

# **Rental & Investment Properties**

## **Activity Management Plan 2006**

**Stratford District Council**

Appendix L of LTCCP

# Rental & Investment Properties Activity Management Plan

## Content

<b>1.</b>	<b>Introduction</b>	
1.1	Background.....	1
1.2	LTCCP Community Outcomes.....	1
1.3	Goals and Principal Objectives.....	1
<b>2.</b>	<b>Levels of Service and Detailed Activities</b>	
2.1	Costs .....	2
2.2	Lease Agreement .....	2
2.3	Farm Productivity .....	2
2.4	Aerodrome Safety .....	2
<b>3.</b>	<b>The Existing Situation Described</b>	
3.1	The Properties.....	2
3.2	Financial Summary .....	5
3.3	Issues .....	5
<b>4.</b>	<b>Maintenance and Operations</b>	
4.1	Ownership.....	6
4.2	Estimated costs over next 10 years .....	6
<b>5.</b>	<b>Future Demand</b>	
5.1	Future Demand Predictions .....	6
<b>6.</b>	<b>Capital Expenditure</b>	
6.1	Capital Expenditure .....	7
<b>7.</b>	<b>Renewals and Depreciation</b>	
7.1	Renewal Needs .....	7
7.2	Relationship Between renewal Needs and the Ability of Depreciation to Fund.....	7
<b>8.</b>	<b>Funding</b>	
8.1	10 Year Financial Plan.....	8
8.2	Funding Policy.....	8
8.3	Fees and Charges .....	8
<b>9.</b>	<b>Resource Consents/Property Designations</b>	
9.1	Resource Consents.....	9
<b>10.</b>	<b>Demand Management</b>	
10.1	Demand Management .....	9
<b>11.</b>	<b>Significant Negative Effects</b>	
11.1	Significant Negative Effects caused by the activity .....	9
<b>12.</b>	<b>Significant Forecasting Assumptions, Uncertainties, Risk Management</b>	
12.1	Assumptions and Uncertainties .....	9
12.2	Risk Management .....	10
<b>13.</b>	<b>Plan Review/Consultation</b>	
13.1	Reference to the Public Consultation Undertaken .....	10
13.2	When the Plan is Intended to be Next Reviewed.....	10
<b>14.</b>	<b>Conclusion</b> .....	10
	<b>Appendix</b>	
Appendix 1	Improvement Plan.....	11
Appendix 2	Risk Probability and Consequence Measures.....	12

20 A

## 1. Introduction

### 1.1 Background

The Stratford District Council owns and/or manages a variety of Rental and Investment Properties (here within the “properties”) for its community under the provisions of:

- Local Government Act 1974 and 2002;
- Reserves Act 1977;
- Civil Aviation Act 1990; and
- Civil Aviation Regulations 1953

to meet the community outcomes of:

- Affordable high quality core services and facilities; and
- A leading rural trading centre attractive to residents, businesses and visitors alike.

The properties addressed in this activity include:

- Prestige buildings
- Aerodrome
- Farm Investment
- General Rental Properties – sections/land

These activities have been grouped together as one activity as they have many similar issues and individually are not significant activities of Council warranting specific treatment.

For financial reporting purposes they are accounted for separately but general rental properties are combined.

Council provides some of these properties as a community good, some as an investment and others due to no other agencies capable or willing to provide them.

The properties are all owned by Council.

Income for these activities is directly derived from user charges, rentals, general rate and income derived from the activity eg. farm.

### 1.2 LTCCP Community Outcomes

In preparing the first LTCCP Council has used both current and new information concerning community outcomes. To arrive at the Regional outcomes research was undertaken in conjunction with our two neighbouring Local Authorities, New Plymouth District Council and South Taranaki District Council and the Regional Authority, Taranaki Regional Council. The four Councils appointed AC Nielsen Ltd to identify community desired outcomes for the regional community, those desired outcomes that will add to or sustain the community’s well-being.

The community was actively engaged in the process to identify what they considered important and which outcomes they thought required most attention over the next five years. While the primary focus was on outcomes common to the regional community each district was required to identify any local preferences.

The Stratford community was directly consulted on key outcomes for the district and these have formed the basis for Councils LTCCP.

