

Report

Taupo District Council Civic Administration Building - Risk Management Report

Prepared for Taupo District Council (Client)

Prepared by Beca Limited (Beca)




14 June 2017



Revision History

Revision N°	Prepared By	Description	Date
1	Fred Terblanche	DRAFT for client comment	12 June 2017

Document Acceptance

Action	Name	Signed	Date
Prepared by	Fred Terblanche		12 June 2017
Reviewed by	Fred Terblanche		13 June 2017
Approved by	Fred Terblanche		14 June 2017
on behalf of	Beca Limited		

Beca 2017 (unless Beca has expressly agreed otherwise with the Client in writing).

This report has been prepared by Beca on the specific instructions of our Client. It is solely for our Client's use for the purpose for which it is intended in accordance with the agreed scope of work. Any use or reliance by any person contrary to the above, to which Beca has not given its prior written consent, is at that person's own risk.

Executive Summary

In order to assist Taupo District Council (TDC) gain an increased level of certainty around their risk profile of the condition of its existing civic administration building TDC engaged Beca Ltd and Warren & Mahoney Architects Ltd to conduct a risk assessment exercise in conjunction with TDC.

Having considered the inputs provided and the outcomes of a Risk Assessment in this regard Beca and Warren & Mahoney Architects jointly come to the below two conclusions and recommendations for consideration by TDC:

A. We concur that the risk profile presented by the existing civic administration building to TDC staff, service delivery and the general public, in particular the health & safety risks, are considerable and are therefore untenable to TDC.

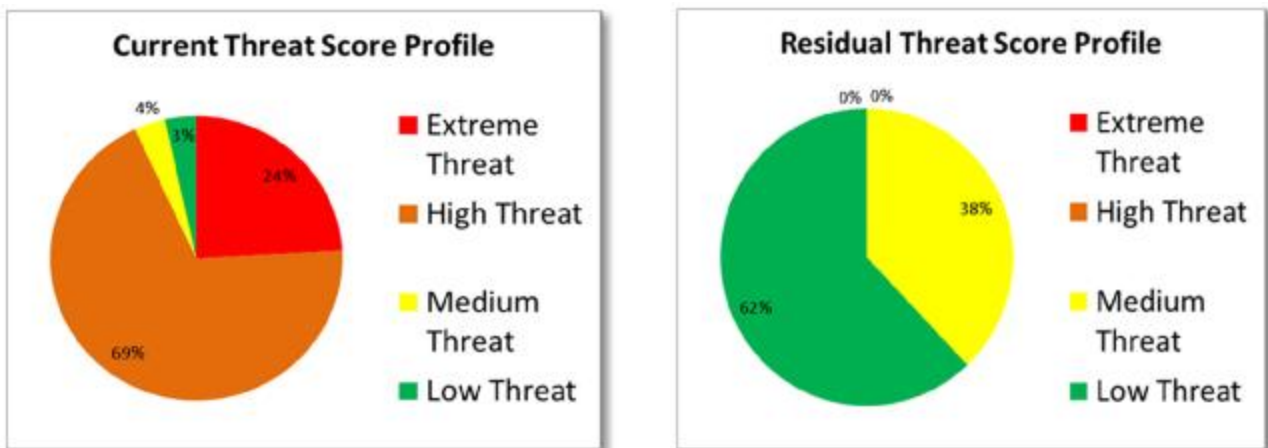
B. Providing the council functions out of a new purpose designed facility represents the most acceptable risk profile to TDC and maximises the opportunities presented going forward.

Note: The above recommendations relate to and need to be read in context of the risk assessment exercise and associated inputs only. TDC will separately examine funding constraints, rates implications and/or other strategic considerations.

The below provides further summary clarification of the reasons behind these conclusions.

Risk Assessment

The outcome of the risk assessment exercise and mitigation plans provides a Current and Residual Risk score profile summarised as below. *Note that the Residual Risk profile represents the existing facility risks mitigated either by way of refurbishment of the existing building or providing the council functions out of an alternative facility (new or existing):*



The above pie charts reflect the actual make-up of the specific risks (threats) as detailed in the Risk Register. Refer Appendix B for all individual risks.

The Current Threat profile contains a number of Extreme and High Level risks that are unacceptable to TDC's risk profile.

The Project Risk Register has been prepared in accordance with the AS/NZS ISO 31000: 2009 Risk Management Principles and Guidelines and reflects the scoring framework outlined in the Client's Risk

Assessment Matrix. For a copy of the Risk Register, associated inputs and a dashboard format Risk Report to be used by TDC for informing, reporting, monitoring and on-going management as required, refer to the Appendices in this report.

Options

The options to mitigate TDC's overriding risk profile to an acceptable level are:

- **Option A** – upgrade/refurbish the existing building;
- **Option B** – provide the council functions out of an existing building elsewhere;
- **Option C** – provide the council functions out of a new purpose designed building (on existing site or elsewhere).

An overview summary of the key pros/cons/viability considerations of each option follows below.

