  - It is used for managing operational data and reporting such as drinking water quality and consent monitoring.
- PMO system:
  - Structured filing system set up to hold the various processes and procurement documents and separate to BAU works.

### Service Delivery Mechanisms

A new Three Waters Maintenance Operations and Maintenance contract with WestReef started in January 2023 after a service review as noted in above sections. There is generally a good relationship with WestReef for three water operations. It has improved with sharing information through a SharePoint site to enable work tracking and moving to a performance based contract with quarterly KPI reviews. The contract can be extended based on good performance.

There are monthly meetings with WestReef to discuss operational issues, relationship health and the capital work pipeline. The contract covers for the day to day operations and allocation of renewals up to a defined threshold. WestReef had capacity issues with additional capital works as part of the flood recovery programme on top of their business as usual operational and minor renewal works. This has been mainly addressed through WestReef setting up a new three waters team, and PMO sharing their work pipeline at the monthly meetings.

The major capital work programmes are managed by the PMO unit. It has comprehensive people, processes and systems to manage these much larger capital programmes (refer to the main report for details).

### Audit and Improvement

AM Improvement Programmes are part of the draft Three Water AMPs for the new entities as noted above. There has been no proactive monitoring of the 2021 AM Improvement Programmes as identified in BDC’s 2021 AMPs. This was due to the focus on public health improvements with the various regulated changes being progressively implemented by Taumata Arowai.

A steering group has been established for the 2024 LTP including oversight of the three waters financial forecasts (for the first 2 years).

## Appendix D Key Assessment Results for Roading and Transport

### Findings - Understanding and Defining Requirements

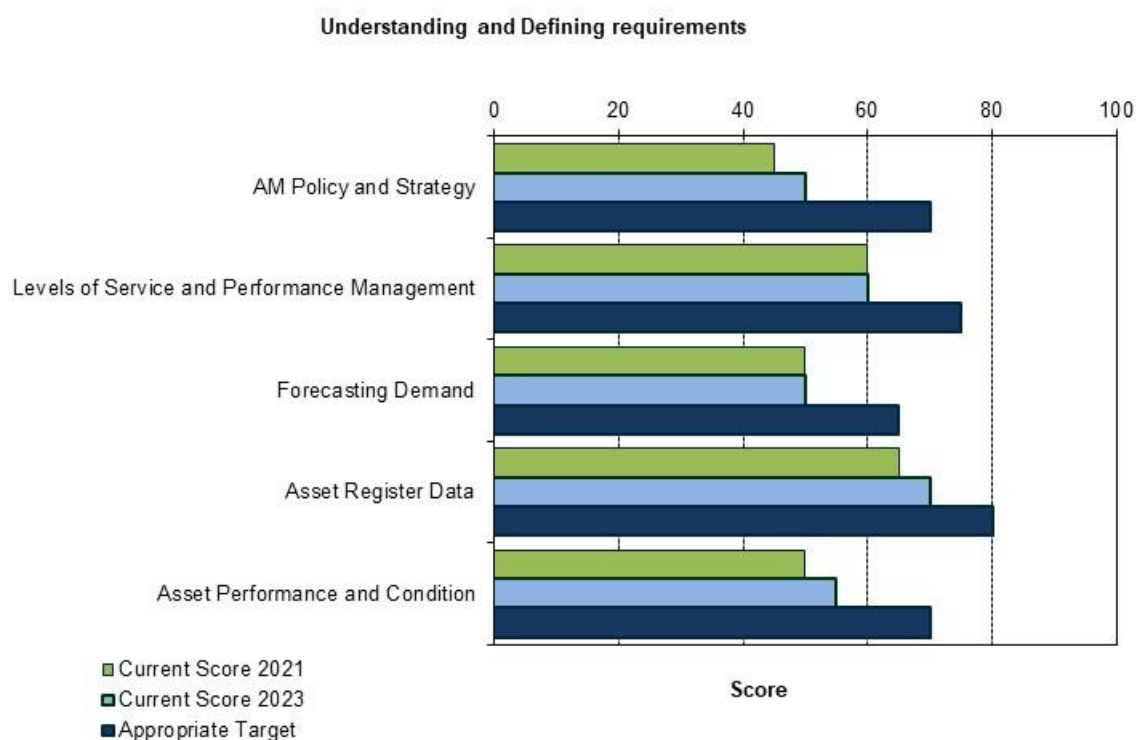
#### Overview

Council demonstrated that it is generally operating AM at a core level of maturity (61) in relation to understanding and defining requirements, as summarised in the figure below.