### 1.3 Rental and Investment Properties Goal and Principal Objectives

The Civic Amenities activity goal is:

*“The provision of properties for investment and economic growth that promote financial and social well-being for the community”.*

and the principal objectives are:

- (a) To provide an aerodrome and other rental properties for the commercial and non-commercial use by the Stratford District community;
- (b) To provide the community with an acceptable financial return from the Farm and other rental investments;
- (c) To provide and maintain the properties in a cost effective manner for the benefit of district ratepayers;
- (d) To maintain or facilitate adequate management systems for all matters relating to the properties; and
- (e) To provide for informed community consultation on all significant matters with regard to the properties.

## 2. Levels of Service and Detailed Activities

The levels of service and performance measures are discussed in Volume One of the LTCCP under the chapter "Levels Of Service/Performance Measures".

### 2.1 Costs

The Rental properties and investments activities are aimed at recovering 90% or 100% of costs as outlined in the Funding Policy (see 8.2). This is to minimise the costs of these activities to the ratepayer.

In addition the farm, as an investment provides income to maintain the aerodrome and offset community rates.

This measure monitors the performance of these activities against desired income levels.

### 2.2 Lease Management

The Council has leases for all its rental activities. These leases should be reviewed regularly and the activities of the lessees monitored to ensure the sites are appropriately used and managed.

### 2.3 Farm Productivity

The major investment of Council is the Farm. Both the community and Council need to be ensured this investment is providing the best level of return both in the short term and long term.

This measure identifies the levels of return and the appropriate management of the farm.

### 2.4 Aerodrome Safety

Council's role in the aerodrome is the management of the landing strip. This is a critical element in the safety and performance of the aerodrome and needs appropriate management and provision.

## 3. The Existing Situation Described

### 3.1 The Properties

#### (a) **Prestige Buildings**

The Prestige site was a school site owned by the Crown and vested in the Council in 1946, subject to the Reserves Act 1977. In 2006 the reserve designation was exchanged for Council owned land in Prospero Place and the land is zoned business. Council now has title fee for the Prestige Site.

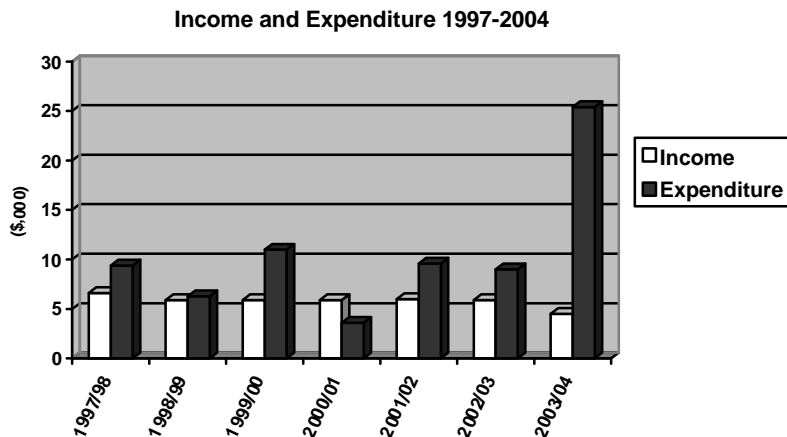
The site comprises six separate buildings, the earliest dating back to the 1920's. The buildings include the Prestige Factory building, Community Centre building, and Play Centre building. All the buildings are owned by Council except the Playcentre which is sited on an area of the Prestige site which is leased from Council.

Parts of the old Prestige Factory building are leased out but a good portion of it is now vacant. The Community Centre is under the control of a committee that hires the building out for various functions and activities eg. social gatherings, table tennis and the Savage Club. The Council pays the Committee \$1,500 per annum towards maintaining the building on receipt of a set of Annual Audited Accounts.

The Community Centre Building is discussed in the Civic Amenities Activity Management Plan.

Council has only recently obtained title to the land and is now in the process of deciding how to dispose of it and deal with the future of the Community Centre and the Playcentre.

Income is generated by rental and although it does not meet the full costs to Council. The following graphs show income and expenditure over the last seven years. Any shortfall in rental income is made up from the general rate.



The expenditure in 2003/04 is largely legal and associated costs in obtaining title to the land.

**(b) The Aerodrome**

The aerodrome is situated at Flint Road and provides two grassed runways approximately 900 m and 530 m in length respectively. Council provides a fertiliser bin, access roads and maintains the runways and associated drainage.

It is operated under the Civil Aviation Act 1990, Civil Aviation Regulations 1953 and Civil Aviation rules. It is non-certified in terms of Civil Aviation Rule Part 139.

