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Appendices

Appendix A – Glossary of Terms

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The following terms and acronyms (in brackets) are used in this Activity Management Plan.

Term	Definition
Activity	As defined in the Local Government Act 2002 - means a good or service provided by, or on behalf of, a local authority or a council-controlled organisation; and includes— a) the provision of facilities and amenities; and b) the making of grants; and c) the performance of regulatory and other governmental functions
Activity Management Plan (AcM Plan)	A comprehensive plan developed for the management of one or more activities. It covers the services comprising the activities and the assets required to deliver services. A significant component of the plan is a long-term financial projection for the activities.
Annual Plan	Means an annual plan adopted under section 95 of the LGA 2002. A document produced annually to inform stakeholders of its objectives, intended activities, performance, income and expenditure for a period of one year.
Annual Report	A report prepared after the end of each financial year to record Council's actual performance in delivery of the Annual Plan.
Asset	A physical component of a facility, which has value, enables services to be provided and has an economic life of greater than 12 months.
Asset Management (AM)	The combination of management, financial, economic, engineering and other practices applied to physical assets with the objective of providing the required level of service in the most cost-effective manner.
Asset Management System (AMS)	A combination of processes, data and software applied to provide the essential outputs of effective asset management.
Asset Management Plan	A report that summarises the end outcome of the asset planning process. It documents the current and projected asset status and considers options to achieve strategic objectives through using asset solutions.
Asset Management Strategy	A strategy for asset management covering, the development and implementation of plans and programmes for asset creation, operation, maintenance, renewal, disposal and performance monitoring to ensure that the desired levels of service and other operational objectives are achieved at optimum cost.
Asset Management Team	The team appointed by an organisation to review and monitor the corporate asset management improvement programme and ensure the development of integrated asset management systems and plans consistent with organisational goals and objectives.
Asset Register	A record of asset information including inventory, historical, financial, condition, construction, technical and financial information about each asset.
Asset Planning	A process that integrates asset related data, processes, systems and people in the most effective way across a portfolio of facilities to achieve the organisation's objectives.
Base Life	The physical life of a component considering its local environment. The life is measured from its time of installation to its time of anticipated replacement, renewal or disposal.
Benefit Cost Ratio (B/C)	The sum of the present values of all benefits (including residual value, if any) over a specified period, or the life cycle of the asset or facility, divided by the sum of the present value of all costs.
Business Plan	A plan produced by an organisation (or business units within it) which translate the objectives contained in an Annual Plan into detailed work plans for a particular, or range of, business activities.
Capacity	Maximum output that can be provided or delivered by an asset.
Capital Replacement Value (CRV)	The cost of replacing an asset using modern equivalent assets.
Capital Expenditure (CAPEX)	Expenditure used to create new assets or to increase the capacity of existing assets beyond their original design capacity or service potential. CAPEX increases the value of an asset.
Cash Flow	The stream of costs and/or benefits over time resulting from a project investment or ownership of an asset.
Community Infrastructure	Means— a) land, or development assets on land, owned or controlled by the territorial authority to provide public amenities; and b) includes land that the territorial authority will acquire for that purpose

