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# Benchmarking

## Property Asset Management Planning

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**First Annual Report for Local Authorities**

**March 2008**

Prepared for

by

**SPM Consultants Limited**

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# 1 Introduction

## 1.1 Purpose

The purpose of the project is to provide a mechanism for like-minded New Zealand organisations to share information and knowledge on their properties and associated management processes. The primary objective is to know where you are positioned measured against a variety of key indicators. This then provides you with the acknowledgement for the progress being made, and offers the opportunity to make improvements in selected areas.

The observations made at the end of the report provide useful industry guidance of where to focus improvement activities around both processes and data. These observations should be considered for each Council's Improvement Plan within their AMPs.

The direct value of the benchmarking project for each organisation can be summarised as follows:

- Have the platform to establish a robust improvement plan.
- Gain immediate value from your current property data.
- Know where you are positioned compared to a range of key indicators.
- Know where to focus your 'information management strategy' to improve the data quality.
- Increased confidence that you know the long term financial consequences of owning and using property assets.
- Identify potential cost savings.
- Know what other similar organisations are doing to achieve certain outcomes

## 1.2 Participating and Contributing Councils

The following Councils accepted the SPM proposal to undertake a full benchmarking study including report preparation and observations:

- Franklin District Council
- Tauranga City Council
- Matamata Piako District Council

It is expected that further Councils will participate once they gain further confidence in the consistency of their data. Other Councils are likely to participate in next years study once they see the results of this first benchmarking study and better understand the benefits they can gain.

The following Councils have contributed to the study through providing access to their data. Note that their data has been collected and analysed in the same way as the participating Councils and provides credible and reliable results for comparison.

- North Shore City Council
- Auckland City Council
- Wellington City Council including both property services and the housing unit
- Christchurch City Council
- Whakatane District Council
- Hamilton City Council
- Hutt City Council

- Waitakere City Council

In addition to the above, the following Councils are expected to be in a position to participate in the next iteration of the benchmarking study, which will be released in December 2008:

- Taupo District Council
- Rodney District Council

The following table lists the sites, assets/components, and property value associated with each of the organisations.

<b>Property Types</b>	<b>Sites</b>	<b>Assets</b>	<b>Value*</b>
Housing, parking, community facilities, area offices, cemeteries, foreshore structures, leisure centres, libraries, play centres, commercial buildings and public conveniences.	1,383	19,326	\$109 m
Community facilities, zoo, art gallery, leisure facilities, admin buildings, car parks, commercial buildings, houses, heritage buildings and function facilities.	1,185	24,400	\$633 m
Housing, halls, heritage, libraries, recreation centres aquatic centres, commercial buildings, car parks, transfer station, and cemeteries.	638	13,263	\$49.2 m
Halls, libraries, open spaces, housing, recreational centres, pools, commercial, heritage, operational and strategic	309	4,664	\$23.8 m
Buildings on parks & reserves, corporate, housing, halls, public amenities, aerodrome, pools, sport complexes,	392	7,788	\$24.1 m
Airport, aquatics, cemetery, indoor space, open space, admin, libraries, car parks, housing, and wharves and jetties.	845	8,517	\$55 m
Admin, libraries, housing, service centres, halls, museum and public toilets	346	5,131	\$16.5 m
Art Gallery, childcare, community centres, community toilets, heritage, housing, libraries, offices, parking, service centres, storage, depots, commercial facilities, golf courses, leisure facilities, pools, stadia and camping grounds.	5,739	181,300	\$319 m
2,300 housing units including a mixture of multilevel and stand alone – bedsits and 1 bedrooms account for 70% of stock	2,638	51,460	\$142 m
Commercial, libraries, community, rec centres, pools, zoo, convention centre, public toilets, marinas, sheds, sports pavilions, depots, cemeteries, golf course, and gardens	411	20,011	\$104 m
Housing, commercial, community halls, operational, public toilets, pools, wharves, groynes, ramps, car parks, and park & reserves assets.	865	7,978	\$40.2 m
	<b>14,751</b>	<b>343,838</b>	<b>\$1,516 m</b>

**\* Value defined as the gross replacement cost of assessed components**

The organisations have the following in common:

- Buildings used by the community
- Not for profit organisations
- Adopted the same asset management planning principles and therefore have the same data structures and analysis outputs
- New Zealand based
- Utilise SPM Property to store, analyse and report component data.

- Have responsibilities to comply with IFRS

### 1.3 Benchmark Measures

A total of 24 benchmarking questions were reviewed by participating Councils. The following table shows the highest ranking measures. In total, 9 different measures were analysed.

Measure	Services (Number of Councils able to be measured)											
	All (11)	Housing (11)	Public Conveniences (11)	Community Facilities (11)	Administration (11)	Libraries (10)	Recreation centres (10)	Commercial Properties (10)	Utilities (9)	Swimming Pools (9)	Cemeteries (9)	Museums (9)
Next 25 Years Renewals as a Proportion of 2006 Fixed Asset Additions	FALSE											
Next 25 Years Renewals as a Proportion of 2006 Land and Buildings Balance Sheet Value	FALSE											
Next 25 Years Renewals as a Proportion of 2006 Rates Revenue	FALSE											
Next 25 Years Renewals as a Proportion of 2006 Total Depreciation	TRUE											
Next 8 Years Renewals as a Percentage of Projected Rates 2007 to 2014	FALSE											
Next 8 Years Renewals as a Percentage of Projected Total Expenditure 2007 to 2014	FALSE											
Next 8 Years Renewals as a Percentage of Projected Total Revenue 2007 to 2014	FALSE											
Percentage of Special Components GRC to Total GRC	FALSE	FALSE	FALSE	FALSE	FALSE	FALSE	FALSE	FALSE	FALSE	FALSE	FALSE	FALSE
5 Year Rolling Average Renewals as a Percentage of Gross Replacement Cost	FALSE	FALSE	FALSE	FALSE	FALSE	FALSE	FALSE	FALSE	FALSE	FALSE	FALSE	FALSE
Combined Weighted Average Condition Grade of all Components	FALSE	FALSE	FALSE	FALSE	FALSE	FALSE	FALSE	FALSE	FALSE	TRUE	FALSE	FALSE
Gross Replacement Cost per head of Population by Population size	FALSE	FALSE	FALSE	FALSE	FALSE	FALSE	FALSE	FALSE	FALSE	TRUE	FALSE	FALSE
Percentage of Gross Replacement Cost of Components by Condition Grade	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE
Percentage of Gross Replacement Cost of Components in Poor or Very Poor Condition	FALSE	FALSE	TRUE	FALSE	FALSE	FALSE	FALSE	FALSE	FALSE	FALSE	FALSE	FALSE
Percentage of Gross Replacement Cost of Components in Good or Very Good Condition	FALSE	FALSE	TRUE	FALSE	FALSE	FALSE	FALSE	FALSE	FALSE	FALSE	FALSE	FALSE
Total Gross Replacement Cost by Population Size	FALSE	FALSE	FALSE	FALSE	FALSE	FALSE	FALSE	FALSE	FALSE	FALSE	FALSE	FALSE
Total Next 25 Yrs Average Annual Renewal Cost per Head of Population	FALSE	FALSE	FALSE	FALSE	FALSE	FALSE	FALSE	FALSE	FALSE	FALSE	FALSE	FALSE
Total Number of Components	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE
5 Year Rolling Average Percentage of Service Renewals to Total Renewals		FALSE	FALSE	FALSE	FALSE	FALSE	FALSE	FALSE	FALSE	FALSE	FALSE	FALSE
Percentage of Service GRC to Total GRC		FALSE	FALSE	FALSE	FALSE	FALSE	FALSE	FALSE	FALSE	FALSE	FALSE	FALSE
Average annual renewal expenditure per housing unit		TRUE										
Gross Replacement Cost per Housing Unit		FALSE										
Number of housing units per 1000 population		TRUE										
Percentage of Housing Units to 2006 Total Households		FALSE										
Number of Toilets per head of Population			FALSE									

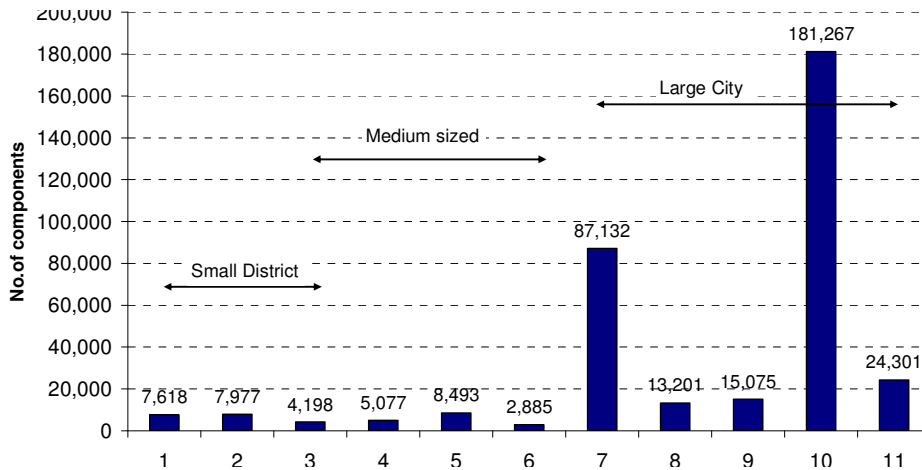
### 1.4 Participating Council Number

As this benchmarking study is anonymous, the participating Councils have been provided their number. If a participating Council wishes to undertake further investigation into the reasons for variance, SPM will ask the relevant Councils for their involvement and pass on the contact details if they agree.

## 2 Organisation Level Benchmarks

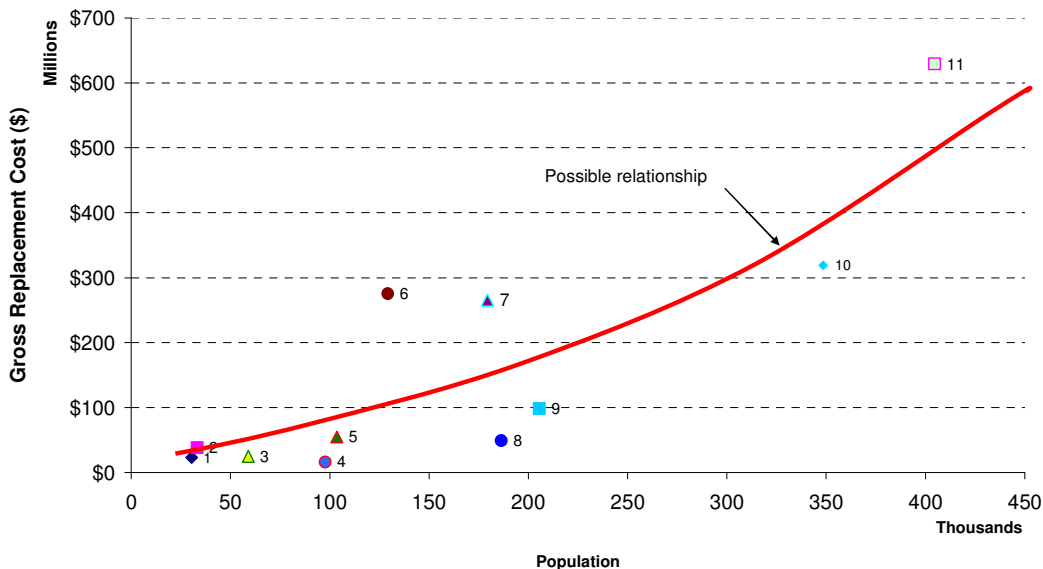
### 2.1 Number of Components Assessed

The majority of small to medium sized Councils have assessed about 5,000 to 8,000 components associated with a wide range of property types. Councils 7 and 10 have a significant amount of housing assets that distort the overall component count. Larger City Councils have 2 to 3 times the number of components than the smaller to medium sized Councils.



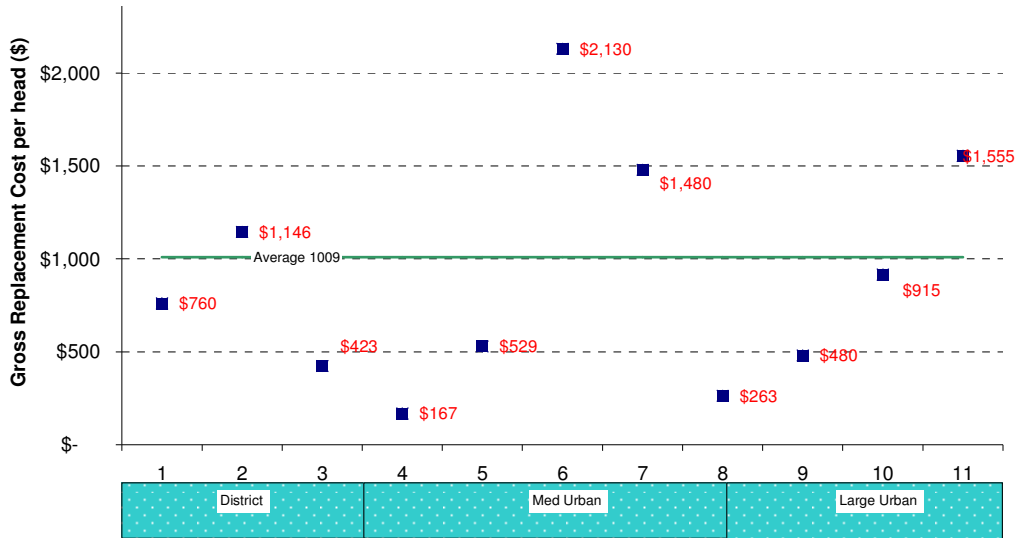
### 2.2 GRC by Population

The majority of the Councils have a GRC below \$100 million. Council 6 includes the residual structural. Councils 7, 10 and 11 have undertaken a significant amount of data collection over a number of years and include a wide range of all property types. There does seem to be a possible relationship between population and GRC.



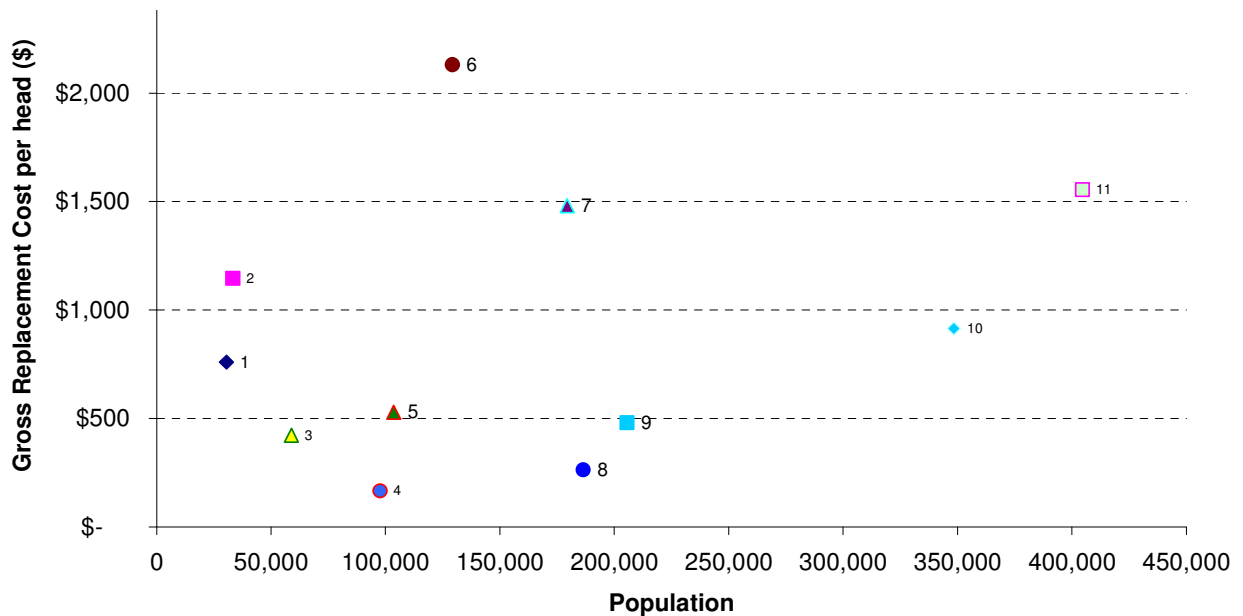
### 2.3 GRC per head of population

The GRC of assets surveyed compared to the Local Authority’s population, i.e. an average GRC of \$1,000 per head. Four of the 11 Councils have an above average asset value but interestingly, they are scattered across all sizes of organisations.



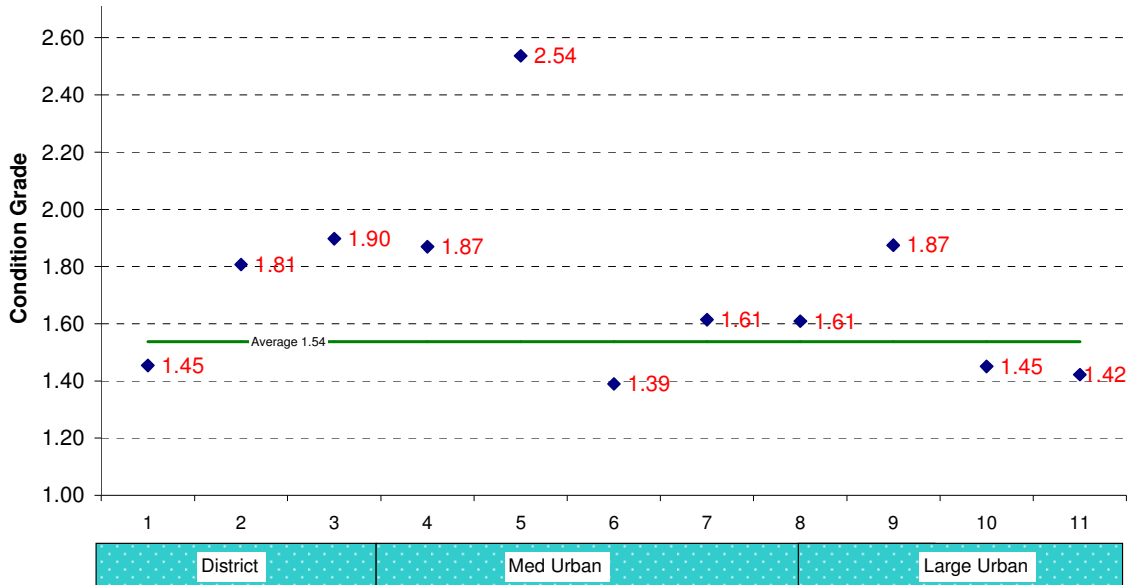
### 2.4 GRC per Head Compared to Population

The following figure shows a further adaptation of the previous benchmark, where the average GRC per head is compared to the associated population.



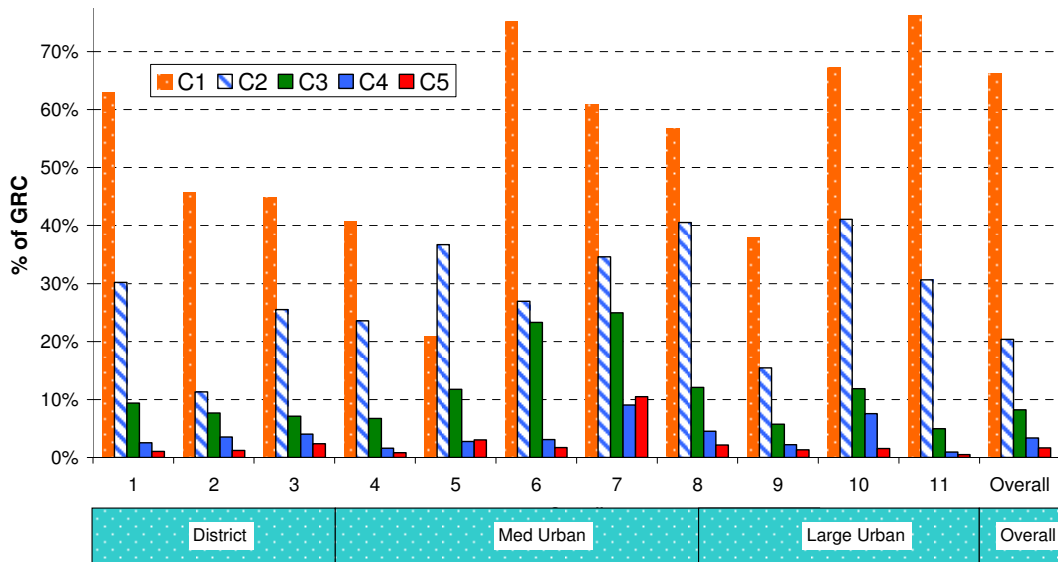
## 2.5 Weighted Condition Scores

The majority of the Councils maintain their buildings to a good to very good condition. The resulting scores can be used as a key level of service standard, i.e. setting a target of 1.6 could be a realistic standard to achieve.