The strongest AM areas are asset register data and levels of service. Overall Council's Infrastructure Services Group has increased its capability to undertake many of these AM elements internally rather than solely relying on external consultants. The 2021 Infrastructure Strategy is a good example of this.

Implementation of the 2021 AMP Improvement Plan has been key in lifting scores and will enable a better-informed decision-making process in setting the Forward Works Programme (FWP).

**Figure 11 Results for Understanding and Defining Requirements (2021 and 2023)**



There was uplift for the AM policy and strategy, asset register data and asset performance and condition elements when comparing the 2021 and 2023 results.

#### AM policy and strategy

Council has a complete strategic framework to guide decisions for the roading and transport activity. This includes the LTP, Annual Plan, Annual Report, Infrastructure Strategy, Financial Strategy, District Plan and the 2021 Transport AMP.

The 2021 Infrastructure Strategy and LTP were prepared in-house with the 2021 Transport AMP used to inform the roading aspects of both. These are in the process of being updated for the 2024 LTP. There is currently no Strategic AMP in place but the Infrastructure Strategy and 2021 Transport AMP consider

identified strategic issues including the need to maintain affordability of assets to ratepayers whilst achieving asset renewal and compliance and how to prepare for and protect communities against climate change.

Council has an AM Policy in place but this is outdated and still needs review.

### Levels of service

The roading and transport levels of service (LOS) are presented in the 2021 Transport AMP and are a mix of mandatory performance measures and Waka Kotahi ONRC levels of service, relevant to each of the West Coast Councils. Whilst LOS and measures are the same, appropriate targets were set for each individual council.

Only mandatory performance measures are included in the LTP (appropriate for a small rural district council). They are monitored monthly against targets and reported in the Annual Report. ONRC measures are monitored for the purpose of the AMP only.

BDC is struggling to meet its LTP LOS. Data for the 2022/23 Annual Report showed that most LOS were not met, largely as a result of the significant storm events and the damage sustained to the roading network and the ongoing work to complete repairs. In regard to footpaths, data is outdated with the last survey being completed in 2020/21.

A Contract Performance Monitoring System included in the Road Maintenance Contract is used to measure performance of the contractor / BDC team in meeting LOS and Key Result Areas (KRAs). These KRAs are related to customer response, quality of work, safety and reporting and programming and they are measured every three months and align to those of the LTP and the AMP.

### Demand forecasting

Although historically there has been declining / steady population in the district, Westport is experiencing relatively high development activity as people seek affordable housing in provincial areas.

Factors affecting demand for the roading network have been identified in the 2021 Transport AMP with discussion on assumptions and potential impacts although a full assessment has not been completed.

Prior to the Covid-19 pandemic, the West Coast was experiencing high growth in tourism. As such, providing the right infrastructure on the local roading networks to support this growth was considered paramount. However, in March 2020, the country went into lockdown and tourism stopped overnight. The future of international travel is still largely unknown and so the focus of the FWP moved to be more 'asset-focussed' with a stronger emphasis on addressing network risks such as resilience, safety and access through network improvements, renewals & targeted maintenance. This aligns with the focus of the Infrastructure Strategy and LTP and supports the recovery activities.

The demand for transport services across the region is currently driven primarily by:

- The need to service the resident population and visitors.
- Increased volume and loadings from heavy vehicles (HV) placing extra demand on the pavement and bridge structures throughout the district and on the West Coast in general.

Assessment of future HV demand will be key to supporting economic development across the District and the West Coast.

### Asset register data

RAMM is used as the database for roading assets. Bridge data is held on the WSP Online Bridge Information Systems (OBIS).

The replacement value of roading assets was reassessed in 2022<sup>1</sup>. There are some gaps in information, but data confidence levels were assessed generally as 'reliable' or 'highly reliable'. The exceptions were traffic services retaining walls where data confidence is 'uncertain'.