1.1 Option A (upgrade the existing building)

- Highly unlikely to be technically and commercially feasible that the existing structure and associated building aspects can be upgraded to meet IL4 and 67%NBS;
- the cost for an appropriate upgrade is highly likely to exceed the property value of the asset i.e. if so, it does not represent value for money for the ratepayer;
- the existing built environment will compromise the ability to provide a fit for purpose solution that aligns with the organisation's current and future business requirements and at the same time its ability to provide value for money and an efficient level of service to ratepayers;
- there are likely to remain significant residual risks around some or all of health and wellness issues, unforeseen costs and time, e.g. any missed/untreated asbestos, continued deteriorating façade, ageing building services and fire systems and the unknowns that can only be firmed up once you start opening up an existing building.

1.2 Option B (existing building elsewhere)













- The same risks as above re existing built form;
- in addition, whilst it may be appropriate in some aspects an existing building is unlikely to tick all of TDC's key boxes, namely no unacceptable health and wellness risks, a 'civic centre' for the community including presence as civic 'heart' and council chambers, IL4 and 67%NBS, serviceability and access etc for the purposes of civil defence/post-disaster function and a long-term and future-proofed solution.

1.3 Option C (new building: existing site or elsewhere)

- A new building presents TDC with the opportunity for a fit-for-purpose facility that entirely mitigates the current health and wellness risks, aligns with the organisation's current and future business requirements, and represents value for money by way of an efficient level of service to ratepayers, and at the same time serves as the civic 'heart' for Taupo District.

The project team assessed at a high level the above options against priority aspects of TDC's risk profile. The results are as Table 1 below:

Table 1 – Options Risk Profile Assessment

	Health & Wellbeing of Staff/ Public (IL4/67%NBS)	Fit for Purpose Civic Admin Facilities (Services Delivery)	Value for Money	Residual Risk
Option A				
Option B				
Option C				

Legend:

 High risk  Medium risk  Low risk

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Risk Dashboard Report

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Risk Register

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Client Risk Assessment Matrix

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Risk Likelihood and Consequence Matrix

1 Background

This Risk Assessment report has been prepared by Beca Limited (Beca) for Taupo District Council (TDC) to:

- a. reflect its summary risk profile of the condition of its existing civic administration building to TDC's staff, the public and its service provision obligations under the Local Government Act;
- b. mitigation plans, conclusions and recommendations as to the options available to TDC, namely refurbishment of the existing building or an alternative building (new or existing); and
- c. document the risk assessment process undertaken by Beca to confirm key risks.

1.2 Background

Risk is defined in AS/NZS ISO 31000: 2009 Risk Management Guidelines and Principles as being "the effect of uncertainty on objectives".

In order to assist TDC gain an increased level of certainty around their risk profile of the condition of its existing civic administration building TDC engaged Beca and Warren & Mahoney Architects to conduct a risk assessment exercise in conjunction with TDC.

Although Beca has not been party to all of it, a series of recent expert studies have been conducted to assess the existing building fabric and its functionality. These have included:

- Earthquake Strength Report – Main Building
- TDC Air Monitoring Soil Sample Results – 11 May 2017
- Structural Engineer's Report (Cheal) – 28 March 2017
- Final Report – Asbestos – Main Council Building – 15 May 2017
- Engineer's Report – L1 – Seismic Strengthening Preliminary Assessment – 28 March 2017
- Asbestos Register Report – 26 August 2016
- Asbestos Certificate of Analysis – 24 August 2016
- Airborne Fibre Concentration Report – 12 May 2017

In addition, other issues investigated in the past by TDC and/or its consultants in terms of functionality included workplace efficiency, identity, connectedness, customer experience, asset repositioning, branding and authenticity. Assessment of building fabric-related elements included staff amenity, seismic performance, asbestos, façade and roof integrity, building services, workplace environment, and civil defence suitability. These assessments were undertaken at a high level in order to identify key strategic options moving forward.

To enable TDC, Warren & Mahoney and Beca to identify, assess and prioritise the associated risk profile in the workshop, TDC also provided a summary of the background and current status of the key considerations.

In particular, TDC confirmed the following:

- a) A civil defence emergency / post-disaster coordination function is to be provided from the facility which requires an Importance Level (IL) 4 facility;
- b) Although not yet formalised through Council policy, TDC is likely to require a minimum 67%NBS for seismic capacity of structure going forward.

The reference documents with respect to the principles, guidelines and practice of risk management used by Beca to establish the risk assessment procedures were as follows:

- AS/NZS ISO 31000: 2009 Risk Management Principles and Guidelines.
- Client Risk Assessment Matrix.

1.3 Risk Management Objectives

In accordance with good industry practice the objectives of the risk management process established for this project are to minimise adverse risks (Threats) and maximise beneficial outcomes (Opportunities). This will be realised by achievement of the following specific objectives:

- Generation of a pro-active risk management culture
- Effective evaluation and efficient management of identified risks at all levels within the project team
- Relevant and robust analysis and reporting to support decision making
- Ongoing monitoring and review of the risk management process to ensure control mechanisms are implemented and maintained, and improvement opportunities identified, evaluated and developed.