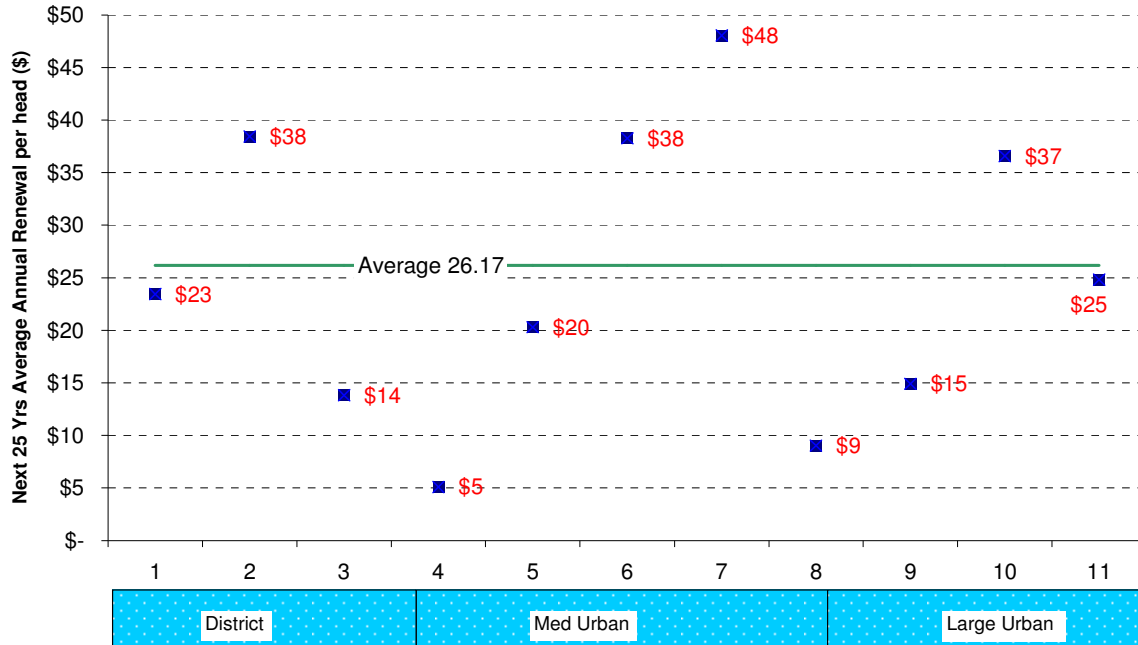
## 2.6 Very Poor to Very Good Condition Grades

The difference between condition grades 1 and 2 does significantly influence the overall condition scores. Different surveyors will have different judgments of the actual condition, e.g. Council 5 may have assessed the majority of components to be in a good condition rather than a very good condition based on age rather than condition alone. As this can be a common occurrence, the SPM Property application now has an ‘age-condition based risk analysis’ to predict the timing of future expenditure.



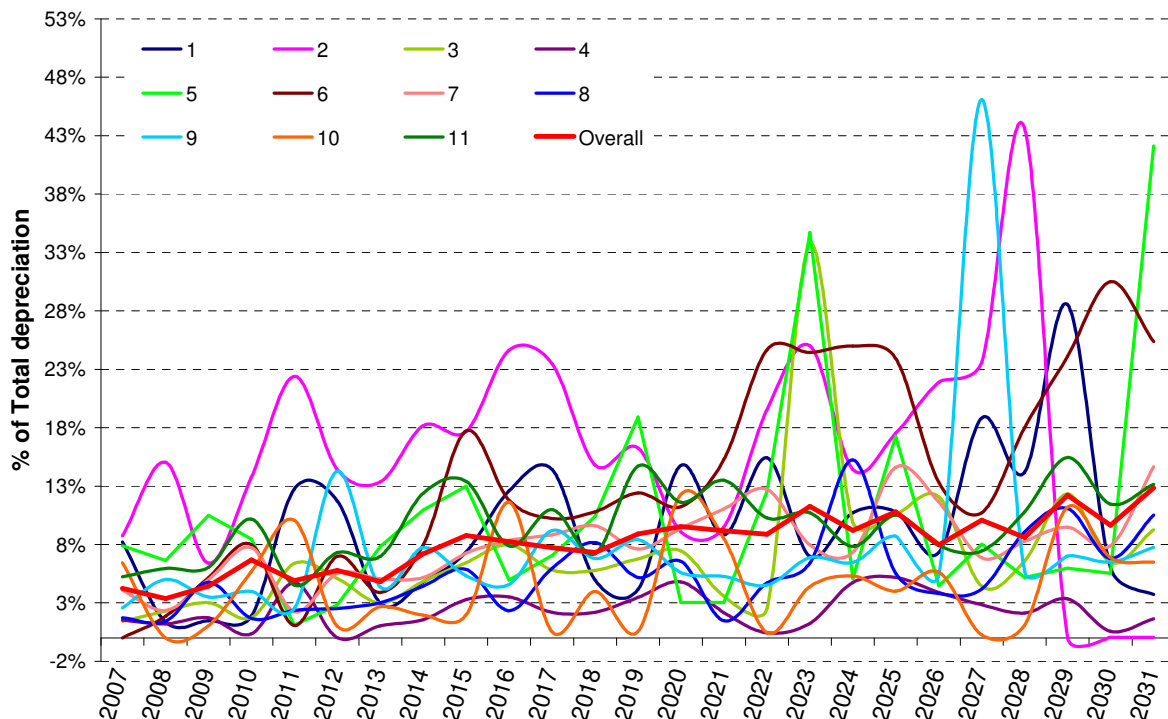
## 2.7 Long Term Renewal Expenditure per Head

There is a large variance in expenditure compared to population between Councils. The overall result suggests that it will take \$26 per person per year on average over 25 years to maintain a level of service through capital renewals and major maintenance. The differences can be further investigated through comparing the benchmarks at property type level.



## 2.8 Renewal expenditure as a percentage of total 2006 depreciation

From year 2015 to 2022 about 8% of the total 2006 depreciation charge per year will be needed on average. Council 2 has a significantly higher requirement. Although there are a number of peaks, the general trend is consistent and increasing steadily from 3% to over 10% throughout the 25 year period considered.

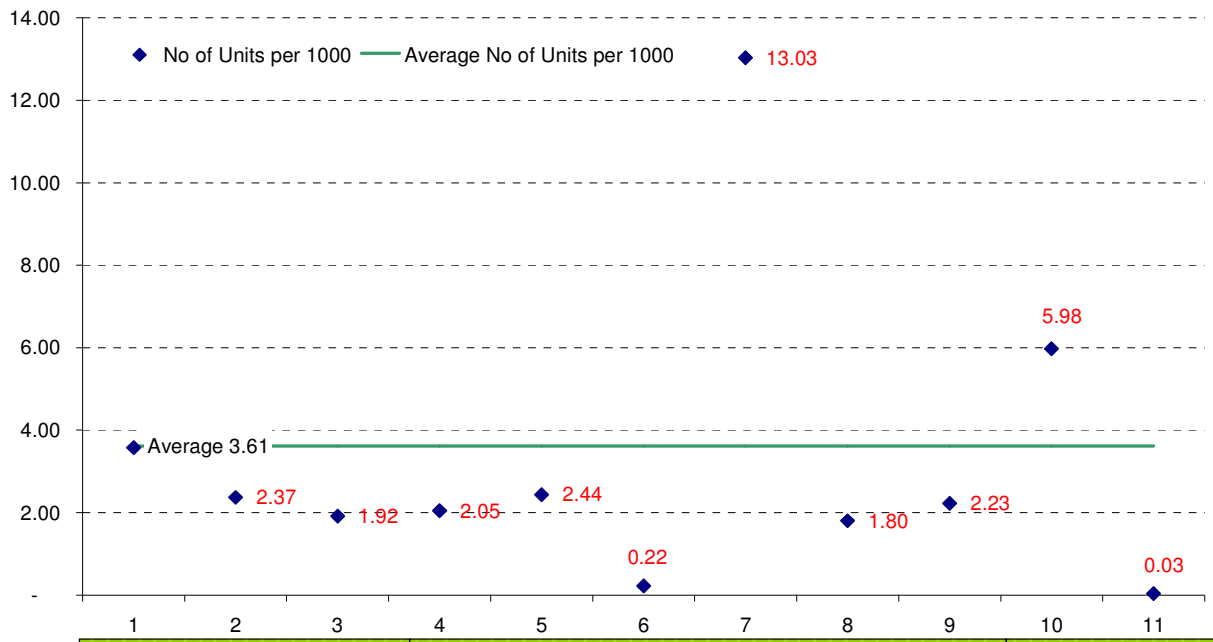


### 3 Property Level Benchmarks

#### 3.1 Housing

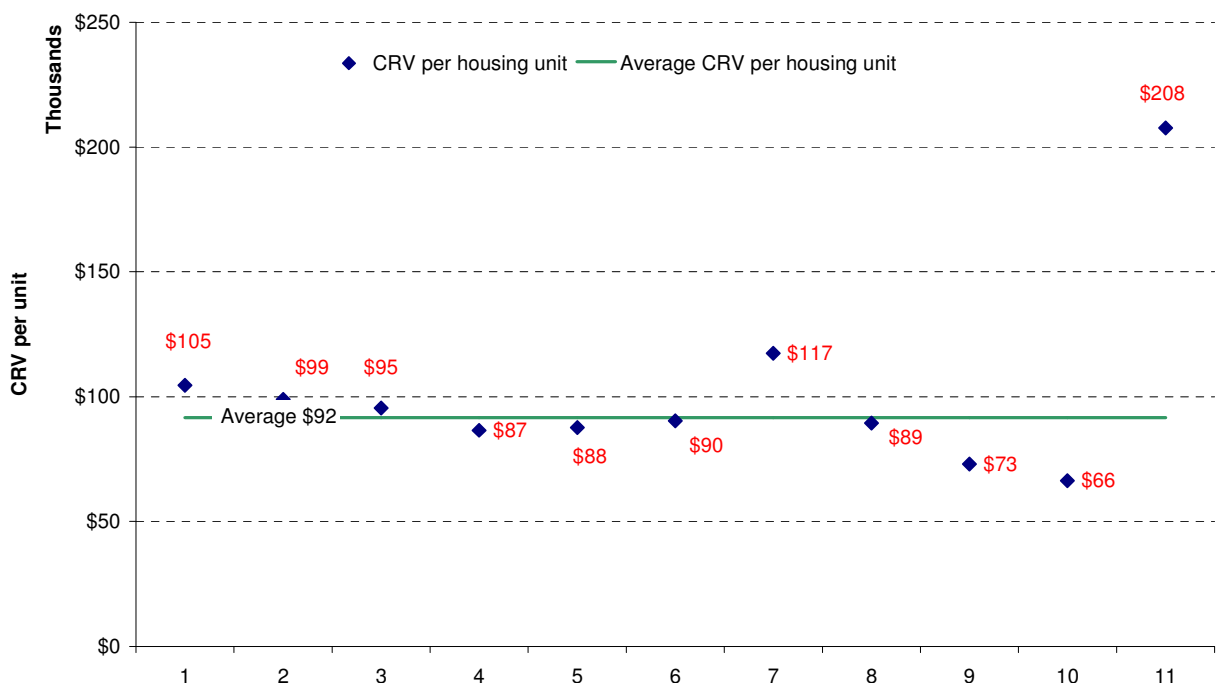
##### 3.1.1 Number of housing units per 1000 population

Using population figures from the 2006 census, most Councils have about 2 housing units per 1,000 people. The majority of the housing is for elderly people. However, Councils 7 and 10 provide a wider social housing.



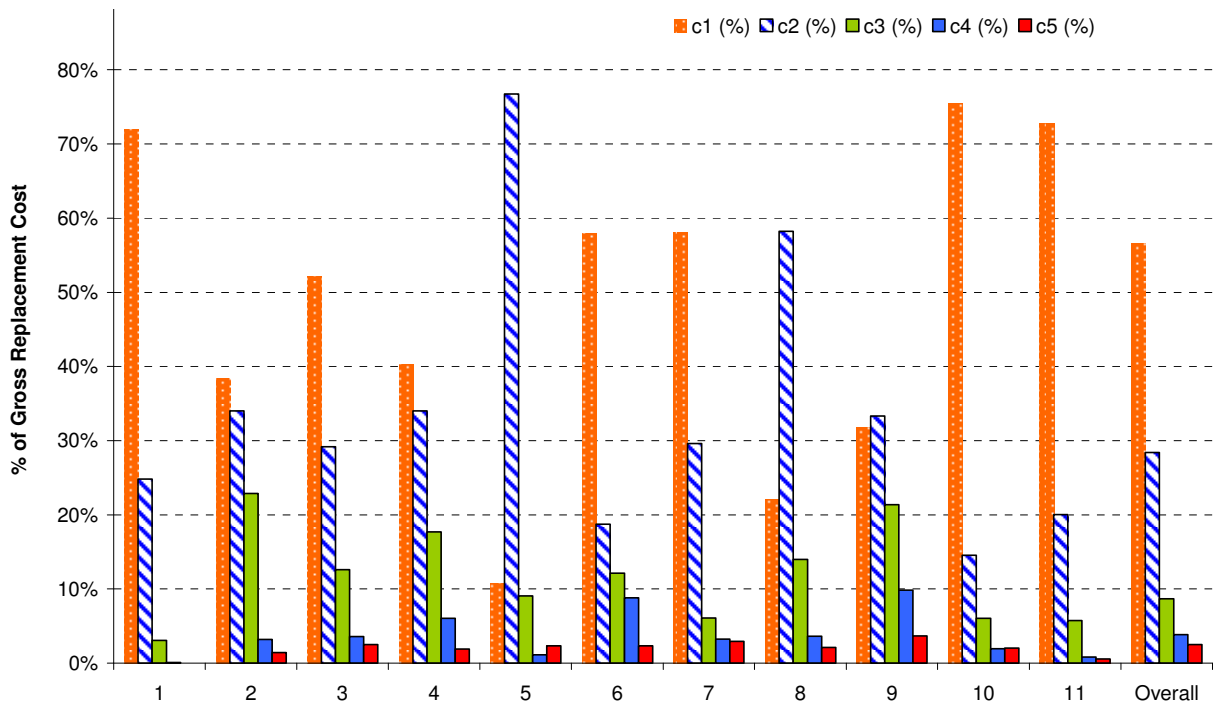
##### 3.1.2 Capital Replacement Value per unit

Due to the type of housing, the floor areas are small and have high capital replacement value rates. It would be common to have a build rate of greater than \$2,000/m<sup>2</sup>. The majority of the housing CRVs is between \$90,000 to \$100,000.



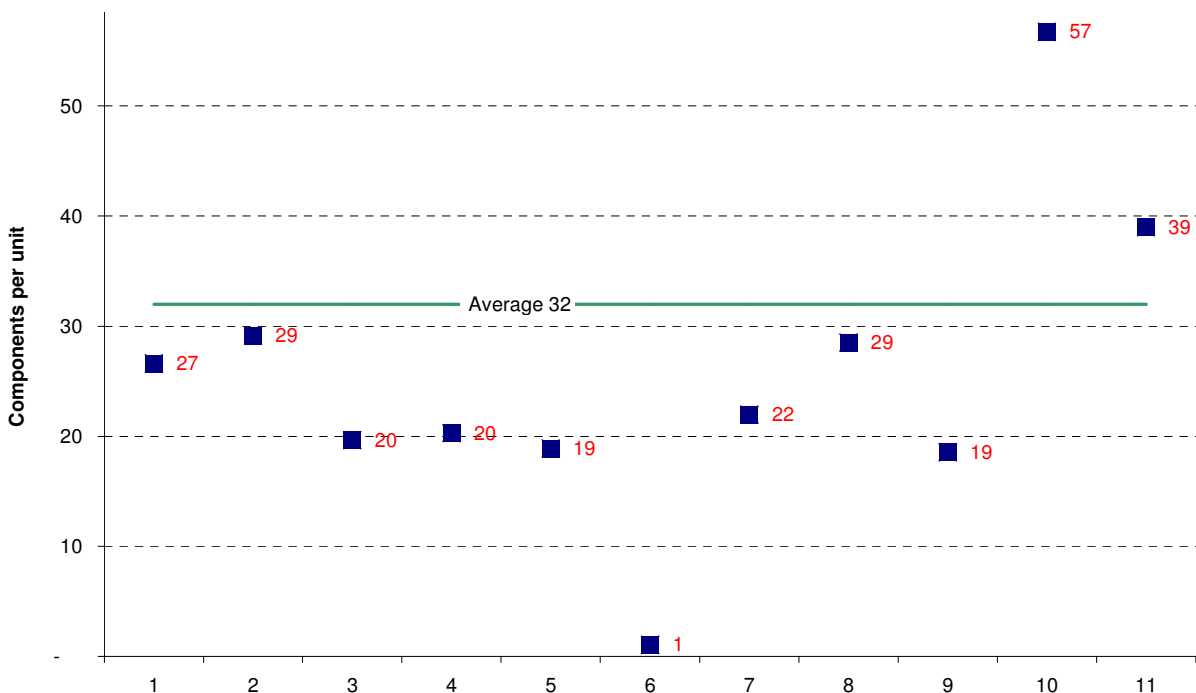
### 3.1.3 Conditions

The condition of the assessed housing components follows common patterns, i.e. the majority is in a very good to good condition. Councils 2, 4, 8 and 9 have houses that are in a poorer condition than others.

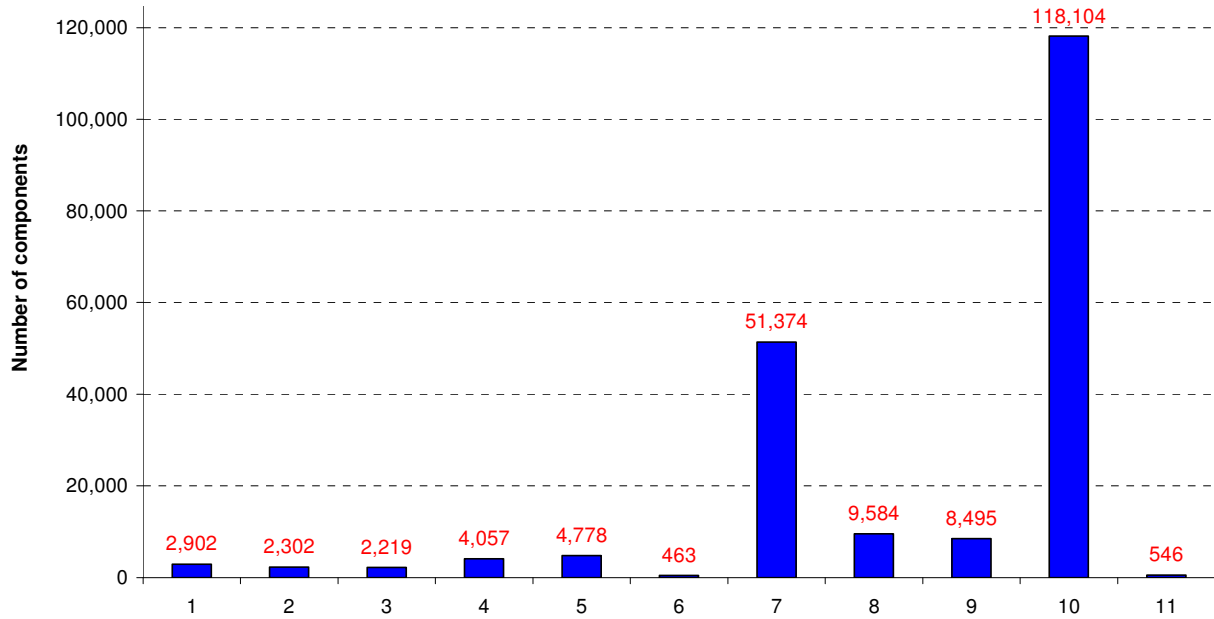


### 3.1.4 Number of components

Councils typically have captured 15 to 20 components per house. Council 11 has only a small number of houses, whereas Council 10 collected detailed data at room level. Most Councils have collected data at house level rather than room level.