Improvements in collection and upload of data in RAMM has been implemented through delivery of the 2021 AMP improvement Plan and the new O&M contract (commenced October 2020).

The Te Ringa Maimoa (formerly REG) data quality results are used to demonstrate the quality of roading asset data. Provisional results for 2022/23 show that roading data quality for BDC is 76% (of expected standard), up from 71% in 2021/21<sup>2</sup>.

### **Asset condition**

Asset condition data is considered adequate to plan maintenance and renewals over the short term. Formal condition assessment programmes for roading assets is currently being implemented through professional services contracts for roading and structures.

Pavement and drainage condition surveys are generally undertaken bi-annually with roughness surveys annually. RAMM is used as a basis for site selection. Pavement condition is assessed to support the FWP in the AMPs. Annual Report results shown that, as a result of the significant storm events, pavement roughness condition is increasing.

Footpath condition surveys are completed bi-annually. With recent events, footpath condition has been reduced.

Inspections following the recent flood events identified a number of assets that require repair or renewal.

## **Findings - Lifecycle Planning**

### **Overview**

Council demonstrated that it is generally operating AM at a low intermediate level of maturity (score 61) in relation to lifecycle decision making as summarised in the figure below. The main gap in AM practices is the identification and management of critical assets.

Target levels of AM maturity have been set as core-intermediate for the roading activity.

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<sup>1</sup> Buller DC Valuation of Roding Infrastructure Assets 2022, Beca

<sup>2</sup> Te Ringa Maimoa Data Quality Export Report (Provisional) 2022/23

Figure 12 Results for Understanding and Defining Requirements (2021 and 2023)



There was uplift for the capital works planning and financial planning elements when comparing the 2021 and 2023 results.

### Decision making

The overarching justification for the investment for the land transport activity is documented in the 2021 Infrastructure Strategy with evidence provided in the supporting 2021 Transport AMP. The evidence includes asset data - asset age, condition and faults. This data is used in the prioritisation of capital works programmes.

The 2021 Infrastructure Strategy and LTP have been driven internally and are aligned with the 2021 Transport AMP. There is also a key link between the Infrastructure Strategy and Financial Strategy. Affordability, adequate service levels and maintaining the quality of assets are all important, especially as some assets are ageing and will require repairs or replacements in the near future. Spending on assets is necessary to maintain LOS but there needs to be a balance between cost and risk. This highlights the importance of prioritising work programmes.

The Business Case approach has been used to identify and justify the capital projects included in the 2021 Transport AMP. This approach is also used to justify the investment for capital projects not included in the adopted LTP, such as those externally funded for the current recovery works. Steering groups provide a governance oversight of major projects as appropriate.

There are good capital planning processes with supporting decision-making processes set up for the PMO for the major capital projects.

Council values its partnerships with West Coast councils and Government agencies, in particular Waka Kotahi for the land transport activity. Good relationships with these other agencies, including those through Programme Managers in the PMO, have assisted in attaining funding assistance.

## Managing risk

**Corporate Risk:** There is a Corporate Risk Management Framework including the Risk Management Manual (February 2021) and Strategic Risk Register with identified corporate and business risks. The Strategic Risk Register also covers high level asset and infrastructure risks. The Finance, Risk and Audit Committee provides governance on risk management approaches.

**Roading Activity:** There is a Department Risk Register for the Infrastructure Services Group (June 2021) covering three waters, roading and transport and waste risks.

A Risk Management Framework has been developed and included in the 2021 Transport AMP. This identifies risks associated with delivery of the roading activity and outlines mitigation measures to minimise and / or manage the risk but is still to be developed to better provide for critical assets.

**Projects:** Risk registers, with control plans, are developed for individual projects with the content reflecting the complexity of the project.

## Operational planning

### Roading

Inspections and programming are a critical part of operational planning as provided through the Road Maintenance Contract. WestReef responds to customer requests and undertakes reactive and planned maintenance activities for the local roading network. Inspections and the identification and prioritisation of work for the local road network, including structures, and the SPR is the responsibility of the Contractor with work programmes agreed between the Contractor and BDC. WestReef's communication with Council's Infrastructure Delivery Team and their general network management are considered sound.