The main users are the Stratford Aero Club, Taranaki Gliding Club, other recreational users and top dressings operators. They are individually responsible for their own hangers and the Stratford Aero Club for its club rooms. Recreational and private users are co-ordinated by the Stratford Aero Club.

The Aerodrome costs to the community are substantially met by the Farm operation. Fees and charges apply to parking fees and annual site rental for buildings. No landing fees are charged. When the land for the aerodrome was purchased in the 1940s the surplus land was to be farmed with the income from the farm to fund the aerodrome operating costs. This principle still applies today.



Over the past two years there has been considerable interest at the aerodrome from recreational users to build their own hangars. Traditionally the Stratford Aero Club had the only hangars but now there are five private hangars including one owned by the Gliding Club. The area allocated for these hangars is now fully occupied and Council needs to consider areas for possible further development. The rental charge for this land is 5% of the rating value of the aerodrome land.

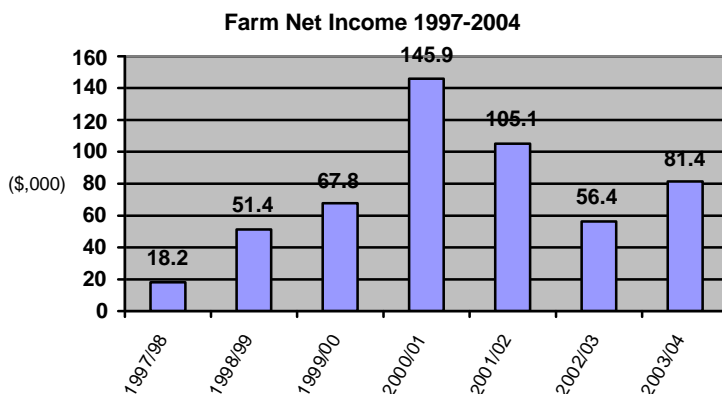
Council has recently had a request for a large hanger for the storage of commercial helicopters. An agreement for the lease of an area of land off Flint Road adjacent to the entrance to the aerodrome is at present being negotiated (May 2006). The rental charge for this land, as it is for a commercial usage is 8% of the rating value of the aerodrome land.

(c) **The Farm**

The farm is comprised of 113 hectares of land which includes 105 hectares grazed. It is managed on a 50/50 share milking basis and has a herringbone cowshed, sharemilkers dwelling and associated farm buildings.

The farm is operated to maximise returns to the rate payer. Returns are monitored monthly and farm consultants provide quarterly reports. Over the last seven years its average annual net income is \$75,000 which has gone towards rate mitigation. In addition there is approximately \$25,000 per annum from the farm that funds the aerodrome operating costs.

Council actively pursues opportunities to enhance the farms viability through property acquisitions as opportunities arise. Any such acquisitions would be funded by loan, with investment criteria that the returns from the investment must be sufficient to cover both principal and interest payments for the loan.



(d) **Land**

The land Council manages under this activity is both urban and rural. The land falls into two general groups, that of a functional purpose to Council and generally has limited potential for any other use or is strategically important to Council, and land that has commercial potential and its legal status permits its availability for sale.

Where possible Council actively promotes the use of the land through leases for which it receives an income.

Council has acquired this land through historic crown/council ownership, subdivisions or bequest.

*Handwritten initials/signature*

The table below is the land that Council has and leases out for rental. Some of this land is surplus to Councils requirement and is available for sale.

Access no	Street	Area	Legal Description	Surplus (Y or N)	Valuation (2001)
11991/282.00	SH43	1.7570	Sec 86 Blk XIV Pouatu SD	N	4500
12001/199.00	Forest Rd	5.0586	Pt Closed Road SO 10236 Adj Sec 24 Pt Secs 21 & 48 Blk XVI Egmont SD	Y	5000
12001/281.02	SH3	0.2200	Pt sec 2 Blk XIII Huiroa SD	Y	1500
12080/157.11	Pembroke Rd	0.0552	Pt Lot 17 DP 12277	Y	4150
12080/643.00	Hamlet St	0.1012	Sec 500 Town of Stratford	N	32000
12090/125.01	Miranda St	0.1032	Lot 6-8 DP9850	Y	22500
12090/140.00	Regan St	0.0516	Lot 2 DP 1688	N	20500
12090/534.01	Elsinore St	0.0126	Lot 1 DP 7592	N	1000
12090/802.01	Romeo St	0.2024	Sec 639 & 640	Y	9000
12090/802.04	Orlando St	0.4047	Sec 611,612,643,644	Y	12500
12090/802.07	Cordelia St	0.8353	Pt Lot DP 12543	Y	16500
12090/802.09	Romeo St	0.1012	Sec 574 Town of Stratford	Y	4000
12090/802.15	Cordelia St	0.2770	Lot 1 DP13190	Y	9000
12090/868.00	Swansea Rd	3.7700	Pt Lot 4 DP1942, Lots 2&3 Dp11213	Y	46000