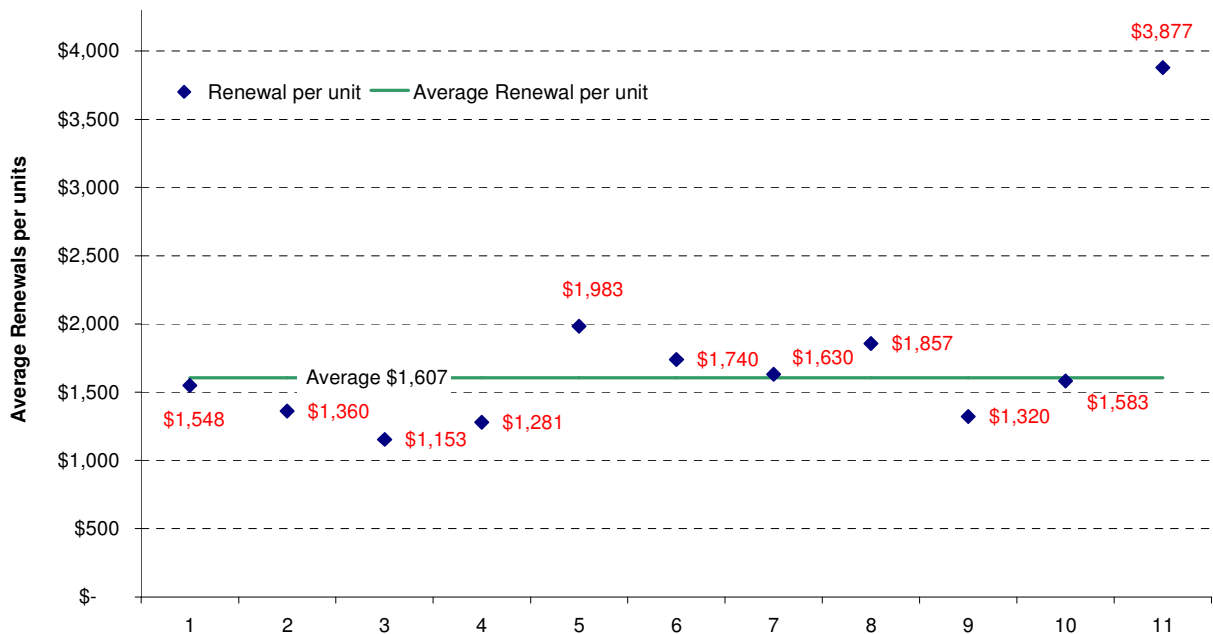


The following graph shows the total number of components collected across the portfolio. Note that although Council 10 had collected a significant number of components, the data collection process was developed in 2001/02 and pre-NAMS Property. The data for Council 10 proved to be of low confidence and was missing key attributes that would have enabled long term predictive model.



### 3.1.5 Average annual renewal expenditure per housing unit

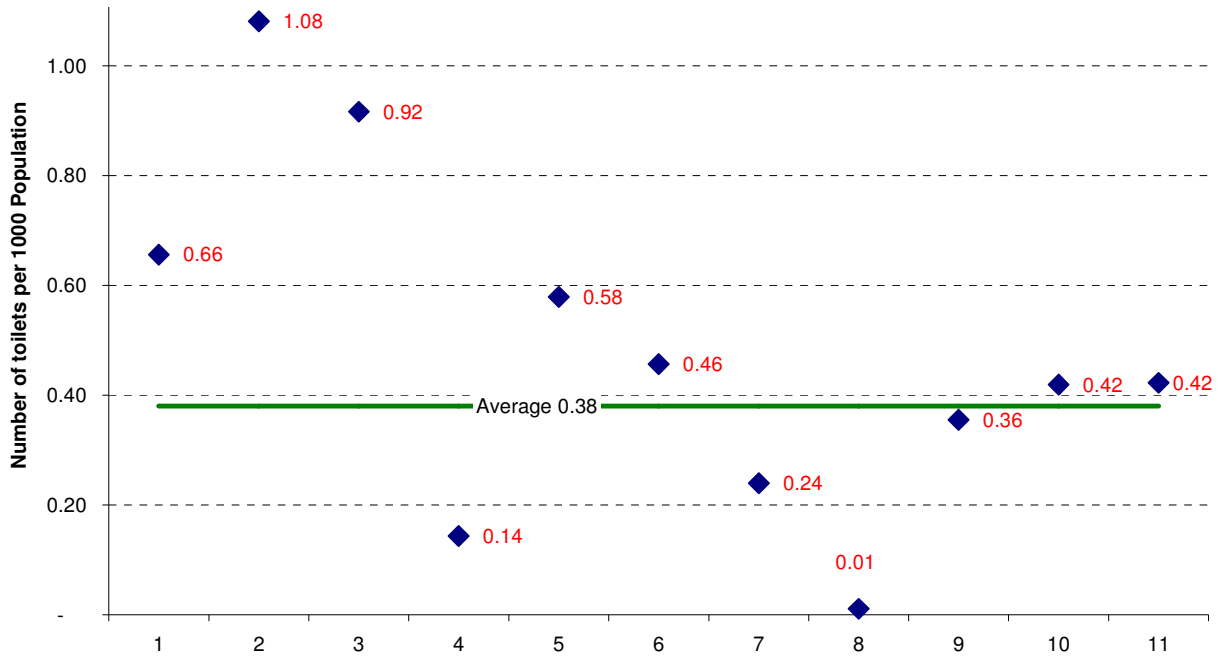
On average, Councils are planning to spend about \$1,600 per year per house based on the SPM Property predictive model. Assuming an average CRV of \$100,000, Councils are budgeting annual expenditure of about 1.6% of CRV. Apart from Council 11, which is an outlier, the annual average renewal expenditure is surprisingly similar across all Councils.



### 3.2 Public convenience

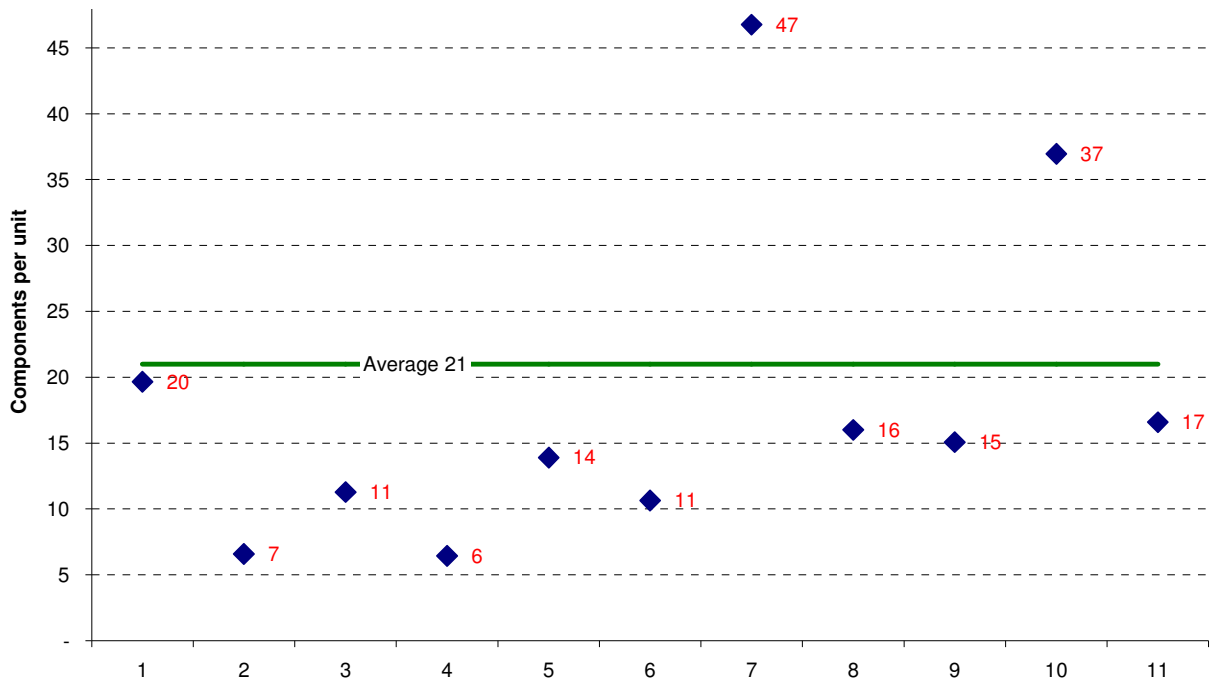
#### 3.2.1 Number of toilets per 1000 Population

It is interesting that the larger Councils have a similar number of toilets per 1000 population. Toilets are looked after by another department for Council 8.

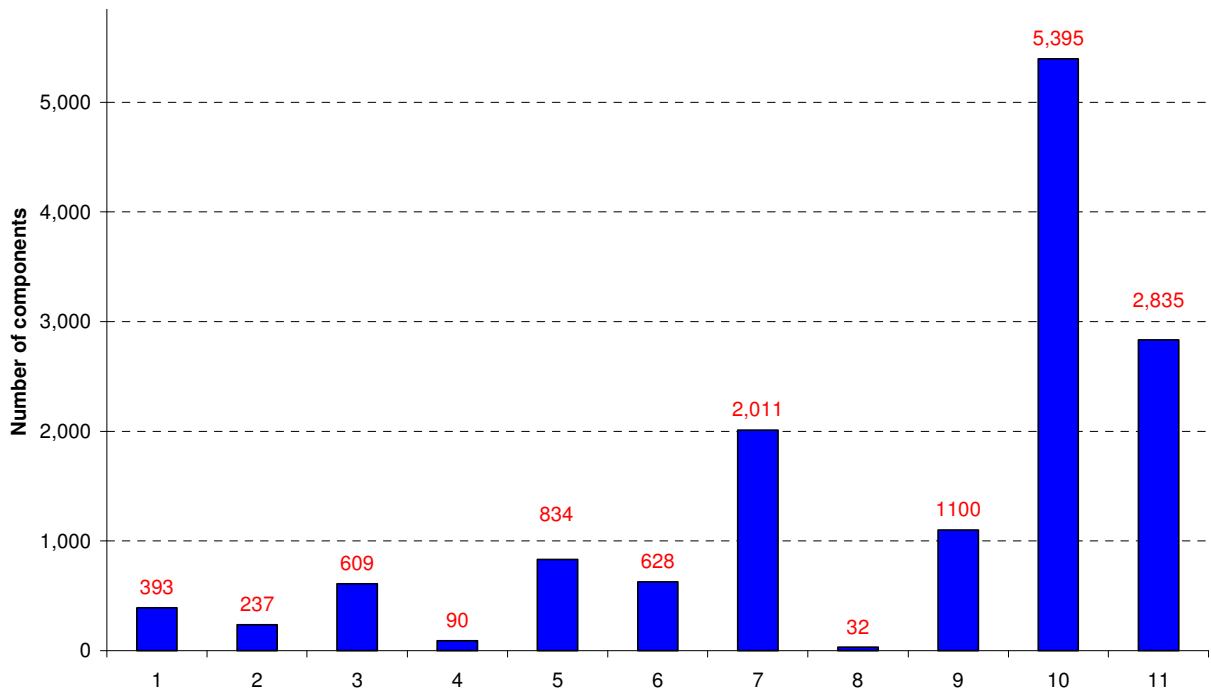


### 3.2.2 Number of components

About 13 components per toilet have been assessed across most Councils. It is unclear why Councils 7 and 10 have significantly more components compared to others.

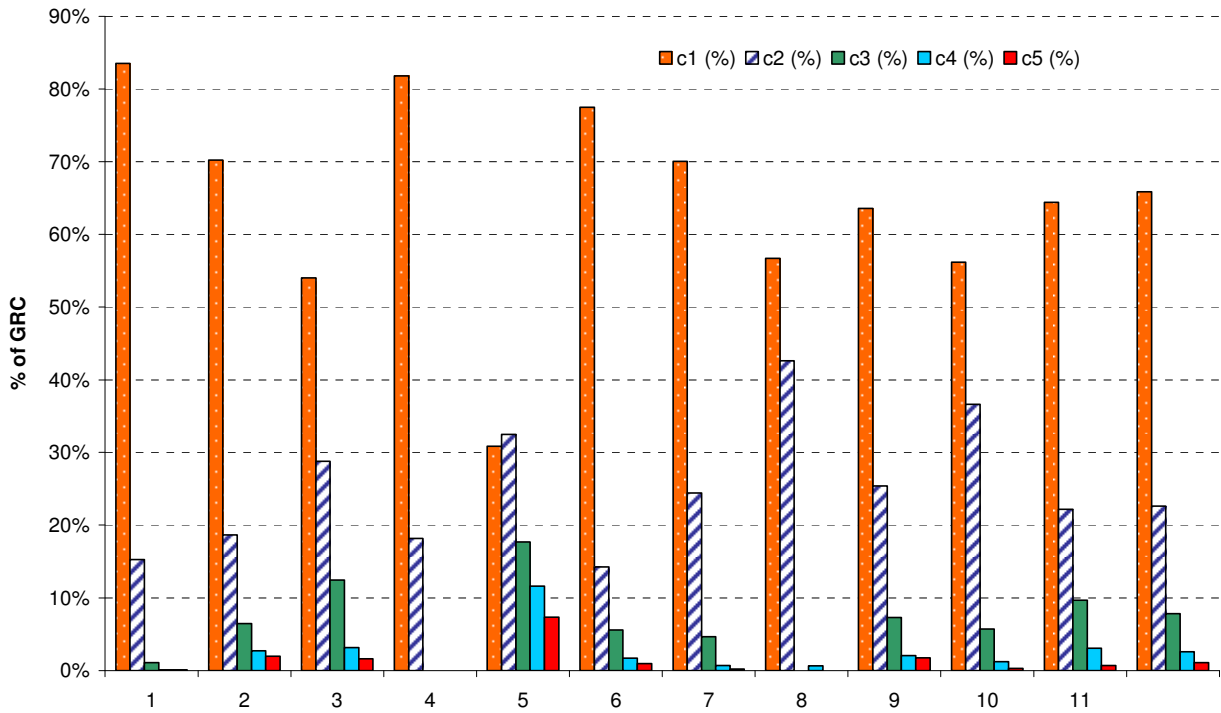


The following figure shows the total number of components assessed for each Council.



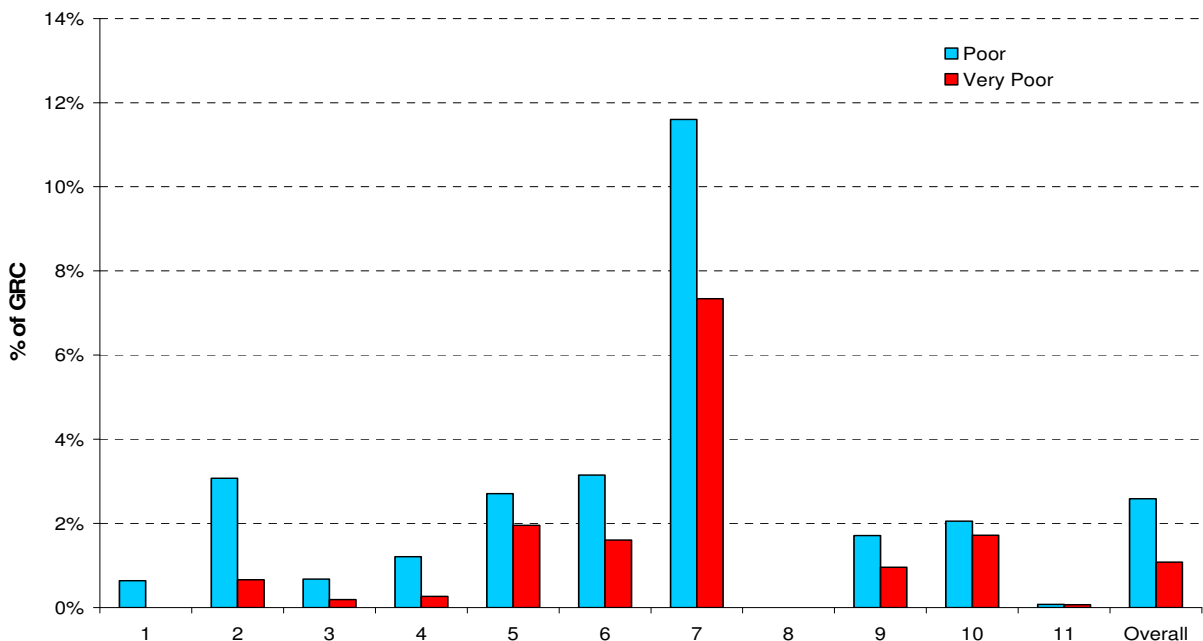
### 3.2.3 Condition Grades

Councils mainly have a similar condition grading profile for toilets. However, the results for Council 5 suggest that their facilities are in a much poorer condition than compared to others. The bias towards condition grades 1 and 2 are due to the higher proportion of structural components expected with toilet facilities, i.e. concrete blocks for walls, exposed roofing and foundations.



### 3.2.4 Poor and very poor condition

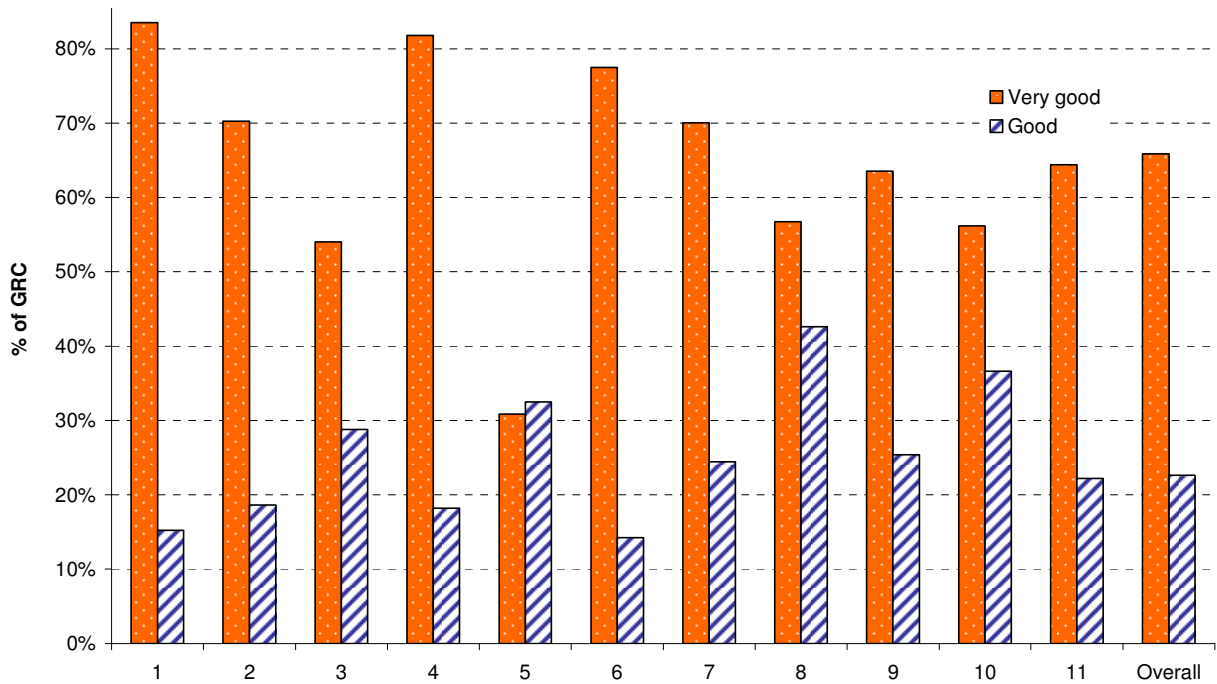
The relationship between components in a poor and very poor condition is quite similar between Councils. Most Councils typically have about 3% of their components in a poor to very poor condition. This may be the optimal amount and could become a key level of service standard.