Works are programmed monthly as cyclic (such as potholes, edge break, mowing), reactive (such as responding to customer queries or incidents on the network) or planned (such as culvert cleaning, pavement repairs, grading or drainage maintenance) works.

Maintenance strategies are developed collectively to support work programmes and priorities and to ensure LOS are met.

Complex processes are not required for networks of this scale and hence this level of operational planning is deemed appropriate. However, the development of formal and joint Maintenance Strategies across the West Coast councils has been recognised as an area for improvement in delivering a consistent level of service and delivering efficiencies and costs savings.

### Streetlights

Currently the maintenance and installation of street lighting is carried out by Buller Electricity Limited and Westpower. The replacement of bulbs is undertaken by the power companies according to a cyclic program, based on expected lamp life. The contract agreements with these companies also specifies response times for any single bulb, which may blow before its planned replacement.

### Flooding Impact

The July 2021 flood event has impacted the local road network. Damage included slips and dropouts, scouring of shoulders, blocked culverts, potholes and seal damage. Typical structural damage included scour and build-up of debris with some blockage of culvert bridges. Flood related works are being coordinated and managed through the PMO, with additional external support as required, enabling operational works to continue as usual.

## Capital works

Business cases are frequently used to plan capital works, depending on the 'significance' of each project.

A significant proportion of recent capital works has been funded through external funding, primarily through Waka Kotahi for the flood recovery works. The PMO has been instrumental in achieving delivery of these projects. The PMO was established for delivering major capital projects. It has enabled Council to separate business as usual functions from delivery of the major capital programmes.

## Renewals

RAMM is the main tool used to programme renewals alongside contractor feedback through inspections. Council staff undertake drive overs to 'ground truth' potential renewal sites where possible.

Reseals are undertaken as a stand-alone contract (annual programme of works). The FWP for reseals is developed using a field validation exercise following a desktop assessment of surfacing records in RAMM and condition data to identify potential reseal sites. Reseals are then prioritised and balanced with a target percentage of network to be resealed each year.

Pavement rehabilitations are typically assessed through visual assessments such as obvious signs of surface deformation and pavement defects or are completed as part of a reseal programme due to pavement age.

Pavement markings are renewed on an annual basis.

WestReef undertakes routine inspections and maintenance of all structures but annual bridge inspections enable renewals works to be identified and planned.

## Financial planning

BDC is delivering a much larger capital programme than approved in the 2021 LTP. The PMO was set up to allow for the scaling up. The PMO findings for financial planning are covered in the main report including delegation and appropriate financial sign offs.

BDC faces two challenges in relation to financial planning going forward:

- Long term financial forecasts, taking into account the new and upgraded assets through the recovery works.
- PMO scaling – The PMO has been successful in delivering BDC's much larger capital programme. The PMO process and system are now established and can be scaled down (and up again) as the capital programme reduces back to BDC's business as usual programmes. It can be scaled up for future workload as needed as BDC gains external funding.

Council has been successful in gaining external funding in response to the flood recovery as well as future proofing Westport. Sound financial planning processes was identified by the funding partners as critical for them to have assurance in Council (refer to findings in the main report).

Roading assets are valued every three years with the last valuation being completed in 2022 and will inform the 2024 AMP.

Council is reliant on external funding for the capital programmes working in partnership with Government agencies such as Waka Kotahi with a 75% Funding Assistance Rate (FAR).