### 3.2 Financial Summary

The financial summaries are detailed in the financial sections of the LTCCP. They are divided into the following activities:

- Farm;
- Rental Properties; and
- Aerodrome.

Capital and renewal works are limited and none are allocated for the aerodrome. Operational fluctuations are minimal and income is predicted to be reasonably constant.

### 3.3 Issues

#### (a) **Prestige Building**

The Prestige Building and Community Centre are located on land boarded by Fenton and Juliet Streets and Cloten Road.

Over the past five years there has only been minimal/necessary maintenance on the Prestige Building as Council has been working through the process of gaining title in fee simple so that the land, including that on which the Community Centre is located, can be sold for possible future commercial development. The buildings are not considered to have any commercial or heritage value and it is probable when the land is sold they will be demolished.

The line of Kowhai Trees along the northern boundary of the property should be retained as they are listed in the District Plan as notable trees and have a protection order.

The Community Centre building has been maintained by the Centre Committee. Before a decision is made to sell this building the future of the groups that use it on a regular basis needs to be considered. A decision on the future of the land occupied by the Playcentre also needs to be made.

#### (b) **Surplus Property**

A number of the rental properties are surplus to Councils or the communities' requirements. Currently these are all leased out by Council and return an income that meets the majority of the costs.

Council will, on a case by case basis, negotiate the sale of these properties as opportunities arise. Generally due to the size and location of the properties sale will be for infill residential development or small commercial development. As long as Council receives adequate income from these properties and they continue to appreciate in value, Council has not immediate timeframe for their sale.

(c) **Farm Development**

The economic viability trends in dairy farming are promoting bigger properties that are considered to be more efficient. Council is willing to consider expansion of the farm but will only do so if the community can afford it and the economics of the proposal are sound.

4. Maintenance and Operating

4.1 Ownership

(a) **Council Ownership**

Council owns and maintains (as appropriate) all the rentals and investment properties. Other than the Farm activities, all basic maintenance works are performed under the Facilities Maintenance Contract by J & L Taranaki Ltd until 30 June 2006, with under certain conditions, right for renewal until 2009.

4.2 Estimated Operational Costs over next 10 Years

The estimated cost of operations and maintenance (including other overheads), for the next ten years are shown in the financial sections of the LTCCP. These costs include insurance, overheads and general maintenance. There are separate cost centres for the farm, aerodrome and rental properties.

There are no major changes in operational costs anticipated within the next 10 years.

5. Future Demand

5.1 Future Demand Issues

(a) **Population**

Stratford District Council has targeted the population to grow by 33% to 12,000. This desire is reflective of the outcomes from the LTCCP. There is no defining timeframe for this and no provision has been made for this possible growth. If a population increase is to occur it is anticipated that it will be a progressive trend happening over a number of years. When population trends start to show a significant increase strategies will be developed to accommodate this growth. However it is not anticipated that his possible growth will have any impact on the few rental and investment properties that Council will still own when this happens as all such properties are currently on the market.

There could be some pressure on the farm land for residential use. However is anticipated that any residential growth would be in other areas of the township so this is reasonably unlikely. Also any proposal of sale or development would have to have a sound long term economic benefit to the community before being considered by Council.

Other than promoting further use, the Aerodrome activity and its associated costs are not anticipated to be significantly effected.

## 6. Capital Expenditure

### 6.1 Capital Expenditure

Details of the capital expenditure are contained in the LTCCP.

Over the last 10 years there has been minimal capital expenditure on any of the properties in this plan. Part of the reason for this is that Council wishes to sell the Prestige Buildings and other rental properties it owns. There have only been minor requirements in the Farm and Aerodrome as both of these activities have been well set up in the past to meet required levels of service, and the smaller items have been met through operations.