### 3.2.5 Good and very good condition

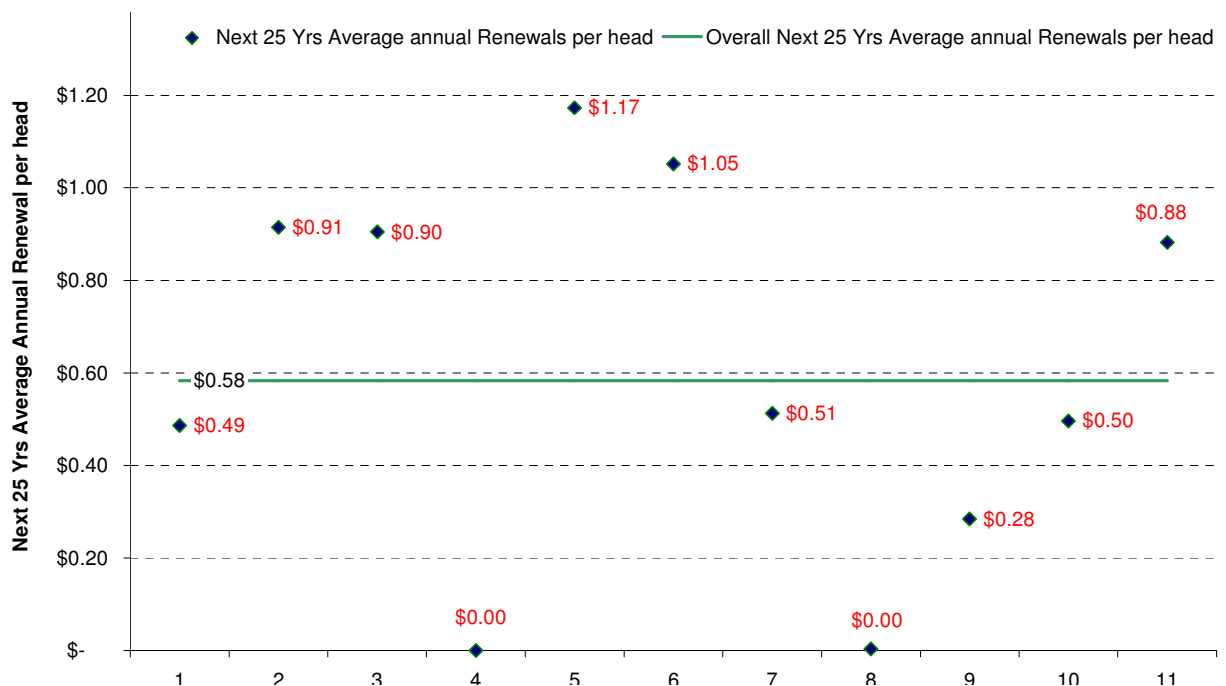
The relationship between the very good and good condition components is based on the surveyor’s judgment. Using a condition-based risk analysis (as available in SPM Property Vrs 5), there will be a large movement in calculated remaining life between the two condition grades hence, the importance of having confidence in the assessment. Based on the following graph, a sanity check could be to expect that components in a good condition may total about 25% of the GRC of all components.

SPM Property Vrs 5.1 provides an age-condition based risk analysis that largely solves the issue between the two condition grades.



### 3.2.6 Renewal per head

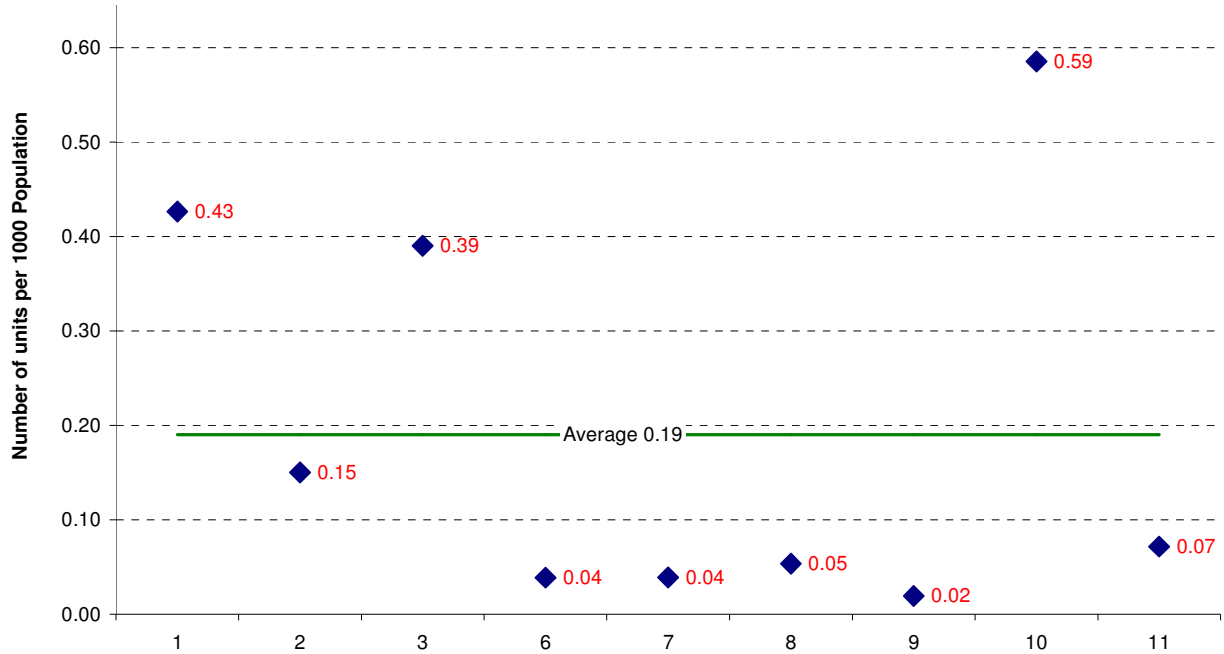
Councils mainly have a similar condition grading profile for toilets. However, the results for Council 5 suggest that its facilities are in a much poorer condition than others.



### 3.3 Swimming pools

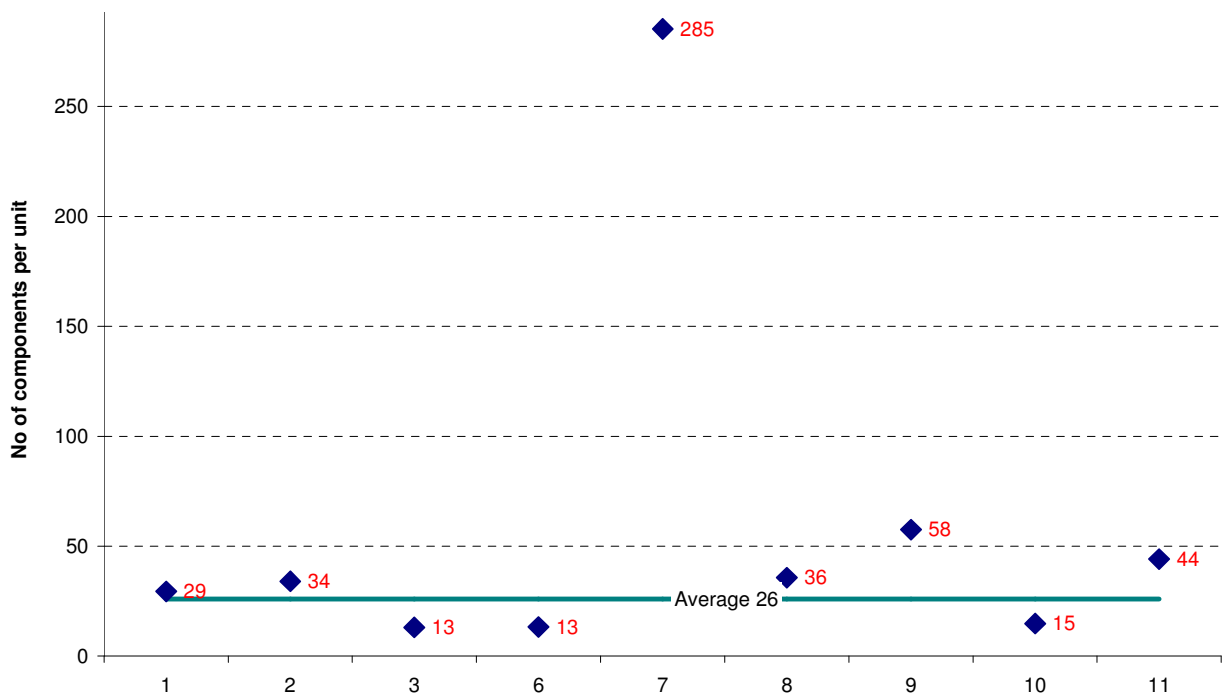
#### 3.3.1 Number of swimming pool units per 1000 Population

Some Councils' swimming pool data has been structured differently from that of the others. For example, some of them have been broken down to room level or floor level.

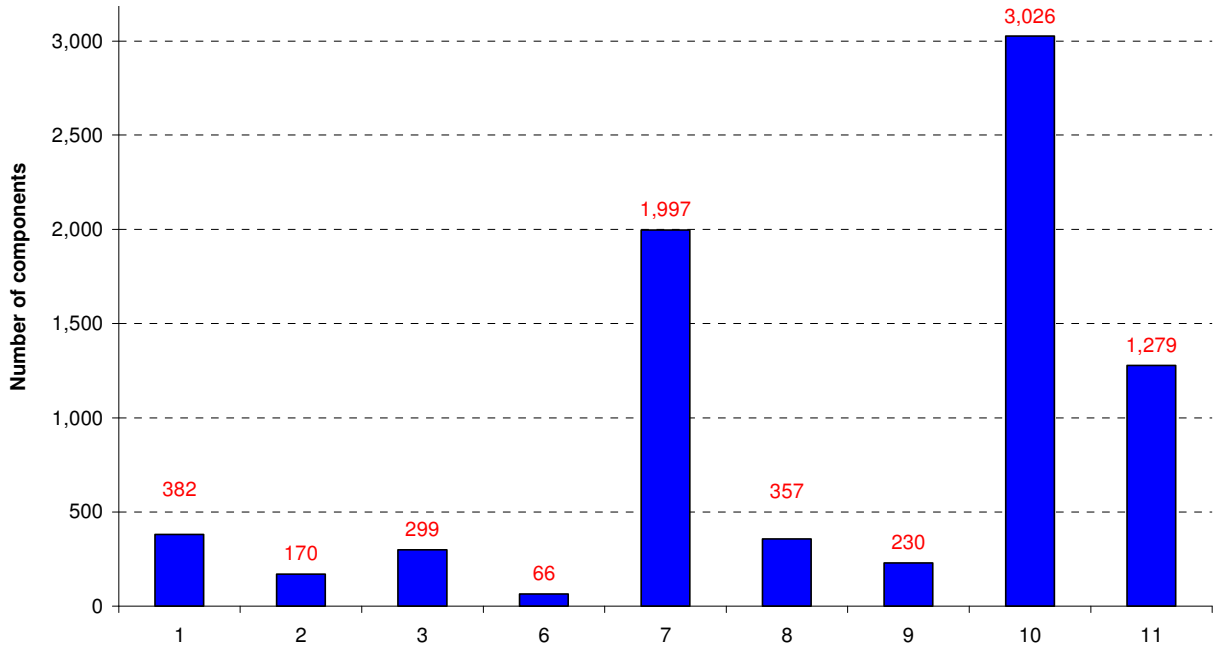


#### 3.3.2 Number of components per unit

Most of the pools assessed have been surveyed as one entire property. Some have been broken down into two or three locations. Council 7 should have been broken down further rather than having only one location or property, i.e. having over 200 components for one property / location is too many.

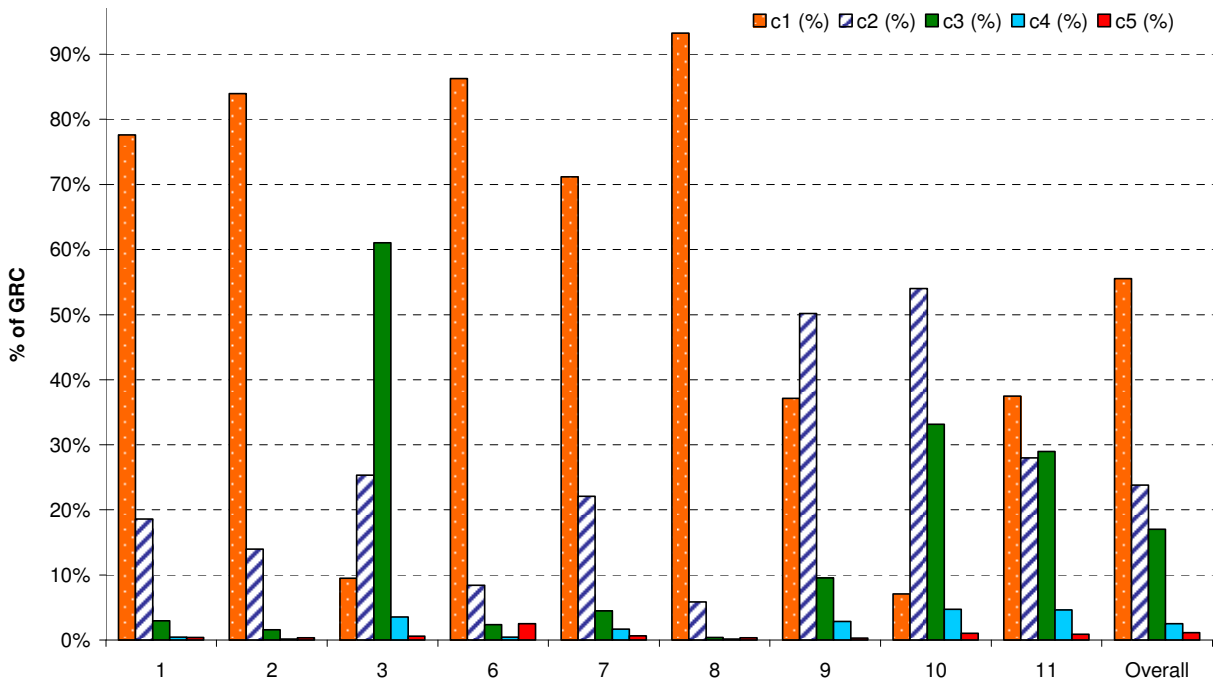


The following figure shows the total number of components surveyed for each Council. Council 10 has the lowest component count per unit and the highest total count of components, which suggests an ideal data and category structure.

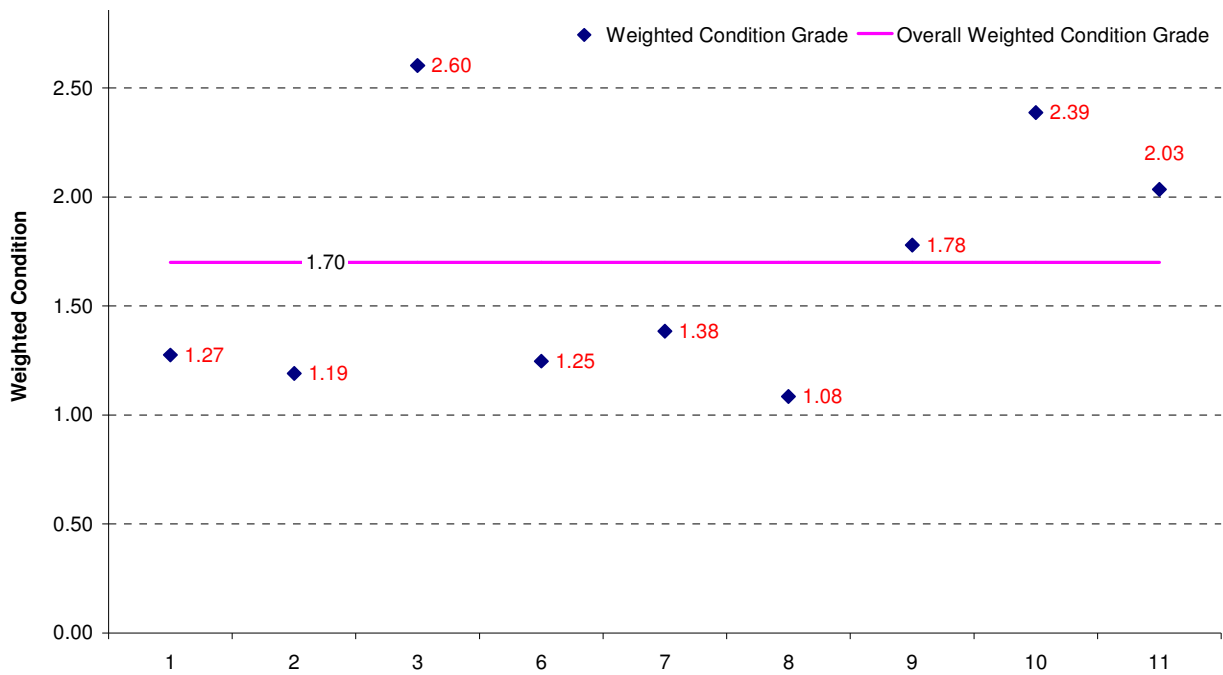


### 3.3.3 Condition grades

The following two figures show that Councils 3 and 10 have the poorest overall condition grades. It is unusual to have such a dominance of condition grade 3, which may warrant a review of the condition survey approach. Council 10 also has an unusual bias towards conditions 2 and 3, which may require a calibration of condition grading assessments.

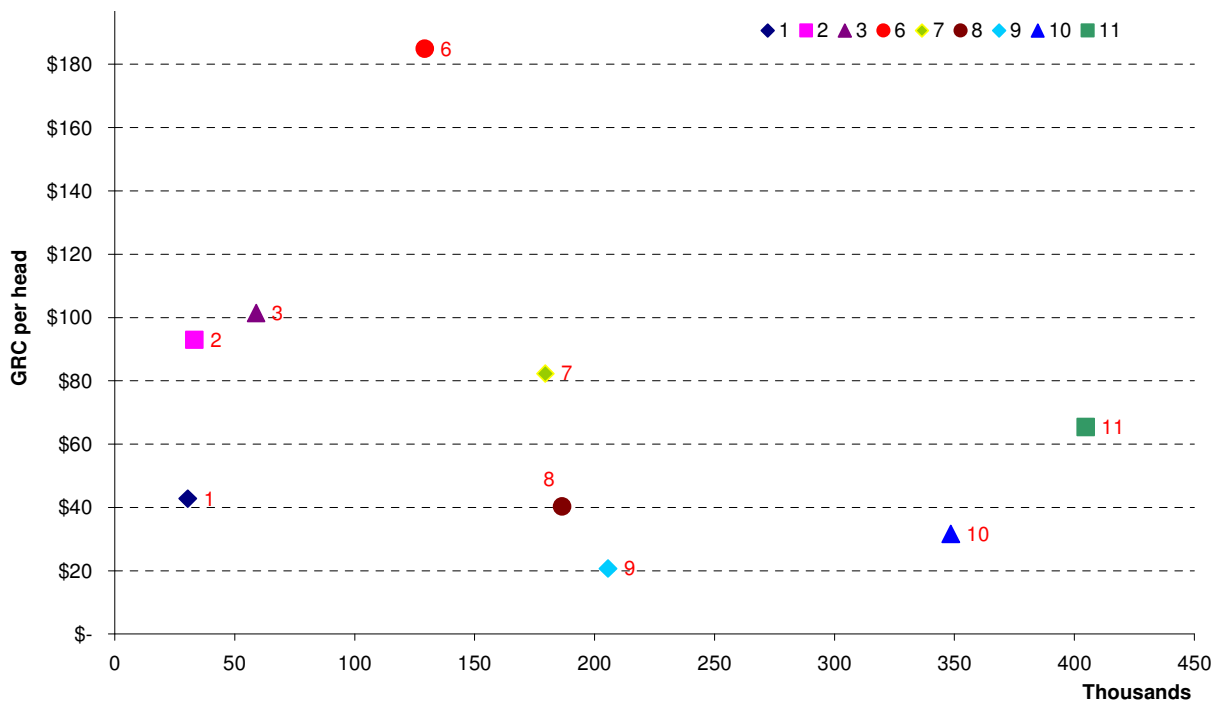


The following figure shows the combined weighted average condition grade of all components



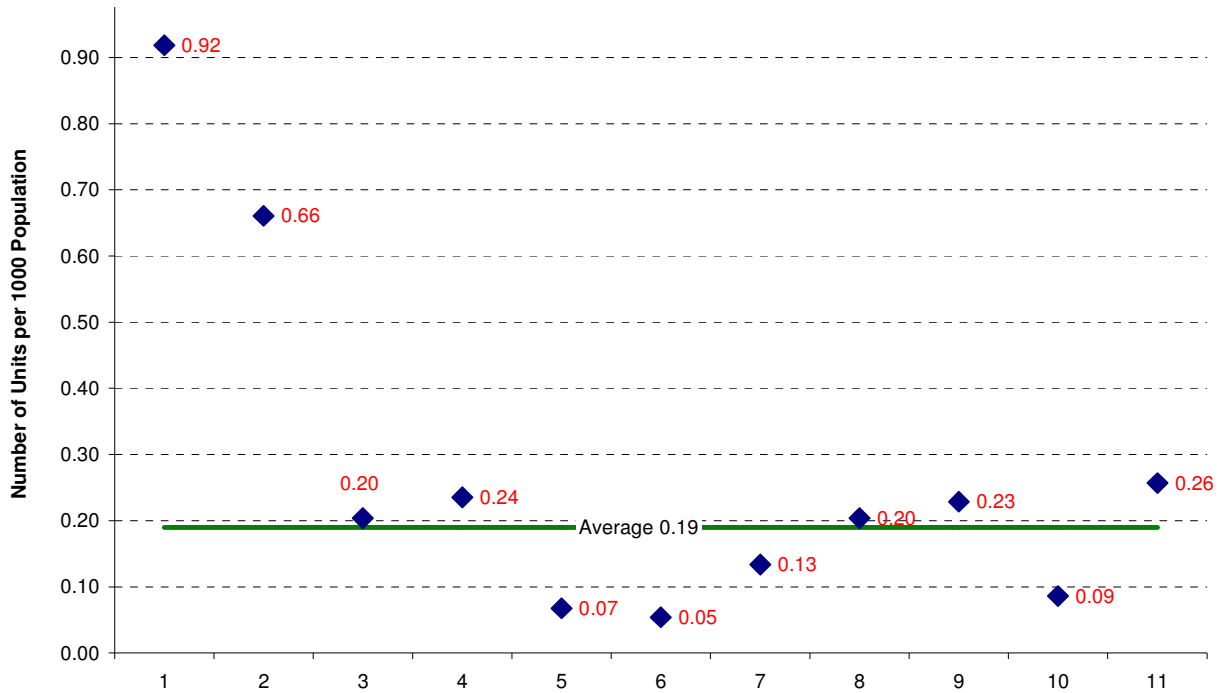
### 3.3.4 Gross Replacement Cost per head of Population by population size

This confirms that the cost of having swimming pools for smaller Councils is much greater than for larger Councils. Community expectations drive the size and extent of the swimming pool complex and it is assumed that the smaller the Council the greater the community participation resulting in complexes that are equal to those in larger Councils. There is an affordability issue for smaller Councils.