## Findings - AM Enablers

### Overview

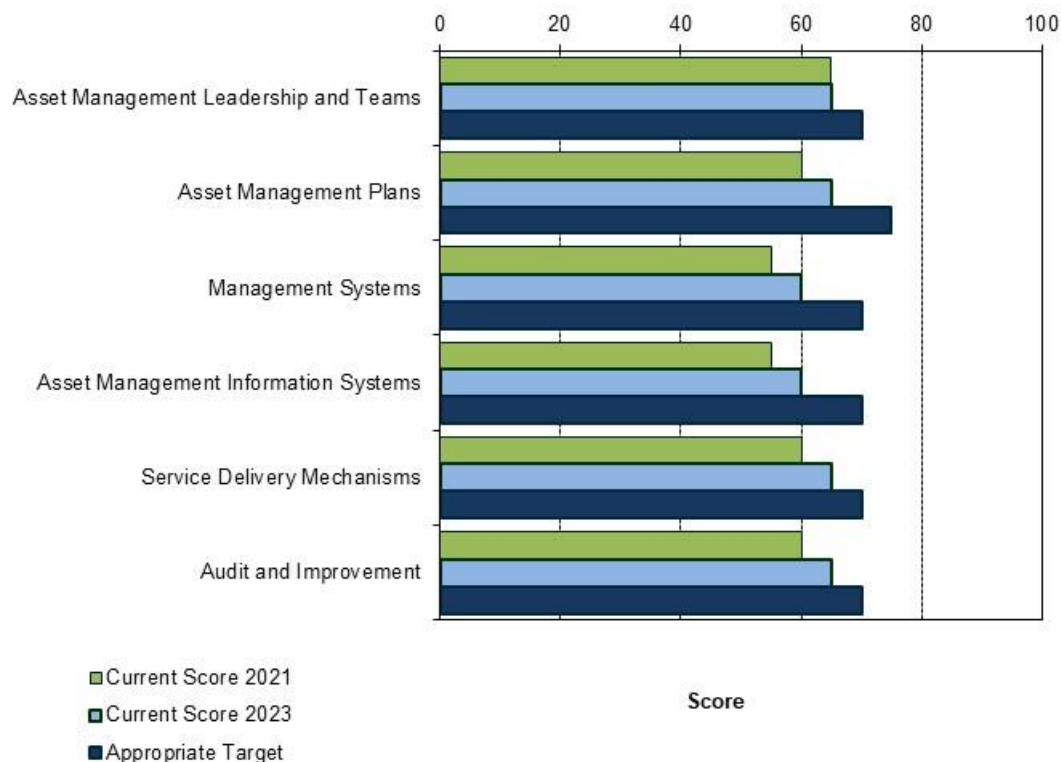
Council demonstrated that it is generally operating AM at a low intermediate level of maturity in relation to AM enablers, as summarised in the figure below, with a focus on improvement in asset management systems generally across the organisation, supported through the PMO and its systems and processes as well as implementing the AMP Improvement Plan.

Similar to other rural district councils, BDC continues to struggle to recruit and retain staff from the local market. In the past, this has meant a focus on operational and reactive work, inhibiting their ability to be strategic and plan effectively. The establishment of the PMO has provided additional capacity and capability for the Infrastructure Delivery team with their focus on the delivery of major infrastructure projects.

It is recognised that the provision of the right resources with the capability and capacity to deliver both asset management planning and operations will be key to the success of the preferred programme.

Alignment of systems such as asset registers, customer services requests and monitoring asset management will support a collaborative approach both internally and externally.

**Figure 13 Results for Asset Management Enablers (2021 and 2023)**



There was uplift for all elements except AM leadership and teams when comparing the 2021 and 2023 results.

### AM leadership and teams

AM is undertaken by the following three groups, each with clearly defined roles and responsibilities:

- Infrastructure Services Planning – the asset owner and responsible for asset planning including AM.



The team of three including the manager also manage the roading network.

- Infrastructure Services Delivery – operates and maintains the network and undertakes renewal works.
- PMO – delivery of major capital works, established in January 2021.

The Infrastructure Services Group has increased in capacity and capability recently, but it continues to seek additional resources to strengthen the team. The structure of the Group both supports the effective delivery of operations as well as providing for a forward-thinking team and strong delivery of the capital programme.

Relationships between the leadership team are strong as is support from Governance and Tier 1 levels.

### **Asset Management Plans**

A combined 2021 Transport AMP was developed in collaboration with Grey and Westland District Councils for the 2021-24 NLTP funding submission, comprising:

- Part A: West Coast Councils Transport Programme Business Case
- Part B: Part B Integrated Approach to Asset Management
- Part C: Part C: Buller District Council Local Level Input to Asset Management
- Part D: Appendices

Whilst allowing for a local district-level focus, this joint approach recognised the degree to which many issues are common to all three councils, so supporting a streamlining of processes with consequent efficiencies and cost savings.