Term	Definition
Community Outcomes	Community outcomes, in relation to a district or region,— a) means the outcomes for that district or region that are identified as priorities for the time being through a process under section 91 of the LGA 2002; and b) includes any additional outcomes subsequently identified through community consultation by the local authority as important to the current or future social, economic, environmental, or cultural well-being of the community
Components	Specific parts of an asset at the lowest level of detail having independent physical or functional identity and having specific attributes such as different life expectancy, maintenance regimes, risk or criticality.
Condition Grade	A standard grade applied to an asset to describe its current condition. Grade standards are defined in the IIMM manual
Condition Monitoring	Continuous or periodic inspection, assessment, measurement and interpretation of resulting data, to indicate the condition of a specific component so as to determine the need for some preventive or remedial action
Council	Generally used to denote the Council as a corporate organisation.
Critical Assets	Assets for which the financial, business or service level consequences of failure are sufficiently severe to justify proactive inspection and rehabilitation.
Current Market Value	The amount which the land, if sold on the open market by a willing seller to a willing buyer on the specified date, might be expected to realise.
Current Replacement Cost	The cost of replacing the service potential of an existing asset, by reference to some measure of capacity, with an appropriate modern equivalent asset.
Data	The raw data as initially captured that is yet to be transferred to information via analysis and reporting
Deferred Maintenance	The shortfall in rehabilitation work required to maintain the service potential of an asset.
Demand Management	The active intervention in the market to influence demand for services and assets with forecast consequences, usually to avoid or defer CAPEX expenditure. Demand management is based on the notion that as needs are satisfied expectations rise automatically and almost every action taken to satisfy demand will stimulate further demand.
Depreciated Replacement Cost (DRC)	The replacement cost of an existing asset after deducting an allowance for wear or consumption to reflect the remaining economic life of the existing asset.
Depreciation	The wearing out, consumption or other loss of value of an asset whether arising from use, passing of time or obsolescence through technological and market changes. It is accounted for by the allocation of the historical cost (or revalued amount) of the asset less its residual value over its useful life.
Development Contribution	Development contribution means a contribution— a) provided for in a development contribution policy included in the long-term plan of a territorial authority; and b) calculated in accordance with the methodology; and c) comprising money, land or both
Disposal	Activities necessary to dispose of decommissioned assets.
Economic life	The period from the acquisition of the asset to the time when the asset, while physically able to provide a service, ceases to be the lowest cost alternative to satisfy a particular level of service. The economic life is at the maximum when equal to the physical life however obsolescence will often ensure that the economic life is less than the physical life.
Facility	A complex comprising many assets (e.g. a hospital, water treatment plant, recreation complex, etc.) which represents a single management unit for financial, operational, maintenance or other purposes.
Geographic Information System (GIS)	Software which provides a means of spatially viewing, searching, manipulating, and analysing an electronic database.
Group of Activities	Means one or more related activities provided by, or on behalf of, a local authority or council-controlled organisation.

Term	Definition
Infrastructure Assets	Stationary systems forming a network and serving whole communities, where the system as a whole is intended to be maintained indefinitely at a particular level of service potential by the continuing replacement and refurbishment of its components. The network may include normally recognised 'ordinary' assets as components.
Useful Life	A measure of the anticipated life of an asset or component; such as time, number of cycles, distance intervals etc.
Level of service (LoS)	The defined service quality for a particular activity or service area against which service performance may be measured. Service levels are defined in accordance with customer or technical values.
Life Cycle	The cycle of activities that an asset (or facility) goes through while it retains an identity as a particular asset i.e. from planning and design to decommissioning or disposal.
Life Cycle Cost	The total cost of an asset throughout its life including planning, design, construction, acquisition, operation, maintenance, rehabilitation and disposal costs.
Long Term Plan (LTP)	A plan prepared on a three yearly cycle that covers a period of at least 10 years. The purpose of a long-term council community plan is to— a) describe the activities of the local authority; and b) describe the community outcomes of the local authority's district or region; and c) provide integrated decision-making and co-ordination of the resources of the local authority; and d) provide a long-term focus for the decisions and activities of the local authority; and e) provide a basis for accountability of the local authority to the community; and f) provide an opportunity for participation by the public in decision-making processes on activities to be undertaken by the local authority.
Maintenance	All actions necessary for retaining an asset as near as practicable to its original condition, but excluding rehabilitation or renewal.
Maintenance Plan	Collated information, policies and procedures for the optimum maintenance of an asset, or group of assets.
Maintenance Standards	The standards set for the maintenance service, usually contained in preventive maintenance schedules, operation and maintenance manuals, codes of practice, estimating criteria, statutory regulations and mandatory requirements, in accordance with maintenance quality objectives.
Objective	An objective is a general statement of intention relating to a specific output or activity. They are generally longer-term aims and are not necessarily outcomes that managers can control.
Operation	The active process of utilising an asset which will consume resources such as manpower, energy, chemicals and materials. Operation costs are part of the life cycle costs of an asset.
Operational Expenditure (OPEX)	Expenses not of a capital nature. Costs directly incurred as a result of being in operation.
Optimised Decision Making (ODM)	A formal process to identify and prioritise all potential solutions with consideration to financial viability, social and environmental responsibility and cultural outcomes.
Parcel of land	An area of land with a unique legal description.
Passive Reserves	Provide areas for relaxation, playgrounds, walkways, beautification plantings, etc.
Performance Measure	A qualitative or quantitative measure of a service or activity used to compare actual performance against a standard or other target.
Performance Monitoring	Continuous or periodic quantitative and qualitative assessments of the actual performance compared with specific objectives, targets or standards.
Planned Maintenance	Planned maintenance activities fall into three categories: (a) Periodic - necessary to ensure the reliability or sustain the design life of an asset. (b) Predictive - condition monitoring activities used to predict failure (c) Preventive - maintenance that can be initiated without routine or continuous checking (e.g. using information contained in maintenance manuals or manufacturers' recommendations) and is not condition-based.
Property Quality Standards (PQS)	A desired level of performance measured by pre-defined factors relating to an overall characteristic of a property or portfolio.