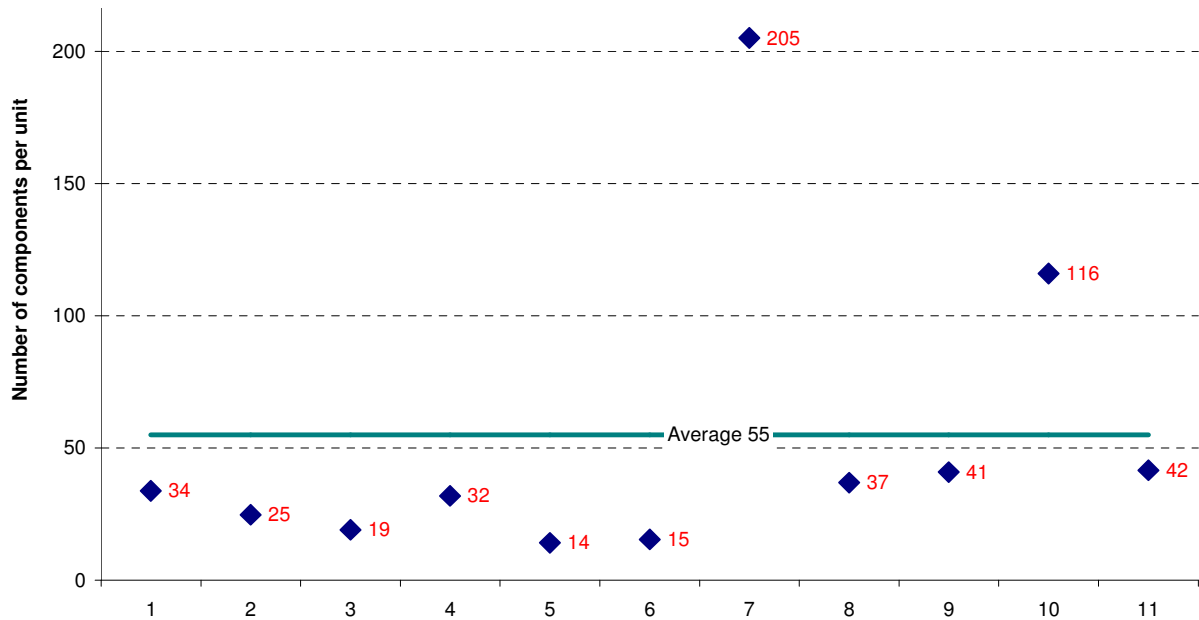


### 3.4 Community Facilities

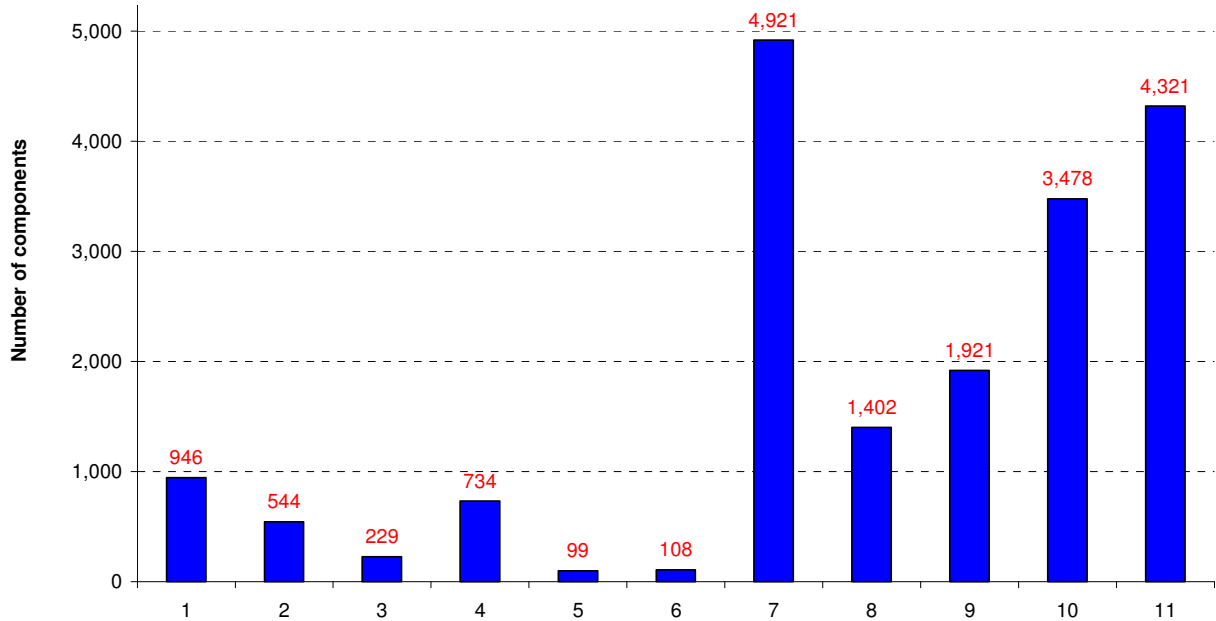
The number of units per 1000 population shows relative consistency across all Councils except the two smallest Councils.



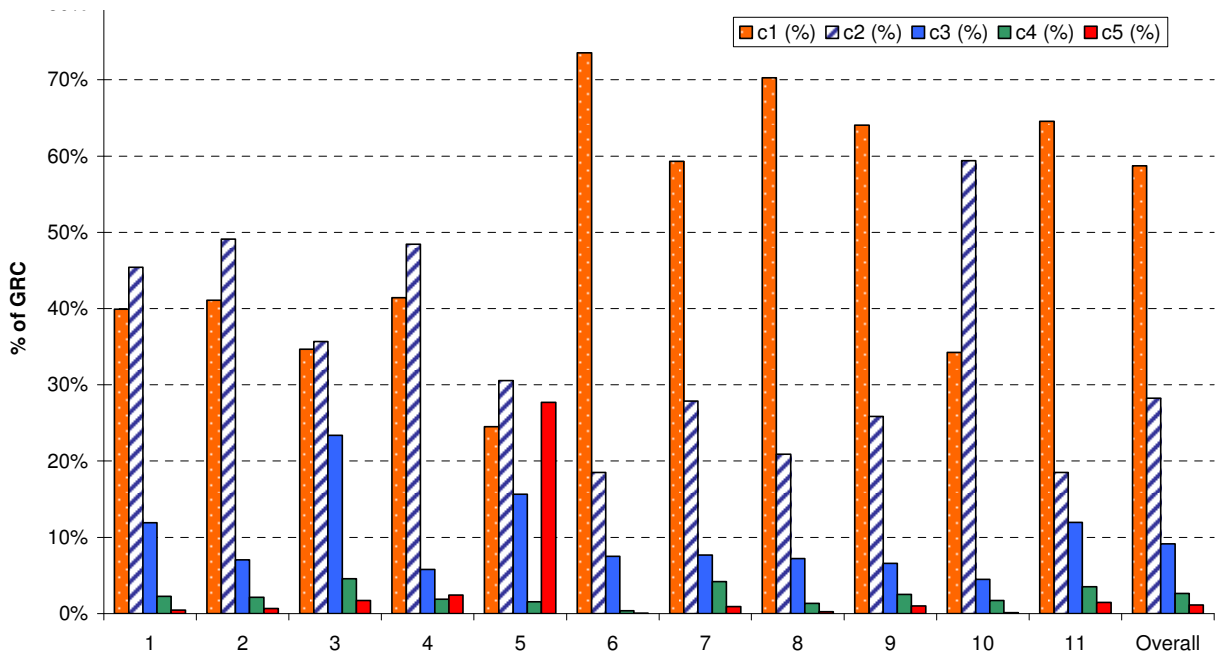
The number of components per unit mainly varies between 15 and 40 with Council 7 again being the outlier at 205.



The total number of components varies significantly between the small to medium sized Councils compared to the larger Councils.

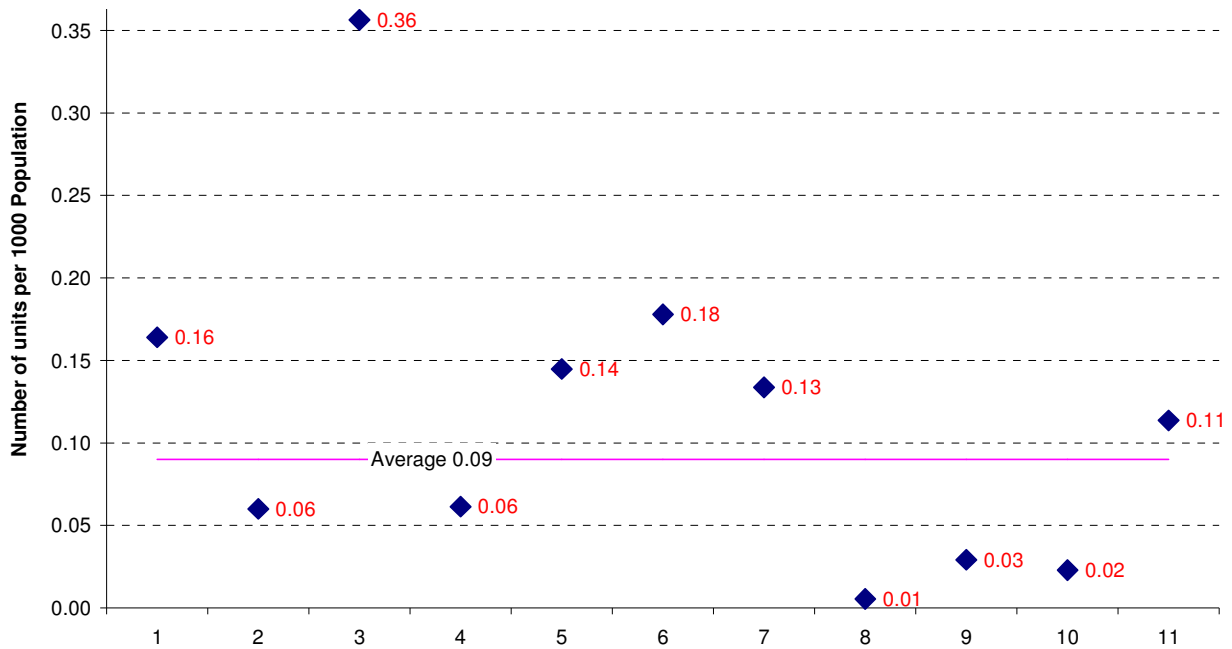


The condition of Community Facilities is similar to other property types with Council 10 again having a bias towards condition grade 2. Councils 1 to 5 also have a more even distribution between grades 1 and 2 suggesting the age and type of community halls in the districts. Do you want a comment her concerning council 5 with >25% in C5?

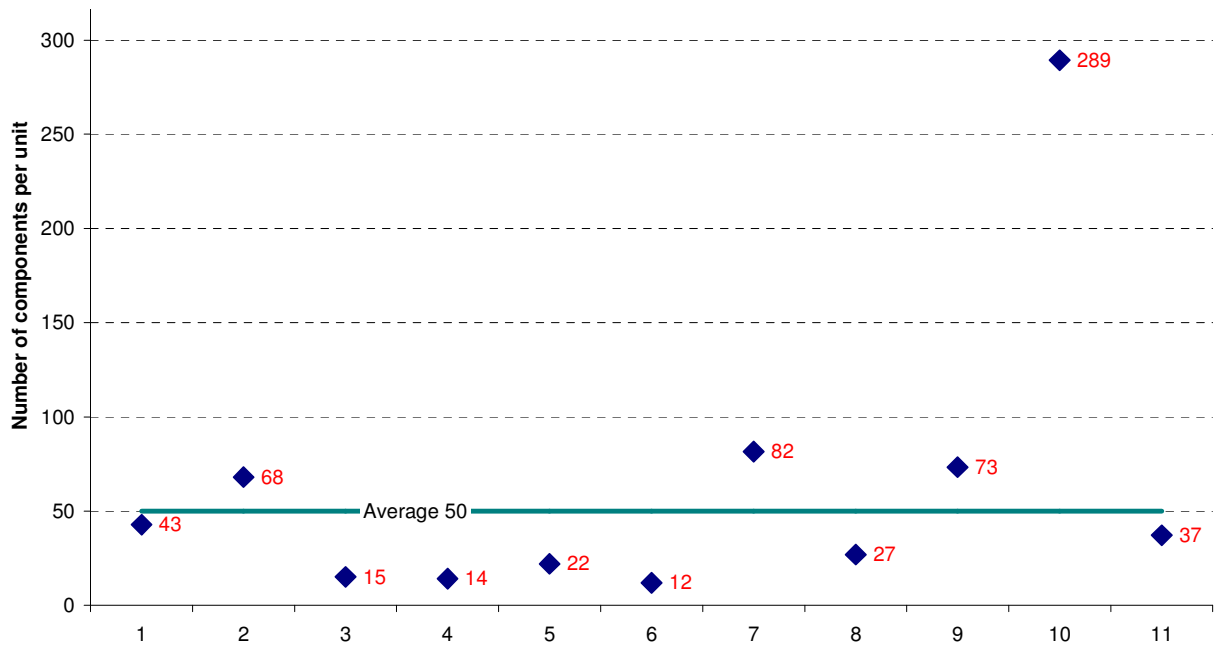


### 3.5 Administration

Administration properties include area offices and main civic buildings. Most of the administration buildings have been assessed in a similar way and have about an average of 9 units per 10,000 population.

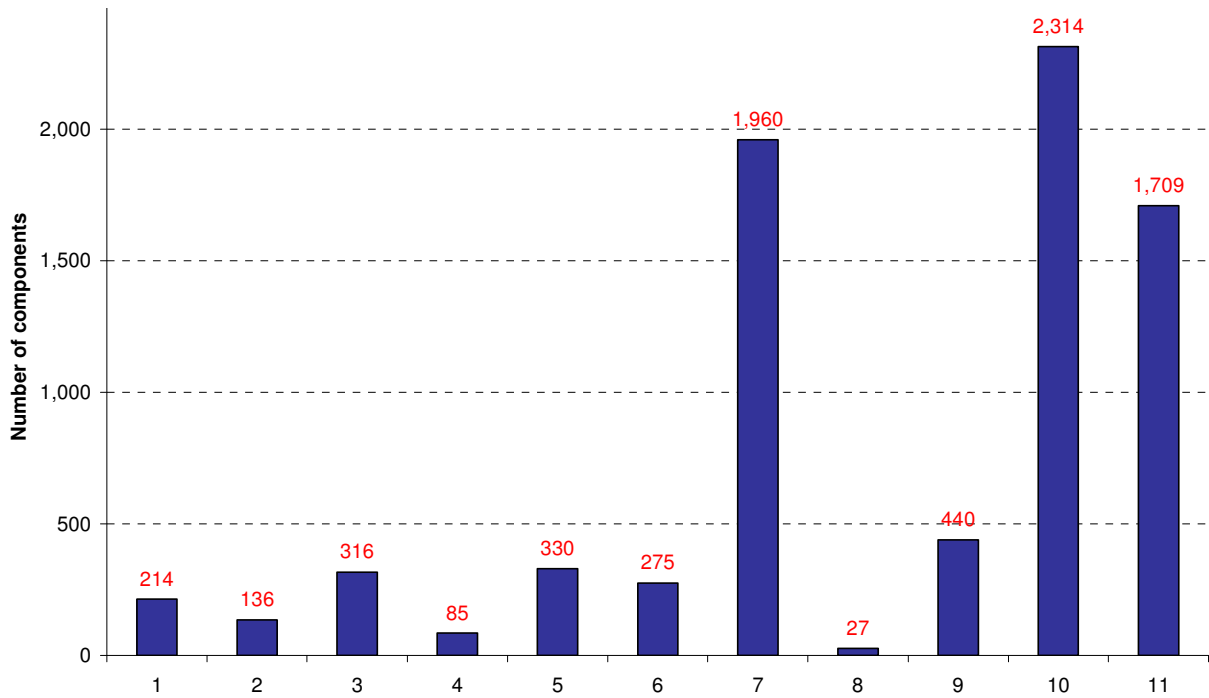


The number of components per unit averages 50 with outliers of 289 and 12.

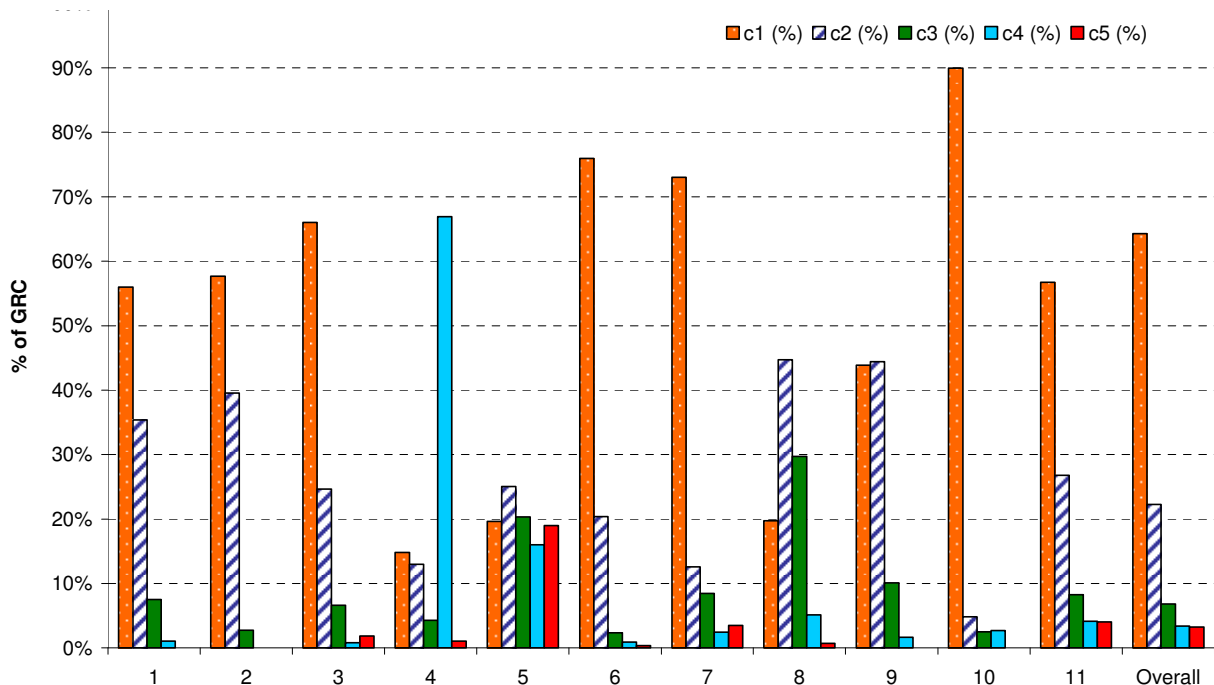


**Benchmarking – Property Asset Management**

The total number of components varies between large and small Councils with the larger Councils 8 and 9 seeming to have fewer than expected.