The AMP is 'asset-focussed' and has a strong emphasis on addressing network risks such as resilience, safety and access through network improvements, renewals & targeted maintenance. This is being updated to support the 2024 LTP.

### **Management systems**

There are various supporting processes and plans prepared for the sound management of the transport activity (refer to above sections). The PMO provides good oversight of the major capital projects.

Provision was made in the 2021 LTP to develop an information strategy and protocols which meet legislative standards and requirements and install and implement information management software which will interface with Council's financial system.

It is recognised that much of the infrastructural knowledge is not always formally documented. The supporting systems and processes including documented Standard Operating Procedures and quality systems is recognised as an improvement area and has been strengthened through the PMO practices.

### **Asset Management Information Systems**

RAMM is used as the database for roading assets. WestReef, the roading contractor, manages road inspection information, identify defects and provides data updates to RAMM Contractor for programming of works. RAMM is used as a tool to prepare maintenance and renewals programmes, highlighting the importance of keeping the database up to date.

The WSP Online Bridge Information System (OBIS) is used for bridge assets. This is managed and updated by WSP and is used as a basis for renewals and improvement programmes.

## Service Delivery Mechanisms

The Infrastructure Services Delivery Team is responsible for the delivery of road maintenance and minor renewal activities through the Road Maintenance Contract 2020/2023. The current contract has a maximum term of seven years.

Other specialist contractors are used from time to time. Major capital works are tendered on the open market through the PMO, following approved procurement processes and procedures and in line with Council's Procurement Policy.

As required and to fill capability and capacity gaps within Council, the Infrastructure Services Group engages external support in professional services.

Externally funded capital works, generally delivered through the PMO, is procured through a panel of contractors with a secondary procurement process that provides for direct appointment and tendered works, depending on scope and scale as well as the capability and capacity of panellists. This panel arrangement was endorsed by Waka Kotahi through the 2022 Procurement Strategy.

Professional services are generally sourced by direct appointment, within the limits of the BDC Procurement Policy, using consultants with known capability and capacity to deliver.

## Audit and Improvement

### Quality and Audit

Quality of work is critical to the successful implementation and completion of maintenance, renewals and improvement works. External suppliers (contractors and consultants) are required to prepare and implement Quality Management Plans, suitable for the scale and complexity of the works to which they apply. BDC also has a Quality Framework in place.

The Infrastructure Services Delivery Team manages the Road Maintenance Contract. Whilst this includes an element of audit, the contract relies on strong collaboration between the Contractor and BDC with the Contractor providing the "eyes and ears" of the network. Keeping everyone informed through good reporting, programme development and reporting against KPIs is key.

Depending on scale and complexity, capital works are managed and supervised by the Infrastructure Services Delivery Team, the PMO or by external professional services providers (generally where they have been responsible for the design).

Waka Kotahi has a legal obligation to audit organisations that are funded through the NLTP. Investment audits typically take place every two to four years and assess value for money, review contracts and financial information and look at management of the contracts subsequent to them being let. The latest audit was completed in 2021.

### Improvement planning

A three year Improvement Plan was developed as part of the 2021 Transport AMP. Key elements of the Improvement Plan, generally collectively across the West Coast councils, include the development of a Data Improvement Strategy, Maintenance Strategies and risk management of critical assets. Progress has been made on the data improvement works in particular.

The AM maturity target is core with some areas working towards intermediate status.

## Appendix E Other asset portfolios

A high level health check of the other asset portfolios managed by the Infrastructure Services Group was completed as part of this review and detailed in the following tables.

The parks and property including housing for seniors activities was transferred to the Infrastructure Services Group's management so there is less information available and practices are still being established. This is a discovery phase to understand the assets owned and current state. The solid waste activity is considered more mature but impacted by Government's legislative changes for the sector.