Over the next 10 years capital works programmed for the farm include:

-	2006/07	Farm Entrance	\$2,500
-	2007/08	House Carport	\$3,500
-	2008/09	Farm Entrance	\$2,500
-	2009/10	Riparian Fencing	\$4,500

## 7. Renewals and Depreciation

### 7.1 Renewals Needs

Details of renewal expenditure are contained in the financial sections of the LTCCP.

Similar to Capital renewal works have been kept to a minimum. In the next 10 years some works are required on the farm and in the rental properties. However it is highly likely that the rental properties renewals will not be required due to the sale or disposal of these assets.

#### (a) **Farm Renewals**

The renewals included in the farm are basic requirements to maintain both health and production standards of the farm and to maintain the house in a suitable condition. The following renewal works are proposed:

-	2006/07	Milk Room Floor	\$3,500
-	2006/07	Water Reticulation	\$2,500
-	2007/08	Cow Yard Concrete	\$4,500
-	2008/09	Milk Tank Replacement	\$4,000
-	2009/10	House Fireplace	\$2,500
-	2010/11	Water Reticulation	\$2,500
-	2011/12	House Carport	\$4,000
-	2012/13	Implement Shed	\$8,000
-	2013/14	Hay Shed	\$8,000
-	2013/14	Water Reticulation	\$2,500

#### (b) **Rentals Renewals**

Rental properties depreciation is not funded. Any renewal works are funded directly from rates as R & M Major Works. In 2011/12 \$6,000 has been allowed for the replacement of "The Mill Liquorsave" roof and in 2012/13 \$6,000 for the wall on Regan Street outside Stratford on Stage. Whether either of these works proceed will be determined closer to the time.

### 7.2 Relationship Between Renewals Needs and the Ability of Depreciation to Fund

The Aerodrome is not depreciated as it has no depreciable assets owned by Council and the Rental Properties depreciation is not funded.

## 8. Funding

### 8.1 10 Year Financial Plan

Councils Rental and Investment Properties combined activity 10 Year financial summaries are shown in the LTCCP and include an allowance for inflation.

The 10 Year programme is based on maintaining a reasonably constant level of funding requirement with minimum operation increases for any activities and limited capital or renewal activities for other than the farm.

The 10 Year plan may be influenced by the future sale or disposal of rental properties including the Prestige building.

### 8.2 Funding Policy

**Activity:** Rental and Investment Properties.

**Description of Activity:**

The provision of properties for investment and economic growth that promote financial and social well-being for the community.

**Reason Why Activity is Engaged in:** is detailed in Clause 1.1.

**Benefits Accrued:**

- Direct private user benefits; and
- General Community well-being.

**Funding Sources and Mechanisms:**

	Desired Benefit		Modified Benefit		Funding Mechanism	
	Public	Private	Public	Private	Public	Private
Aerodrome	30%	70%	90%	10%		Charges
Farm	100%		100%		General	
Rentals		100%		100%	General	Charges

The major source of funding for the next 10 years is detailed in the LTCCP.

### 8.3 Schedule of Fees and Charges

The current user charges are listed below. These are annually reviewed and are aligned to the funding policy rate of returns.

<b>AERODROME</b>	
<b><u>Requirements</u></b>	
Manure bin fees	\$5 50 per tonne
Aerodrome - Aero Club	\$160.00 per annum
Use of aerodrome - private users	\$140.00 per annum
Picket points	\$230.00 per annum
Ground rental - clubhouse	5% of Government Valuation
Ground rental - two hangars	5% of Government Valuation
Helicopter parking area:	
• Small	\$230.00 per annum
• Large	\$735.00 per annum
Prefabricated building - site rental	\$58.00 per annum
Vehicle parking:	
• Wanganui Aero Works	} \$110.00 per annum
• Airspread	
• Field Air	

**NOTE:** The Aero Club who are the main users of the Aerodrome historically pay a nominal amount for the use of this facility. This is based on the agreement that the land surplus to Aerodrome needs was to be farmed to finance its operations.

## 9. Resource Consents

No resource consents managed by Council apply to Rental or Investment Properties.

## 10. Demand Management

The current and foreseeable issues for demand management are aimed at selling surplus properties in Stratford, and maximising returns from the Farm.

No specific pressures or issues of demand are relevant to this activity.