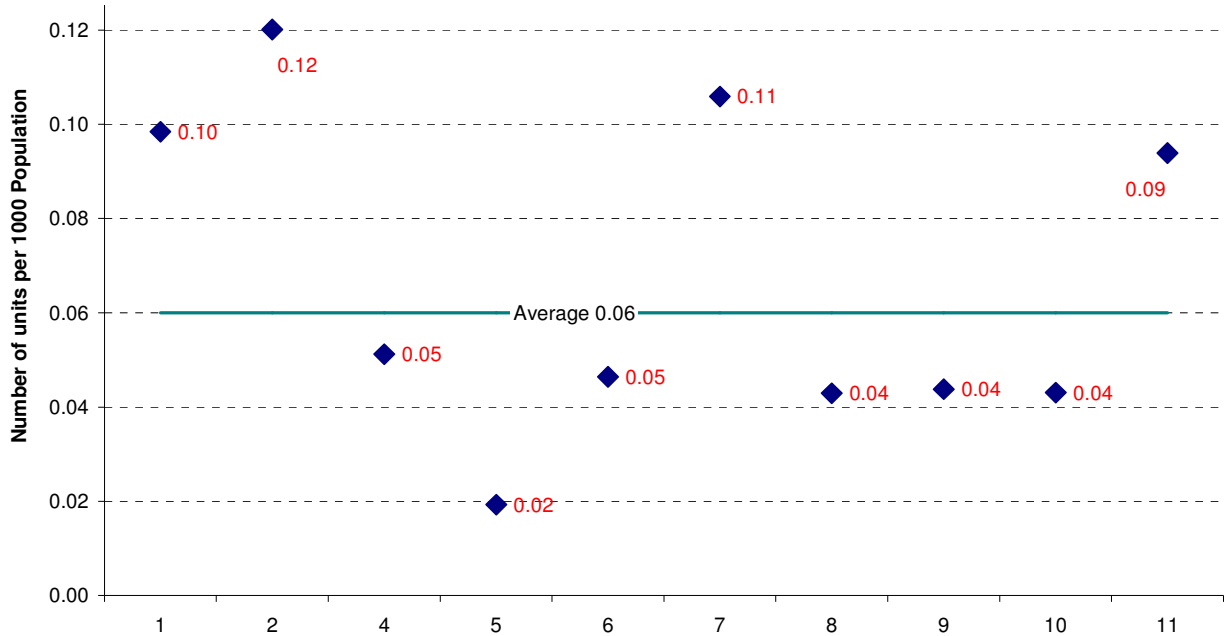


The condition of administration buildings varies more than for other property types with Councils 4, 5, 6, 7, and 10 being outside expectations. Council 5 does appear to have an unusual spread of condition grades and the condition grades of Council 10 suggest that they have completely new buildings.

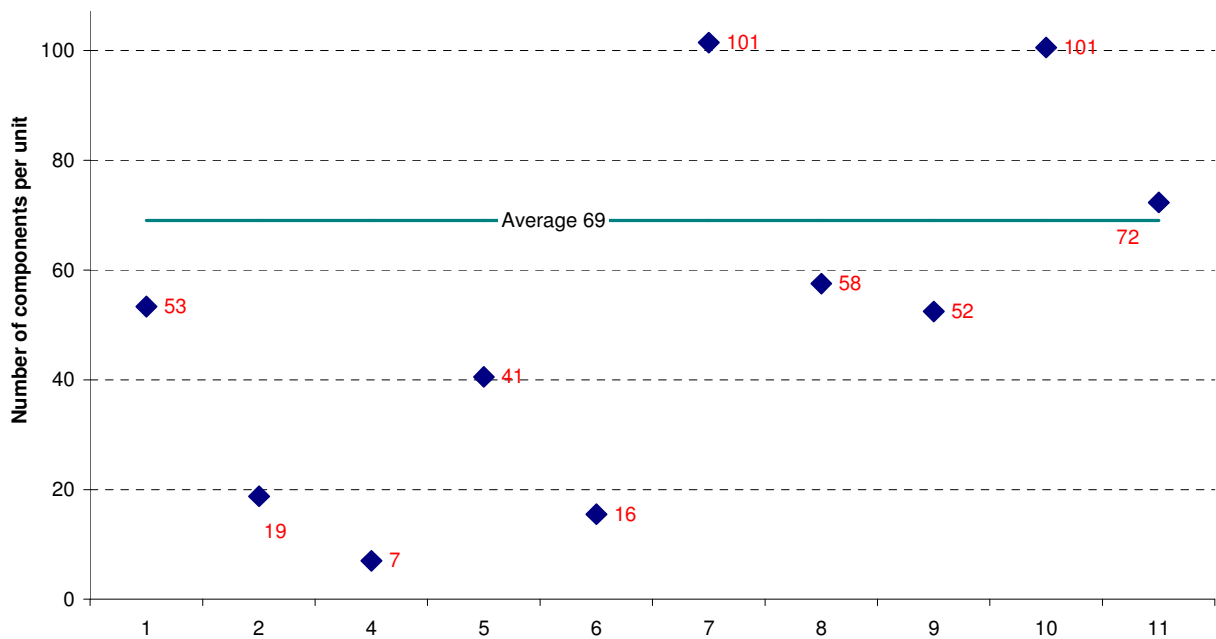


### 3.6 Libraries

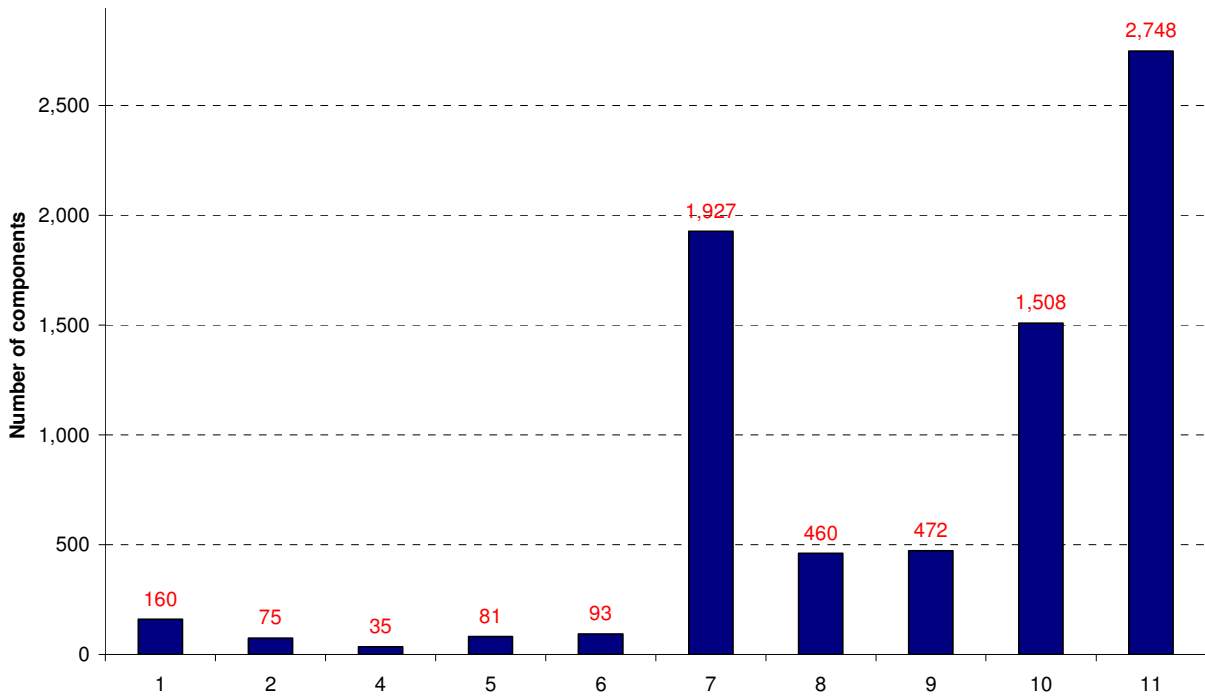
The following figure shows the number of libraries per population.



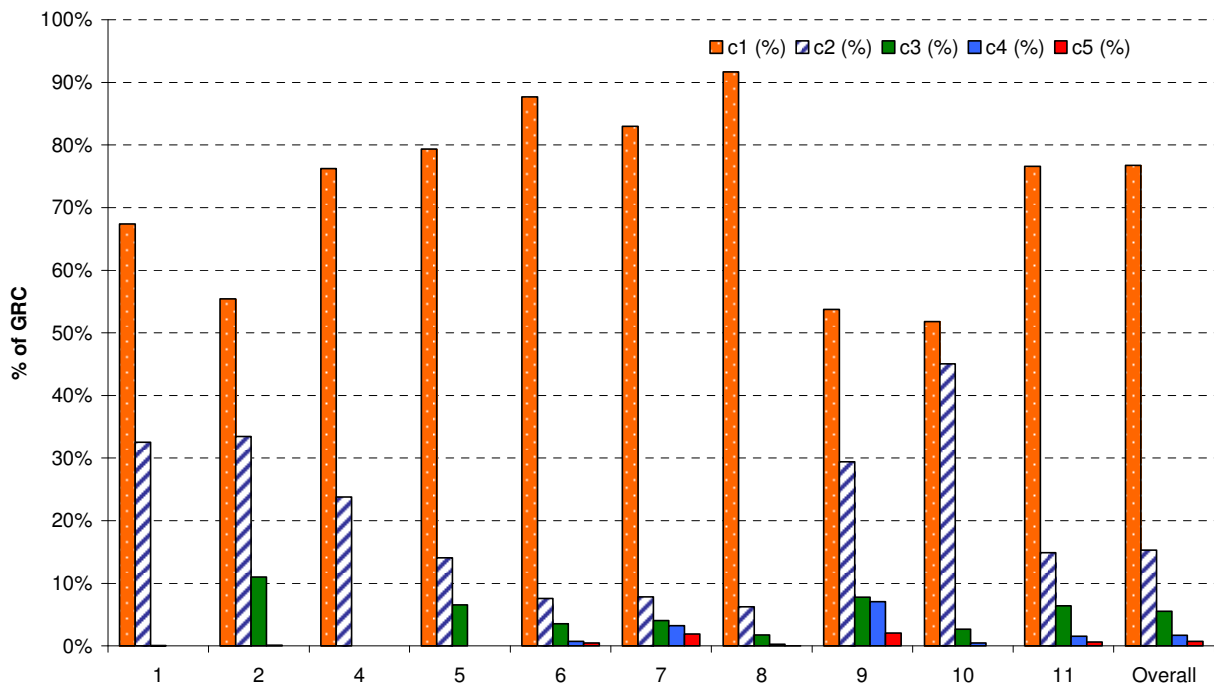
The number of components per unit is greater than for other property types.



The total number of components varies greatly between the smaller and larger Councils, which reflects the number of library facilities provided in larger cities.

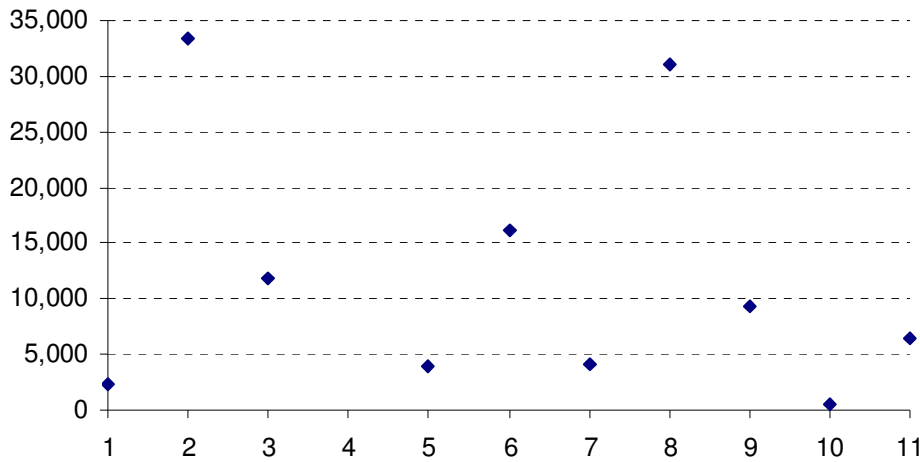


The condition of libraries is generally good to very good, which is how buildings with high public usage and profiles should be. This provides an ideal level of service target for libraries, i.e. weighted condition grade of say 1.5.

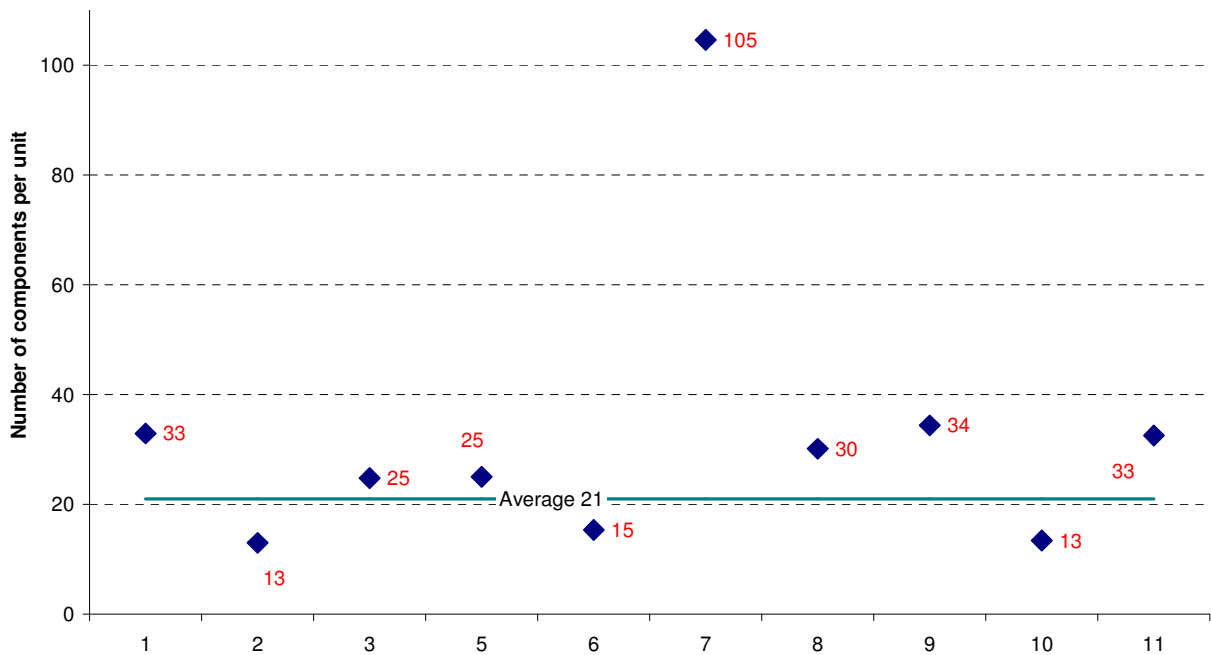


### 3.7 Recreation centre

The following graph shows the average population per recreation centre unit. Council 10 has the largest number of centres at 1 recreation centre unit per 538 people. This is mainly due a high number of facilities which are broken down to numerous sectors.

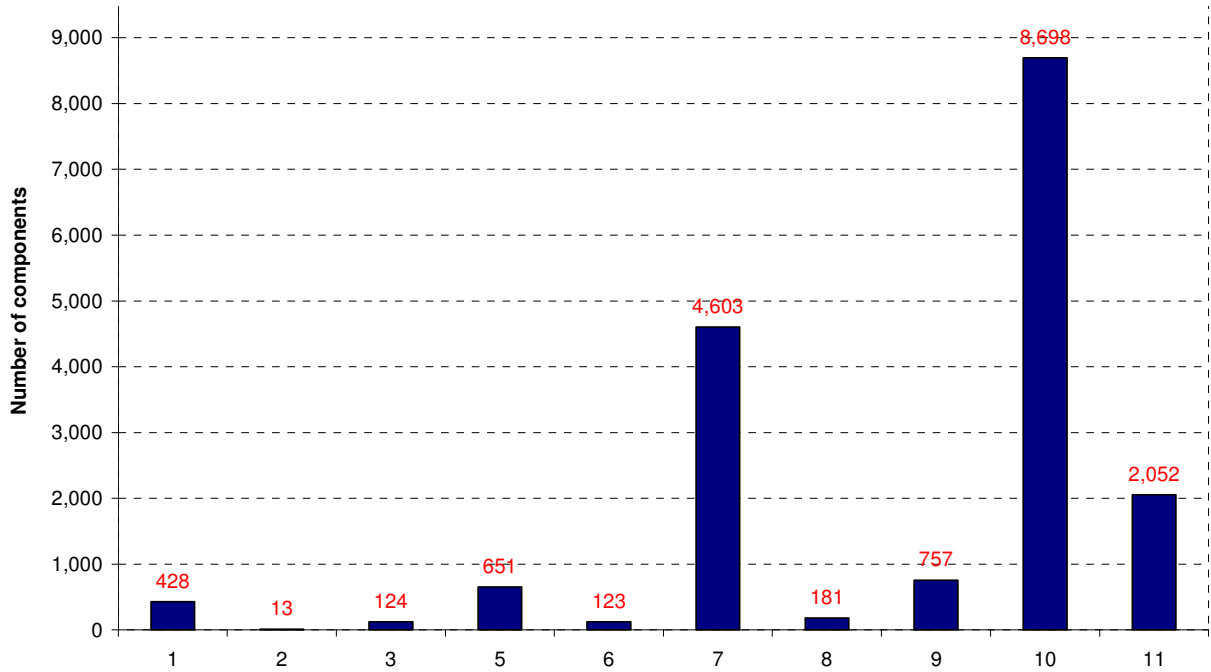


The average number of components assessed per recreation centre unit is 21, which is similar to other property types.

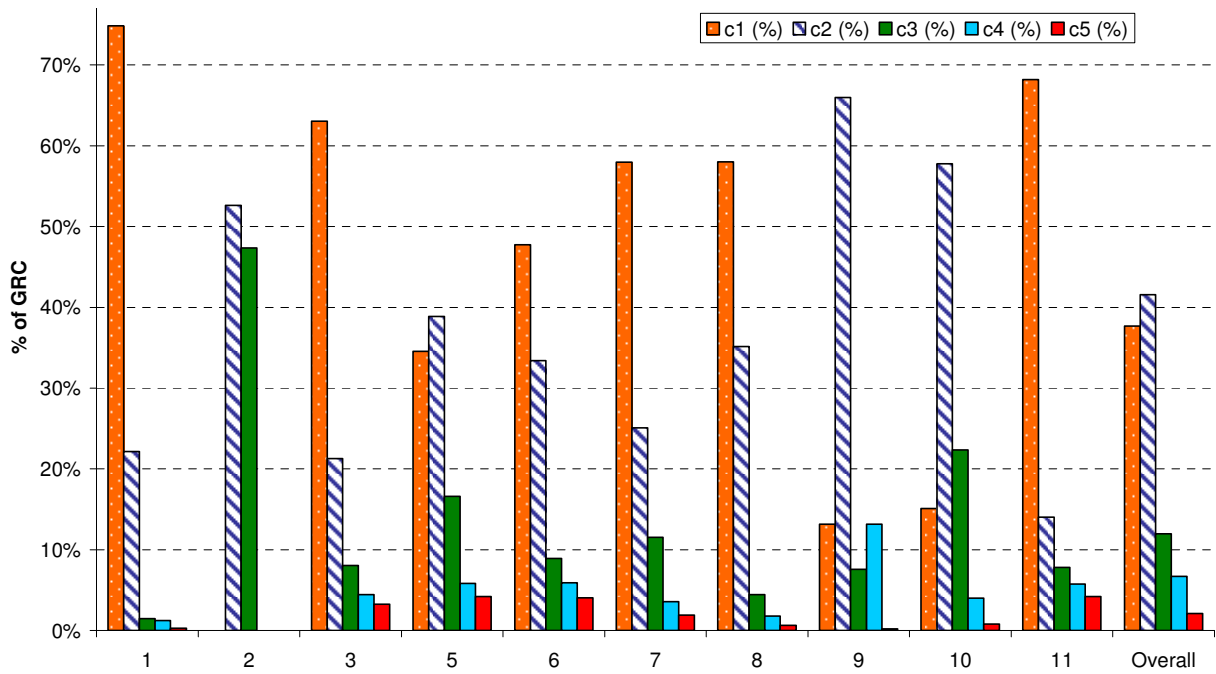


**Benchmarking – Property Asset Management**

Councils 10 and 7 have the greatest number of components assessed, which is also similar to other property types. Many of the other Councils seem to have a lower number of assessed components than expected.