### Housing for seniors

**Table 2 Housing seniors health check**

Element	High level health check assessment
High level health check	Housing for seniors' activity is at core level of maturity (lower end). This is considered adequate for a small asset portfolio but practices need to be strengthened as the housing units accommodate vulnerable people in the community.
Portfolio overview	There are 32 housing units in total across the district. This excludes the 12 units at Peel Street (locally known as McAuley Flats) that were located on Catholic land.
Roles and responsibilities	The Infrastructure Services Group manages the asset portfolio and Community Services manage the tenants.
Future ownership options	The future ownership of the housing units was identified in the 2021 LTP. There has been no formal decision on the divestment.
Current asset state	Most of the units are between 20 and 40 years old. The units are inspected on regular basis to ensure fit for purpose and safe for tenants.
Asset planning	BDC is exploring using RAMM database as the asset management system for parks and property assets instead of Unity with three water assets moving to Infor with the new entity.
Maintenance	The existing rolling work programme for the portfolio is currently being reviewed and reset with a new asset information coordinator.
Refurbishment	Opportunity is taken to refurbish the units when vacant between tenants. This includes upgrading the interiors, floor coverings etc.

### Parks and property

**Table 3 Parks and property health check**

Element	High level health check assessment
High level health check	The parks and property activity is considered at a basic level of maturity as there information gaps and practices are ad hoc. Council wishes to improve its practices for this activity and should aim for core level of maturity in the next three years.
Portfolio overview	The parks and property activity covers a diverse range of assets including cemeteries, reserves, public toilets, community facilities, buildings and structures.
Asset inventory	The asset inventories for parks and property are not complete or accurate. The asset information coordinator is undertaking a discovery process to ensure all BDC owned assets are recorded.

Element	High level health check assessment
Current asset state	There is currently no asset condition assessed. It is expected that the collection of asset condition will form part of the Parks and Property O & M Contract review and future scope.
Asset planning	A Parks and Property AMP is being developed as part of the 2024 LTP process. This plan will be focused on describing the current asset state and improvement actions to lift the AM maturity.
Compliance	Council owned and operated buildings are checked for building warrant of fitness certification.
Service delivery	The Parks and Property O & M Contract is currently being reviewed similar to the Utilities Contract. It has lower maturity than the new three waters contract and Council wishes to improve the management of parks and property assets and services. WestReef is the current Parks and Property O & M Contractor.

## Solid waste

**Table 4 Solid waste health check**

Element	High level health check assessment
High level health check	The solid waste activity is operating at a core level of maturity. This is appropriate for the activity scale / value and risk.
Portfolio overview	BDC operates two active landfills at Karamea and Maruia serving small communities. It also manages the aftercare of closed landfill sites at Birchfield, Westport, Charleston, Inangahua, Reefton, Springs Junction and Ikamatua.
Current service delivery arrangements	<p>Council contracts out the solid waste collection and recycling services to Smart Environmental. The collected waste is currently trucked to Nelson. The contract expires on 1 February 2024.</p> <p>The contract serves zone 1 which covers about 90% of the residents including provision of transfer station services in Westport and Reefton, as well material recovery facilities at Westport Transfer Station. The residual waste is transported to York Valley landfill in Nelson.</p> <p>Zones 2 (Karamea) and 3 (Mariua) are for rural areas managed by these communities with operational landfills.</p>
Current asset state	<p>The Reefton Closed Landfill was damaged during the floods and there is a remediation project underway (refer to the main report for details).</p> <p>There is a new weighbridge at Karamea landfill to better understand the waste tonnages.</p>
Asset planning	There is a separate Waste AMP and it is assumed that this will be updated as part of the 2024 LTP process. It is also assumed that the solid waste activity will remain in the 2024 Infrastructure Strategy with three waters removed.
Regional collaboration	<p>There is strong regional collaboration for the solid waste activity including the West Coast Regional Waste Management Minimisation Action Plan covered the three councils. The 2018 plan is currently being updated.</p> <p>Other regional waste initiatives include:</p> <ul style="list-style-type: none"> <li>Investigating Butlers Landfill as regional facility.</li> <li>Investigation of joint waste collection services contract.</li> </ul>
Sector change	The solid waste activity is going through significant change driven by central government to reduce organics going to landfill and investing in infrastructure to achieve greater

Element	High level health check assessment
	<p>diversion. This includes increased waste levy, the introduction of standardised kerbside collections and potentially a container return scheme.</p> <p>BDC has been successful in gaining \$0.9 million funding from the Ministry for the Environment to investigate construction and demolition waste options.</p>