Term	Definition
Recreation Reserve	The plan generally uses this term to identify larger tracts of reserve land used for active or passive recreation purposes and relates to a class of reserve provided for in s.17 Reserves Act 1977.
Rehabilitation	Works to rebuild or replace parts or components of an asset, to restore it to a required functional condition and extend its life, which may incorporate some modification. Generally involves repairing the asset using available techniques and standards to deliver its original level of service without resorting to significant upgrading or replacement.
Remaining Useful Life (RUL)	The assessed remaining service life of an asset or asset component generally undertaken by a surveyor or may be calculated by an analysis considering deterioration, functionality and utilisation.
Renewal	Works to upgrade, refurbish, rehabilitate or replace existing facilities with facilities of equivalent capacity or performance capability.
Repair	Action to restore an item to its previous condition after failure or damage.
Replacement	The complete replacement of an asset that has reached the end of its life, so as to provide a similar, or agreed alternative, level of service.
Reserve	Generally refers to a parcel of land held under the Reserves Act 1977.
Reserve Management Plan	A management plan provided for in s.23 Reserves Act 1977.
Resolution	A formal resolution by Council.
Revocation	The process of reserve revocation under s.24 Reserves Act 1977.
Risk Assessment	The application of processes to identify and evaluate risks associated with ownership and use of assets.
Risk Management	The application of a formal process to assess, control and mitigate risks associated with ownership and use of assets and delivery of services.
Routine Maintenance	Day to day operational activities to keep the asset operating (replacement of light bulbs, cleaning of drains, repairing leaks, etc.) and which form part of the annual operating budget, including preventative maintenance.
Selwyn District Long Term Plan	The name used by Selwyn District for its Long Term Plan.
Service Potential	The total future service capacity of an asset. It is normally determined by reference to the operating capacity and economic life of an asset.
Stakeholder	A person, organisation or agency with a specific existing interest or potential interest in an activity or service area or may be affected by the activity or service area.
Strategic Plan	Strategic planning involves making decisions about the long term goals and strategies of an organisation. Strategic plans have a strong external focus, cover major portions of the organisation and identify major targets, actions and resource allocations relating to the long term survival, value and growth of the organisation.
Streetscape	The amenity part of the street environment including road berms, street trees, planting plots, road entrances etc.
Township Reserve	Generally refers to smaller reserves located in townships used primarily for passive activities (playgrounds, amenity planting, access ways etc.).
Unplanned Maintenance	Corrective work required in the short term to restore an asset to working condition so it can continue to deliver the required service or to maintain its level of security and integrity. Sometimes referred to as reactive maintenance.
Upgrading	The replacement of an asset or addition/ replacement of an asset component which materially improves the original service potential of the asset.
Valuation	Estimated asset value, which may depend on the purpose for which the valuation is required, i.e. replacement value for determining maintenance levels or market value for life cycle costing.
Vested reserve	A reserve which is vested in an administering body pursuant to s.14 Reserves Act 1977.
Vesting	The vesting of a reserve in an administering body pursuant to s.26 or s.26A of the Reserves Act 1977.