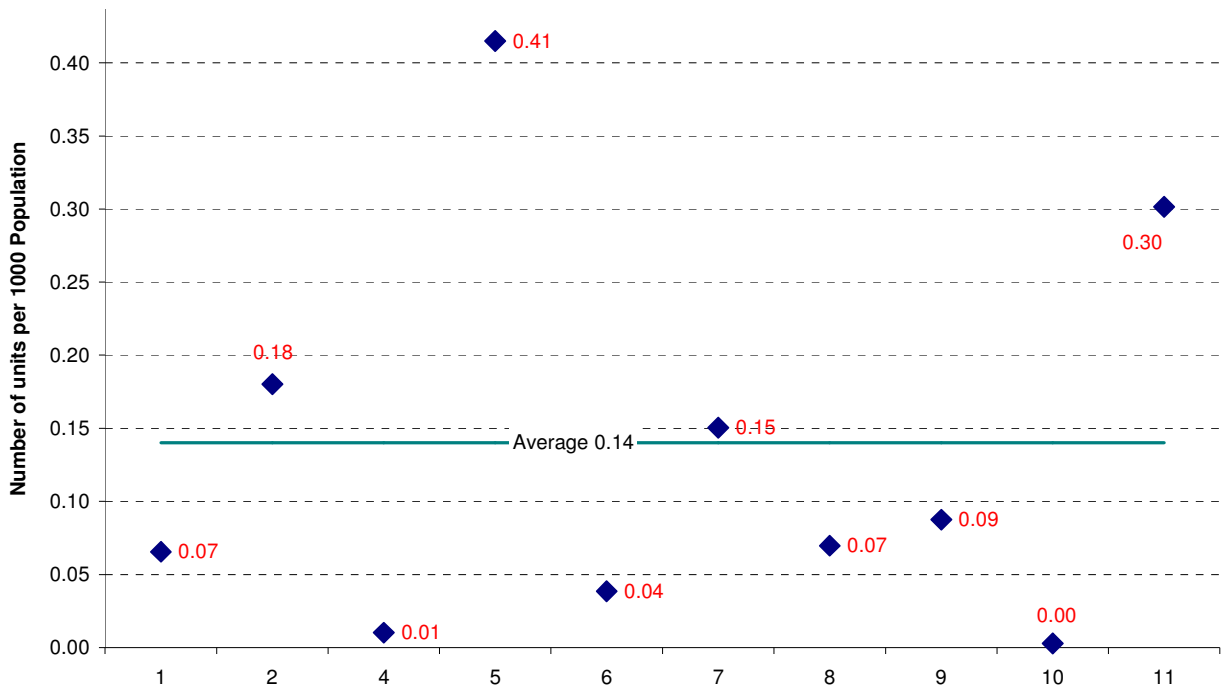


The following graph shows a wide spread of condition grades. Councils 9 and 10 have a bias towards condition grade 2.

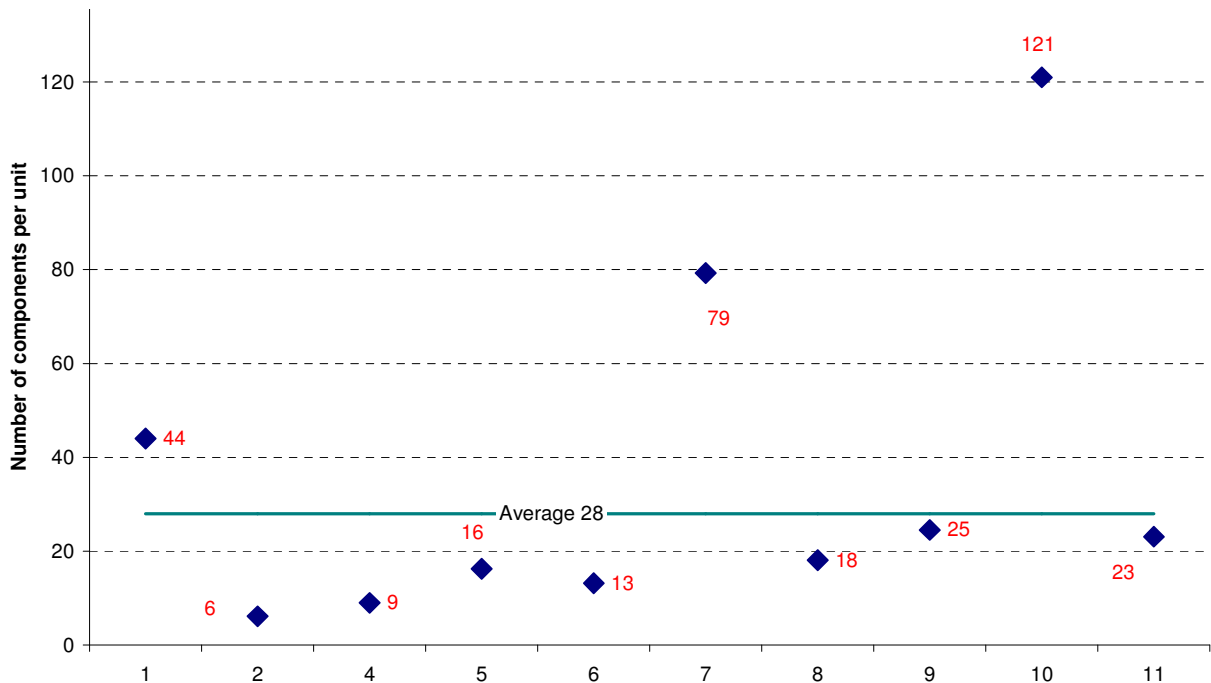


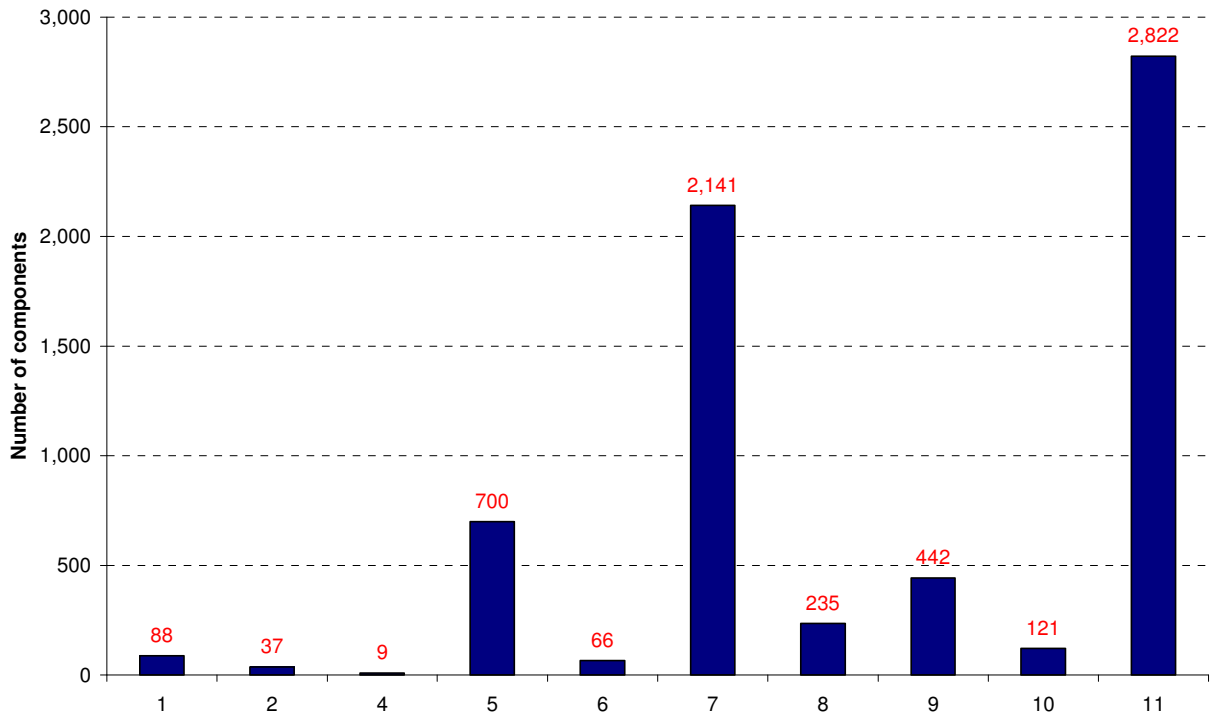
### 3.8 Commercial property

The following figure shows the number of commercial property units per 1000 population. In general, Councils have only minor numbers of commercial property and those that are held, are mainly for longer term strategic purposes for community outcomes rather than for financial gain.

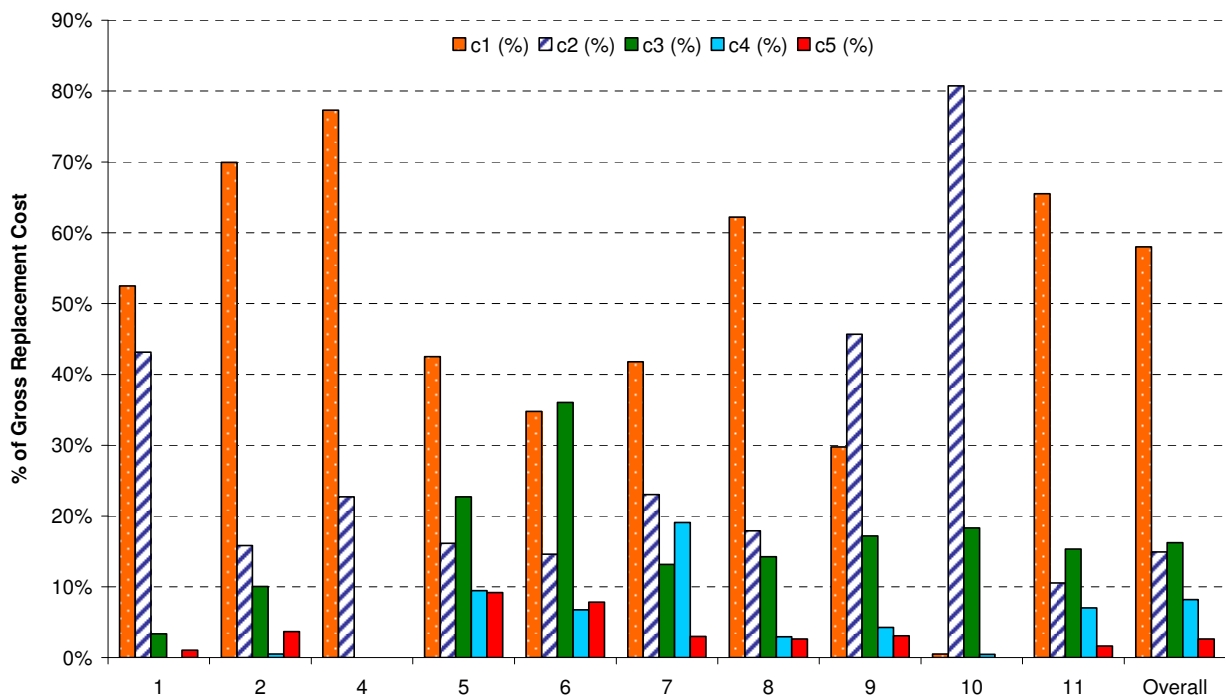


The larger Councils have the largest number of components per unit.



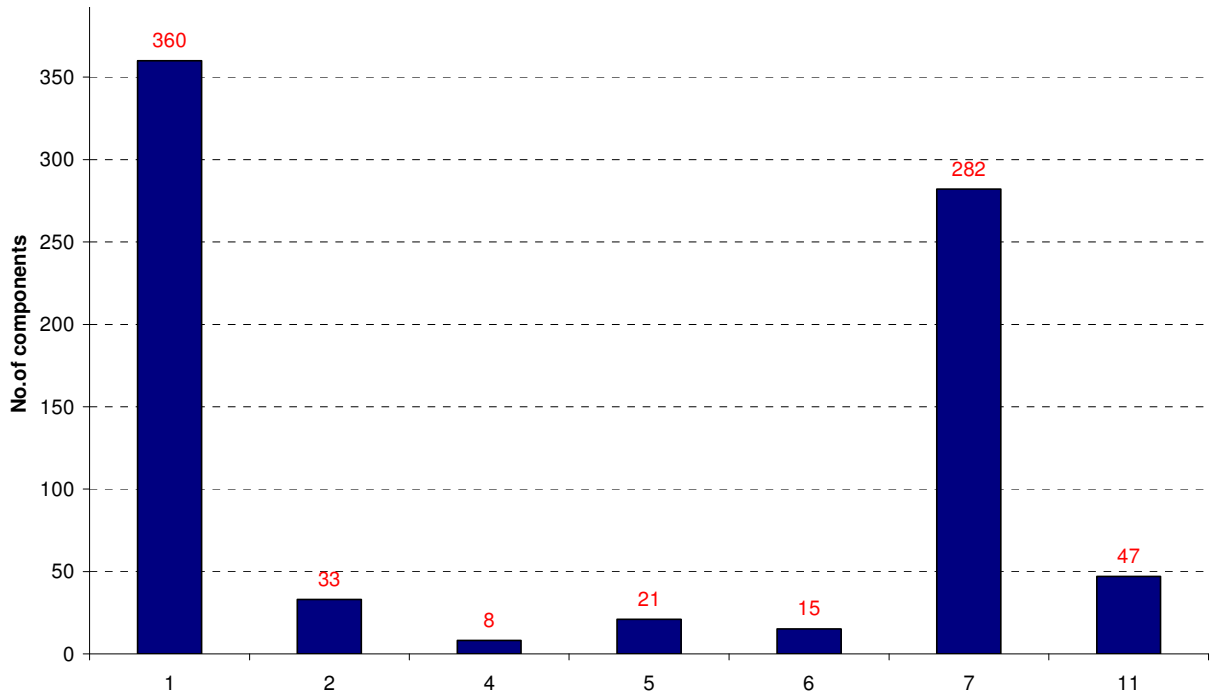


The range of condition grades for commercial buildings are more evenly spread when compared to other property types. There is a bias towards condition grade 1.

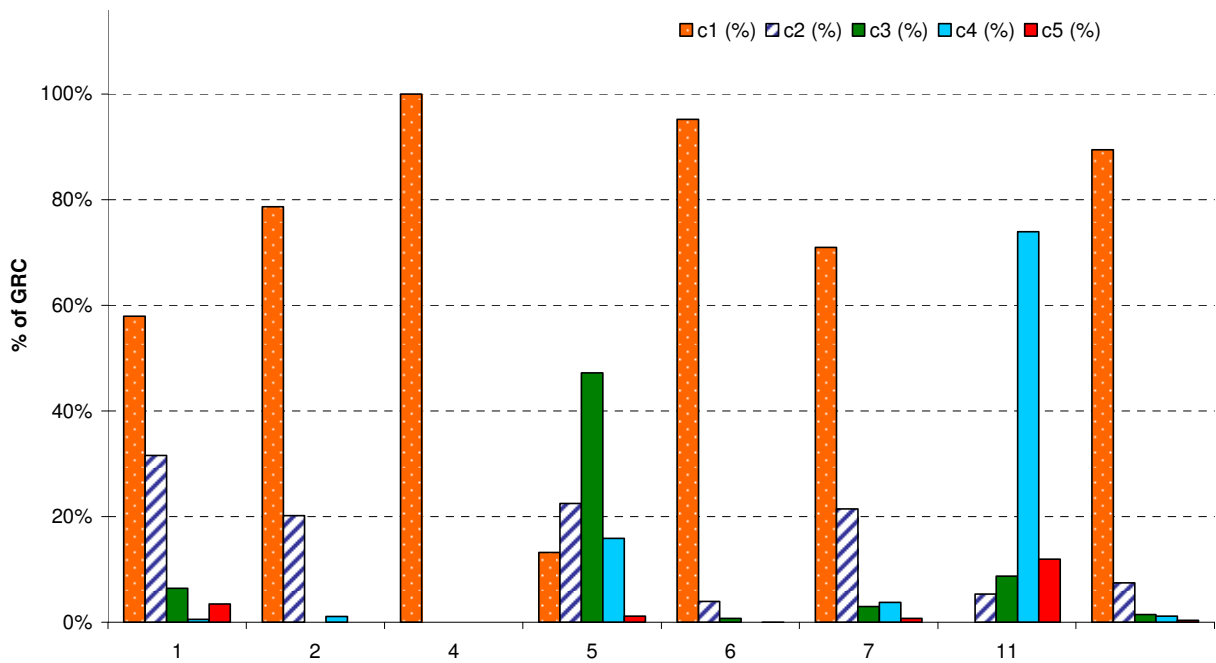


### 3.9 Museums

Most Councils have only 1 museum that has been assessed. Museums within larger councils are separate entities and are excluded from the analysis. Categorisation of Council 1 may need review.

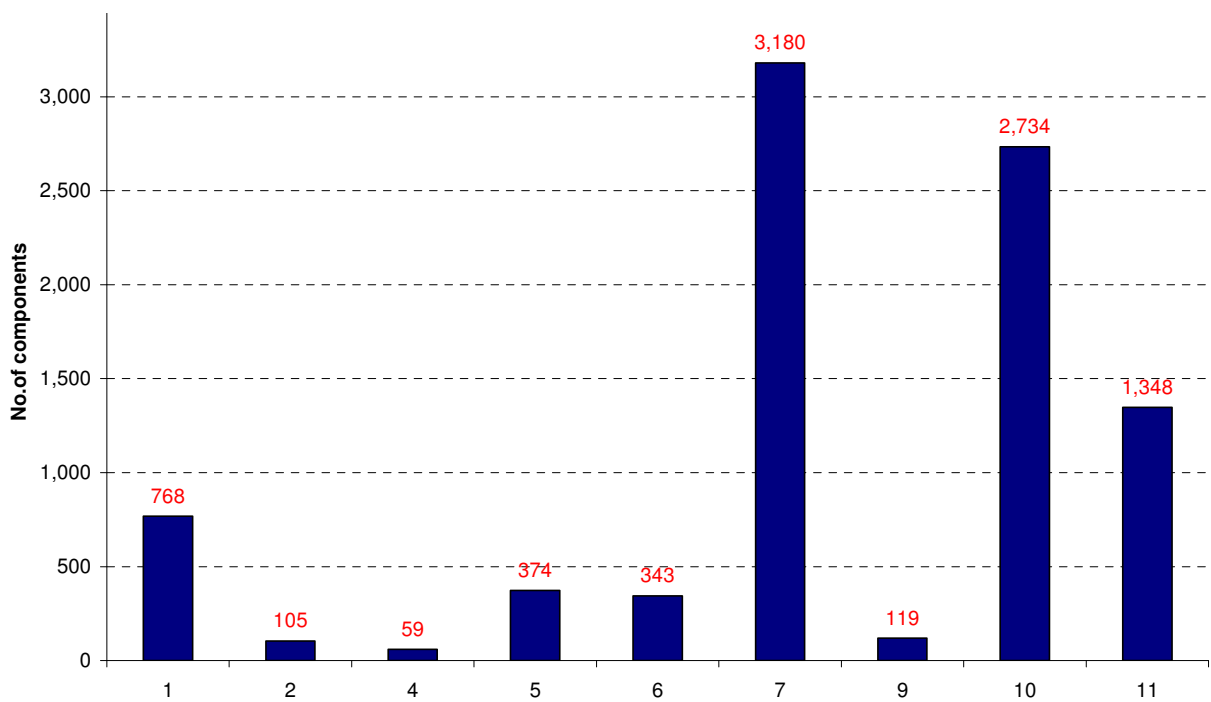
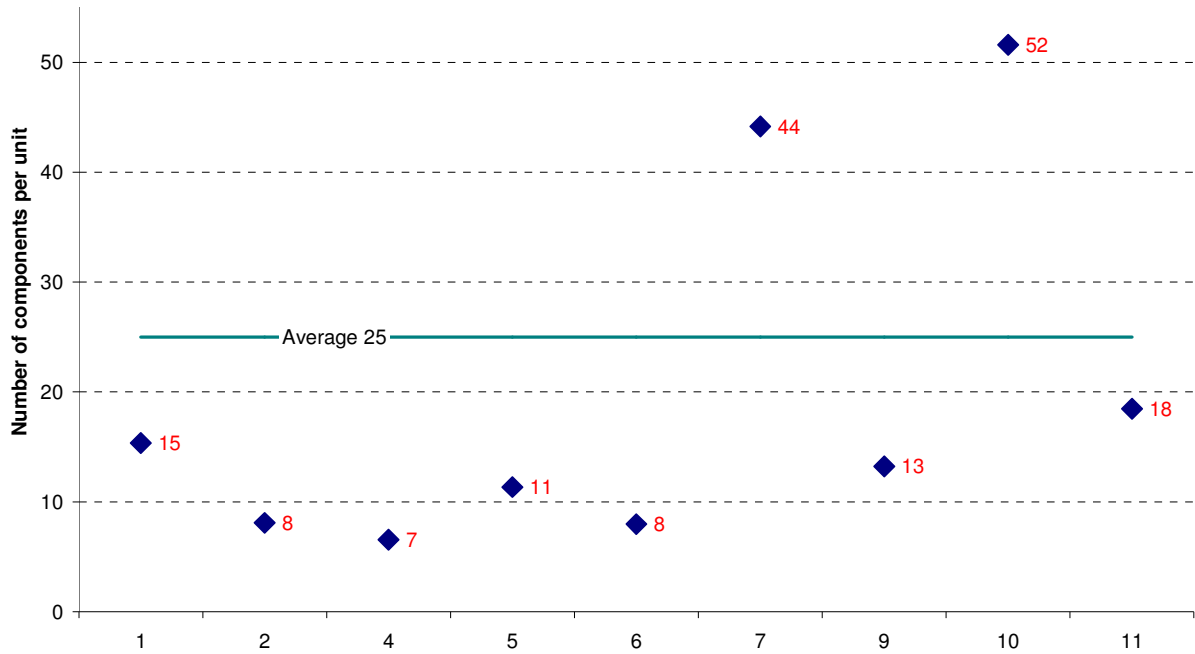


Due to the public nature of museums, they have been maintained in a very good condition.