## 11. Significant Negative Effects

### 11.1 Potential Negative Effects Caused by the Rental Properties and Investments

#### (a) **Environmental**

The farm management has to be aware of the environmental impact of its activities. Although this is not the responsibility of Council directly, Council's Farm consultant monitors those activities and alerts Council to any potential for nuisance.

The farm management is working with the Taranaki Regional Council for riparian fencing and plantings along its main waterways. Council has allowed for new fencing in future budget provision.

## 12. Significant Forecasting Assumptions, Uncertainties, Risk Management

### 12.1 Assumptions and Uncertainties

<b>General Assumptions and Uncertainties</b>	
Asset Life	Based on industry and accounting standards.
Capital cost impact on operations	Improvements and additions to assets may result in rises in operational/renewal costs due to the additional of improved infrastructure that will exist.
Constraints of Council	Due to the size of the Stratford District and correspondingly the size of the Council, the level of investment in planning, analysis and improvements is limited to what best suits the community both in practical and affordability terms.
Depreciation	Based on 2006 valuations.
Financial Values	All at 2006 values.
GST	Not included in financial forecasts.
Historic assumptions	Up to now Council has operated on historic assumptions and has managed the district according to the level the district can afford. The LTCCP process will determine its future approach to many areas of its asset management
Inflation	An allowance has been made for inflation in forecasts.
Interest on investments	5%
Interest rate on loans	9%
Knowledge	No commitment or contingencies that Council is aware of has been excluded.
Population Growth	Assumed constant.
Service Levels	Unless stated are remaining constant.
Valuations	Current valuations are based on 2003 figures.

<b>Activity Assumptions and Uncertainties</b>	
Activity management Plans (AMP)	This is the first AMP for Rental Properties and Investments. As such it will be the subject of continual improvement as information and analysis develop.
Asset Information - Biz@asset management system.	Over the next 12 months an asset management system will be adopted and this will permit more manageable and accurate control of asset information.
Resource Consents	All current resource consents assumed to be permitted to continue.
Sale of Properties	The sale of any of the properties will have an effect on the LTCCP budget allocations.

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## 12.2 Risk Management

A high level risk assessment of Council activities has been undertaken and is considered within the next LTCCP. This covers the generic issues of governance and business practices and common issues in group activity areas.

The table below outlines some of the key asset risk issues and rates them according to the guidelines in Appendix 2.

Further more in depth analysis for risk for the properties activity should be undertaken in the future.

<b>Risk</b>	<b>Controls</b>	<b>Consequence</b>	<b>Likelihood</b>	<b>Accept Risk</b>
Poor production from Farm resulting in low returns	<ul style="list-style-type: none"><li>• Farm Consultant</li><li>• Fonterra Milk Fat Production reports</li><li>• Lease agreements</li><li>• Monthly report to Council.</li></ul>	Minor	Rare	Yes
Aerodrome accident due to poor condition of runways	<ul style="list-style-type: none"><li>• Standard Operating procedures</li><li>• Annual levelling programme</li><li>• Drainage management</li><li>• Lease agreement</li></ul>	Major	Rare	Yes
Actions of lessees causing loss in value of Council properties	<ul style="list-style-type: none"><li>• Lease agreements</li><li>• Inspection regime</li></ul>	Minor	Likely	Yes

## 13. Plan Review / Public Consultation

### 13.1 Reference to the Public Consultation Undertaken

Council has consulted the community to establish funding levels and agreed community outcomes as discussed in the introduction of this plan.

In addition Council continues other practices such as:

- Specific project or issue consultation.
- Annual Plan submissions.

Council will continue to consult with the community as it further develops its LTCCP and undertakes its normal business practices.

### 13.2 When the Plan is Intended to be Next Reviewed

The plan will be reviewed on an annual basis by 30 June. Any changes and development will be expressed through the Annual Plan and LTCCP process.

## 14. Conclusion

This Activity Plan is the first for the Rental and Investment Properties. As such it will be improved as more asset information, planning and analysis are developed. The improvement plan in Appendix 1 outlines some of the works required.

## Appendix 1

### Improvement Plan

Note: PAM = Parks Asset Manager, OM = Operations Manager, CE= Chief Executive.

Item	Task	2006/07 Quarters				2007/08 Quarters				2008/09 Quarters				Responsibility
		1st	2nd	3rd	4th	1st	2nd	3rd	4th	1st	2nd	3rd	4th	
Asset management	Review current provision for depreciation and renewals including major non-fixed assets, and ensure all assets on register (farm)													PAM
Request monitoring	Review current systems of requests/complaints recording for monitoring, reporting and improvement purposes.													PAM/OM/CE
Risk assessment	Review current assessments to more accurately identify and mitigate significant risks.													PAM/OM

## Appendix 2

### Risk Consequence / Impact Guidelines (Qualitative Measures)

Risk Score	Risk Rating	Risk Description	Description of Impacts in example activity areas			
			Financial risk management	Human resources	Political	Business risks
		<b>Generic Impact Description</b>	<b>Revenue loss, Cost Increases &amp; Financial or Budget Liability</b>	<b>Security incident, OH&amp;S effect, Reduced performance, Key people/Resources unavailable</b>	<b>Adverse press, Reputation damage, Legal repercussions</b>	<b>Clients not served, Operations interrupted. Assets/Infrastructure unusable, Info Systems out</b>
5	<b>Catastrophic</b>	Disaster with potential to lead to business failure	Huge financial loss. Significant over expenditure at Organisational and output level, where there is no capacity to adjust budget across the Portfolio or no means to seek additional funding. 100% loss of Business Unit funding.	Multiple staff or public affected, debilitating injuries and fatalities or widespread medical attention required. Loss of a significant number of key management level staff, impacting on skills, knowledge, and expertise needs. Severe staff morale problems.	Concentrated public and political interest and major loss of public support. Union involvement.	Major detrimental effects on clients. Consequences would threaten survival of the service, and also the organization. Long-term sustained loss of production capability.
4	<b>Major</b>	Critical event, which will be endured with proper management	Major financial loss. Significant overrun at Organisational and output level, where management response requires significant additional funding, or termination or reduction of other initiatives. Possible 75% loss of Business Unit funding.	Extensive effects, injuries, hospitalisation or single fatality. Loss of some key staff, resulting in skills, knowledge, and expertise deficits. Severe morale or other organisational problems affecting performance and productivity.	Short-term public and political interest. Constant media attention, major internal inquiry and some union resistance.	Loss of production capability. Consequences would threaten survival or continued effective function of the service. Requires top-level management intervention.
3	<b>Moderate</b>	Significant event, which can be managed under normal circumstances	Significant financial loss, up to 50% of budget funding. Business Unit impact only, with some redistribution of existing budget.	Significant effects needing management action. Medical treatment, but no fatalities. Short-term skills, knowledge, expertise deficits.	Isolated public interest. Some medial interest and/or industry complaints, small internal inquiry.	Consequences could mean that the service is subjected to a significant performance review or a changed way of operating. Senior management involvement.
2	<b>Minor</b>	Event with consequences, which can be readily absorbed, but which requires management effort to minimize the impact	Some financial loss contained within Unit, 25% loss of budget funding. Minor over expenditure requiring monitoring and corrective action within existing budget.	Minor effects – injuries, but no fatalities. Health impact or probability leads to lost time or potential of public liability claim. Little skills deficit.	Local issue, isolated concerns raised by interest groups, with little media interest.	Consequences affect efficiency or effectiveness of the service. Managed internally.
1	<b>Insignificant</b>	Not worth worrying about. Existing controls and procedures will cope with the event.	Little or no financial loss, <5% budget funding impact.	No injuries or fatalities, little supporter action required. No skills or knowledge loss occurring.	No investigation required. Minimal to no effect on public reputation.	Affects only a small group of clients. Negligible service impacts dealt with by routine operations.

## Risk Probability Guidelines

Risk Score	Risk Rating	Description of Event	Frequency
5	Almost Certain	The event is expected to occur in most circumstances High level of known incidences Strong likelihood of re-occurring with high opportunities / means to re-occur	Daily / Weekly
4	Likely	The event will probably occur in most circumstances. Regular incidences known (recorded / experienced) Considerable opportunity / means to occur	Monthly
3	Moderate	The event should occur at some time A few infrequent, random occurrences (recorded / experienced) Some opportunity or means to occur Council engineering projects usually designed to this level	Annually
2	Unlikely	The event could occur at some time No known incidences recorded or experienced Little opportunity, means or reason to occur Council engineering projects would require some compelling Capital risk justification to design to this level	Every 2-5 years
1	Rare	The event may occur only in exceptional circumstances Highly unheard of Almost no opportunity to occur Council Engineering would require very compelling Capital Risk justification to design to this level.	Every 10 years