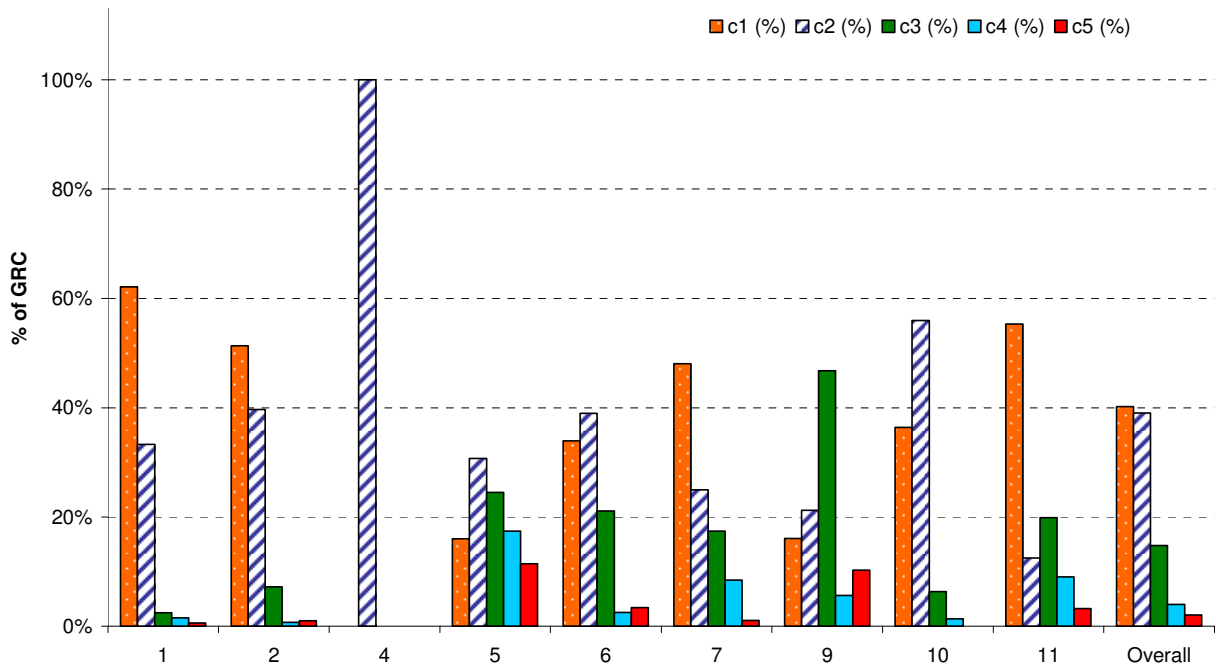


### 3.10 Utilities

All Councils have some form of utility buildings. The differences are based on whether their parks department have responsibility for these buildings or whether the general maintenance works are outsourced. Councils 7, 10 and 11 have the greatest number of components per unit. The smaller Council 1 also has a high number of utility buildings.

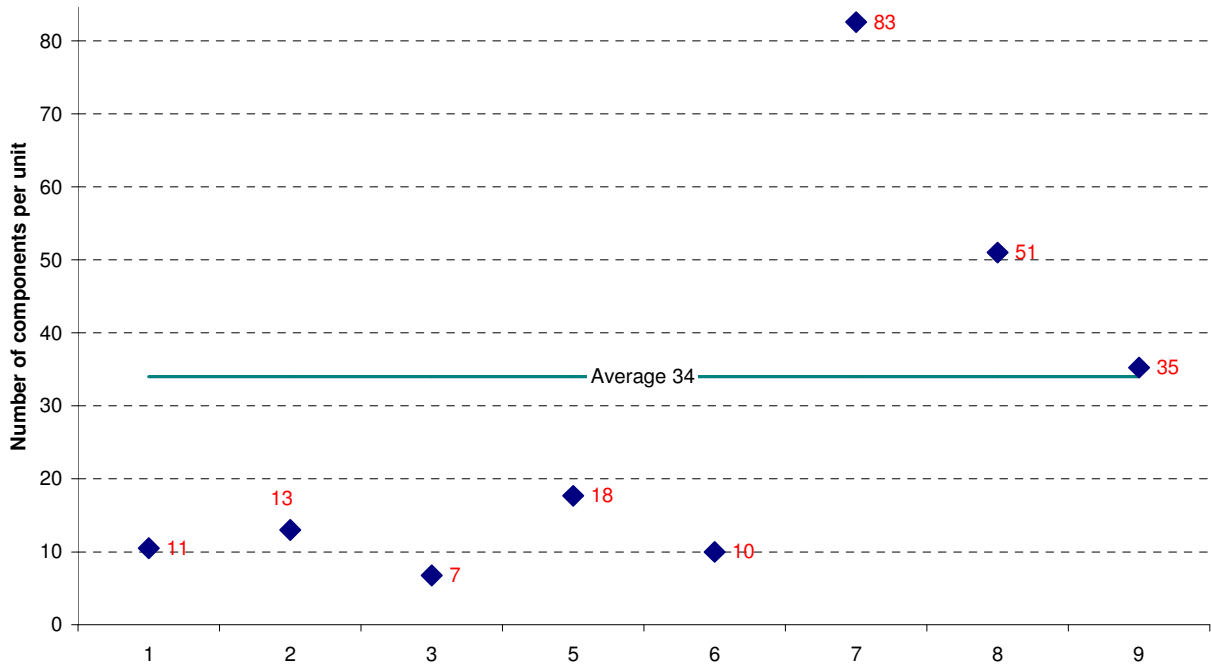


The condition of utility buildings vary

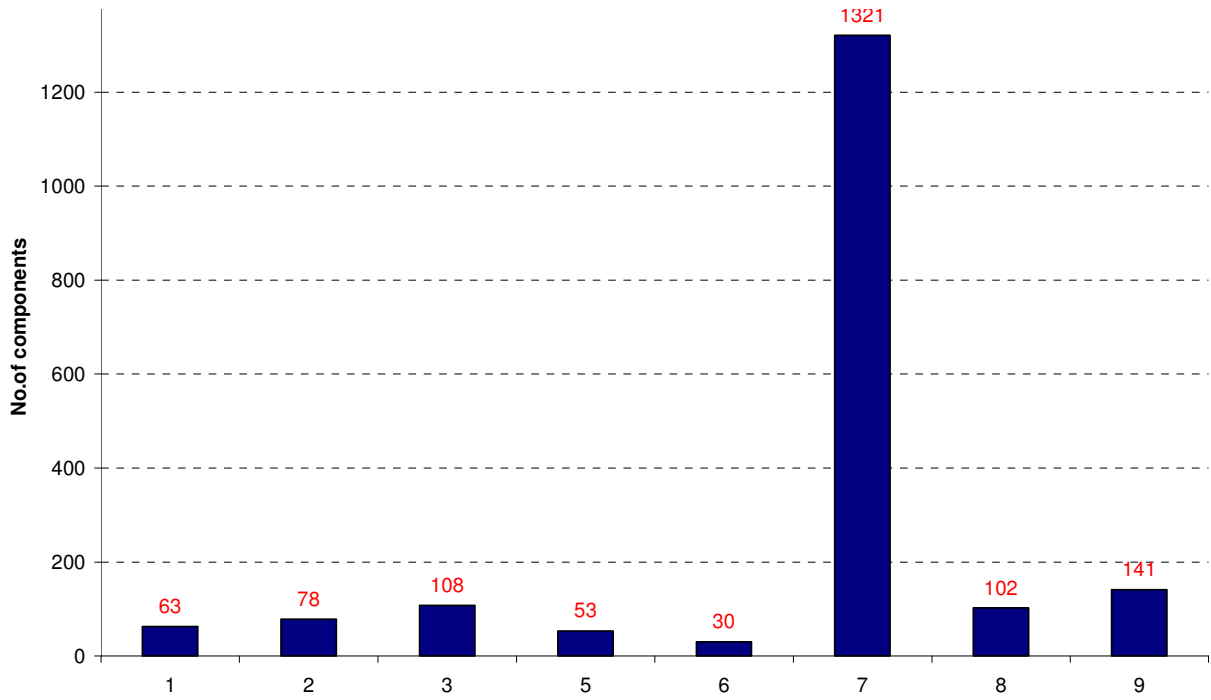


### 3.11 Cemeteries

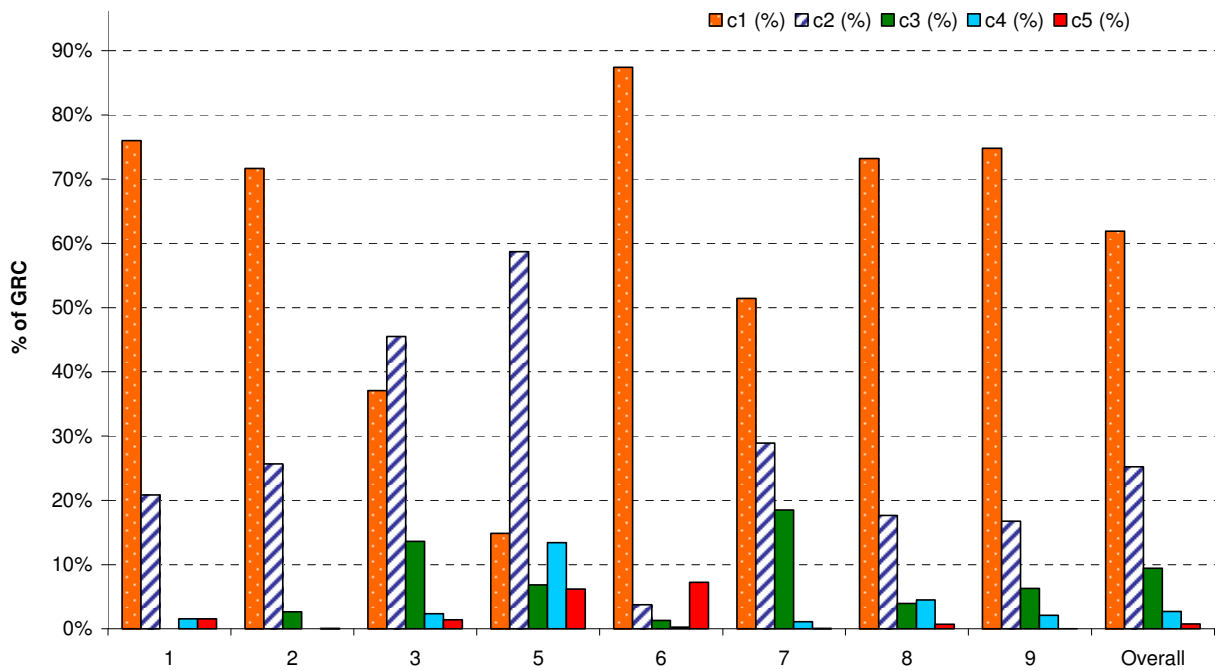
The following graph shows the number of components per unit.



Council 7 has a significant asset based associated with cemeteries compared to others. Some Councils own crematoriums and chapels on cemeteries. However, these are the responsibility of other Council departments.



The condition grades of cemeteries follow a typical pattern.



## 4 Observations

### 4.1 Differences between Councils

One of the key benefits of any benchmarking study is to share information and to learn from each organisation to improve both strategic planning and daily operations. The following observations have been made with this in mind:

- Councils 7 and 10 have the largest number of assessed components due to them having over 2500 houses each. All other small to medium sized Councils had less than 9000 components. Whereas, the larger Councils had 13,000 to 24,000 components. It is also possible that there is a relationship between the value of assessed components and population size, e.g. 90,000 population may expect to have \$100 million of assessed components.
- Councils 2, 6 and 7 have a higher value of assessed components compared to population than other Councils. Councils 10 and 11 are also high, which could be due to larger Councils having larger facilities.
- Council 5 has buildings of a lower weighted condition grade compared to others, i.e. 2.54 compared to an average of 1.5. Other Councils have similar weighted condition grades of between 1.39 and 1.90. Council 5 and 10 have more of a bias towards condition grades 2 rather than condition grade 1.
- Councils 2, 6, 7 and 11 have higher long term renewal costs compared to population than other Councils. This is due to lower condition grades and the high number of components for Councils 6, 7 and 11. Council 2 needs further review to determine why their longer term costs are higher.
- Council 7 has 4 times the average number of houses per population than any other Council. Council 10 is known for its social programmes and does have a high number of houses but only twice the average. However, the CRV per unit is similar across Councils with Council 11 showing significantly higher due to having only a small number of central city houses compared to a larger number of social houses. Most Councils have assessed about 25 components per house except for Council 10, which has surveyed over 50. Council 5 has a much higher calculated annual average renewal expenditure per unit than other Councils.

Further similar observations on the differences between Councils can be made for other property types that follow the same trend as described above. In general, the differences between Councils tend to be within expectations considering the size of the portfolios, the common approach adopted, Councils using the same asset planning system and the management structure of Councils.

Comparing this group of Councils to Councils that have yet to adopt the NAMS Property practices would provide interesting contrasts over the coming years. The comparisons would need to include historic operating and capital costs and other business process benchmarks. With this, Councils would be able to more directly see opportunity for operational and long term cost savings through different management practices. However, with using the benchmarks chosen by Councils and the data held, this cost comparison information has yet to be developed.

While identifying differences between councils is the obvious target of a benchmarking exercise, its important to note that identifying the similarities also has an affirming beneficial effect, which can allow similar councils to gain confidence that they are operating within acceptable norms.

## 4.2 Differences in approach to asset management planning

The data held by each of SPM's clients has provided some useful and interesting information about the approach to asset management planning each organisation has adopted. Combining this data and SPM's knowledge of each organisation, the following observations have been made.

- It seems evident that some property managers in Councils are proactive in their approach to asset management planning while other Council managers are more reactive to the organisations or auditors requirements. This can be measured by whether Councils maintain their data compared to the date of first survey.
- Council departments (other than Property Services) have assumed ownership of different building types and therefore, have been excluded from the benchmarking analysis.
- For each of SPM's clients, the need for undertaking the overall asset management planning process has been driven by the Local Government Act. Once the decision to implement the process has been made, senior management require each department to produce AMPs by key dates, usually annually. This has been consistent between each of SPM's clients.
- Differences in approach, effort and effectiveness are then influenced by whether the Council has a dedicated property services group that has asset management planning as one of their KPIs. There is usually one key person within each of the proactive Councils that understands the value of the process, is enthusiastic in how it can make a difference, has the resources available to implement change, and is passionate about the subject.
- Property Services Groups typically provide services to other Council departments rather than having full responsibilities for specific property types themselves. Observations confirm that this environment has created tensions between departments. The tensions appear to be centered around communication issues rather than debating business models. Councils have broken down these barriers where they have adopted the NAMS Property approach to asset management, i.e. recognising the combined value of the overall Council team to deliver services to the community through property assets owned by Council.
- Having the initial set of data is the first step to good long term planning that all SPM clients have recognised. However, many have still to develop robust data maintenance procedures that ensure data quality. There are only a few Councils that have a regular resurvey programme.
- General approaches to housing asset management planning, vary significantly between Councils. Housing NZ Corporation's Housing Innovation Fund (HIF) has become a driver for better asset planning and therefore those Councils requesting funding generally have good practices, good data and well scoped projects. However, there is a reluctance to assess the housing stock strategically by considering both condition and performance issues together to develop long term capital projects.
- The majority of Councils still seem to produce AMPs with a focus on component analysis rather than scoped projects and have yet to develop strong linkages between the AMP, the Annual Plan and the LTCCP. The 2006 NAMS Property manual describes a Capital Decision Making Framework that is centered on using component level data to establish a range of possible projects.

## 4.3 Data observations

Data consistency is needed to produce meaningful benchmarks. All used data needed to be based on common understandings between Councils, assessed in the same way and have common categorisations. To achieve this, Councils data needed to be manipulated in a way that provided

consistency and held its integrity. As a result of the investigations and manipulations, the following data observations have been made.

- Condition grades have been assessed at varying levels of detail. To gain immediate results for their asset planning reports, two Councils have assessed component types or groups rather than components. This results in an averaging effect that is sufficient for benchmarking and could be improved to a lower level of detail over time.
- There are significant differences in the application of the Building Component Guidelines from NAMS Property. Applying the updated unit rates on an annual basis provides accurate planning information that should be the basis of setting annual budgets. However, some organisations have not updated their unit rates for a number of years. Therefore, the accuracy of the cost comparisons is lower than expected.
- Each organisation used slightly different property categorisations. To enable the benchmarking process, assumptions on assigning categories were made.
- Building sectors were used as a comparison to population benchmarks for some property types. For consistency, these sectors have been referred to as 'units' across housing, libraries, swimming pools, and others. Future population based benchmarking may need to be for property name rather than sectors within the property.
- Comparisons of component values are based on the gross replacement cost of assessed components and exclude the residual structural cost of buildings. Further benchmarks should consider Capital Replacement Values (CRV) and market values.

### 4.4 Recommendations

The benchmarking study has provided an opportunity to consider asset management planning practices across 11 Councils for the first time. In doing the data manipulations and benchmarking analysis, the following general improvement activities became evident

- Have consistency in approach, adopt the NAMS Property practices, and form relationships between Councils to learn from each other.
- Include properties and property types that are 'owned' by other Council departments. For example, the Parks department may have the full responsibility for toilet blocks. Develop relationships with other Council departments to include the missing building types to provide a more complete benchmarking analysis.
- Implement regular cyclic data maintenance practices including updating unit rates from the Building Component Guidelines.
- Develop a national standard for property categories including terms and definitions.
- Consistency is needed with how a property is broken down to sectors, units or locations. For example, some Councils would have a house as one property whereas one Council has broken down their houses to individual rooms.
- Develop a consistent process for calculating the Capital Replacement Values (CRV) across all property types and use the CRV as a primary benchmarking denominator.
- Historic maintenance costs and renewal expenditure should be benchmarked in combination with the other component level data. This would require a further linkage with Council's AMPs, Annual Plans and LTCCPs.

- Use the component level data, and resulting information from its analysis, to establish a range of scoped projects from which decisions can be made annually. Directly link these with the Annual Plan.
- Involve Councils that have yet to follow the NAMS Property approach to asset management planning as a comparison to those Councils that do.
- Utilise this information within interactive workshops at NAMS training sessions, SPM Property software user groups and other conferences such as the Local Authority Property Association (LAPA).

Consistency in approach is the key theme that has emerged. Comparison to Councils that have yet to adopt the NAMS Property principles would be an interesting exercise that should be included in the next benchmarking study.

The report should be used for each Improvement Plan. Your Asset Management Plan (AMP) should have an Improvement Plan that describes tasks including current position, future position, timeframes for getting to the future position and responsibilities. The benchmarks above should be associated with the tasks to provide fact-based measures that have real meaning rather than relying on judgment. For example, the average number of components per house could be 15 for one organisation and 24 for all others. Therefore, an Improvement Task would be to review the level of detail of housing surveys.