2 Risk Assessment Methodology

2.1 Risks/Opportunity Identification

A facilitated risk management workshop was held on 8 June 2017 attended by key members of TDC, Warren & Mahoney and Beca. During the workshop the project attendees identified key risks and opportunities during a risk identification and assessment brainstorming session.

The priority risks and opportunities were discussed in the group session then scored and prioritised using the Client's Risk Assessment Matrix. Treatment actions were then proposed to either eliminate the risk or reduce its likelihood and/or consequence.

A Project Risk Register has been prepared in accordance with the AS/NZS ISO 31000: 2009 Risk Management Principles and Guidelines, and reflects the scoring framework outlined in Clients Risk Assessment Matrix.

A copy of the completed Risk Register is included in Appendix B.

2.2 Workshop Attendees

Members of the project team who attended the risk workshop on 8 June 2017 were:

Table 2 – Workshop Attendees

Organisation	Name
Taupo District Council	Kevin Strongman
	Brian Fox
	Garreth Robinson
	Karen Balasoglou
Warren & Mahoney	John Coop
	Les Matthews

Organisation	Name
Beca Ltd	Fred Terblanche
	Craig Lavin
	Catherine Thompson

2.3 Risk Analysis and Evaluation

In accordance with Client’s risk management procedures, each risk identified was analysed and evaluated using the Client’s qualitative Risk Assessment Matrix scoring system.

A copy of Client’s Risk Assessment Scoring Matrix tailored to TDC’s existing civic administration facility condition is included in Appendix C.

An assessment of the likelihood of each risk occurring – and the severity of the consequence should the risk occur – was made using the Client’s Likelihood and Consequence Criteria. This enabled the team to assign a Current Risk Rating and Residual Risk Rating (“High”, “Medium” or “Low”) which allowed identification of those risks requiring escalation and reporting to Council.

Table 3 below provides guidance on the Client’s criteria for the escalation and treatment of risks:

Table 3 – Threat Magnitudes

Threat Magnitudes	Acceptability	Urgency for Implementation of Treatment	Authority for Tolerance of Threat
Extreme Threat	Not permitted unless approved by the Board	Do not proceed. All controlled threats assessed as extreme shall be notified immediately to senior management. Where relevant solutions to reduce the threat level should be developed and implemented as far as reasonable practicable. These are to be monitored and reported monthly until completed.	Elected Members, Chief Executive Officer
High Threat	Only acceptable if not reasonably practicable to reduce level of Threat	Do not proceed. All controlled threats assessed as high shall be discussed with the Job Director to agree mitigation and reported to the General Manager, Managing Director. Where relevant solutions to reduce the threat level should be developed and implemented as far as reasonable practicable. These are to be monitored by the Job Director until completed.	Chief Executive, General Manager or above
Moderate Threat	Acceptable Threat with controls and approval	Moderate level risks can be accepted by the Job Director where the threat has been identified and relevant solutions to reduce the threat level have been developed and implemented. These are to be monitored by the Job Manager until completed.	Project Sponsor or next level of management
Low Threat	Acceptable Threat	Low Level threat can be accepted by the Job Manager. In most cases threats at this level are unlikely to require further action to be undertaken . Where further action is required this is to be monitored by the Job Manager or appropriate delegated person.	Project staff or equivalent

A total of 29 threats and 4 opportunities were identified. This included 27 Extreme and High Level Threats and 2 Very Good Opportunities. Refer to the Risk Register for these.

2.4 Risk Treatment

Following the workshop risk identification and evaluation process, a status was selected for each risk as defined in the Client’s Risk Management Processes.

The treatment status criteria for project risks is defined under the following headings:

- **Live** – the risk is defined and it is being actively managed as it is above the Client’s risk tolerance threshold and shall be reviewed on a monthly basis.
- **Parked** – the risk has been excluded from current management processes as it is below the Client’s risk tolerance threshold and shall be reviewed on a quarterly basis.

- **Closed** – the risk no longer presents a threat or opportunity

Each risk will be managed by the nominated Risk Owner who will confirm that the existing controls are currently in place and effective, and confirm proposed Risk Treatment Actions to either eliminate or reduce the likelihood and/or consequence of the risk.

3 Recommendations

Refer to the Executive Summary for conclusions and recommendations from the Risk Assessment process.

With respect to risk management procedures, we recommend the following actions be undertaken:

- All risks with a Current Risk Rating of “Extreme” and “High” with a Risk Treatment Status of “Live” must be reviewed by the Project Sponsor and higher on a monthly basis. Any changes to the risk description, score, existing controls and progress made on treatment actions must be reported using the Monthly Risk Report.
- Those risks with a Current Risk Rating of “Low” or “Medium” with a Risk Treatment Status of “Parked” shall be reviewed at the appropriate level on a quarterly basis. Any changes to the risk description, score, existing controls and progress made on treatment actions must be reported using the Monthly Risk Report.

Appendix A

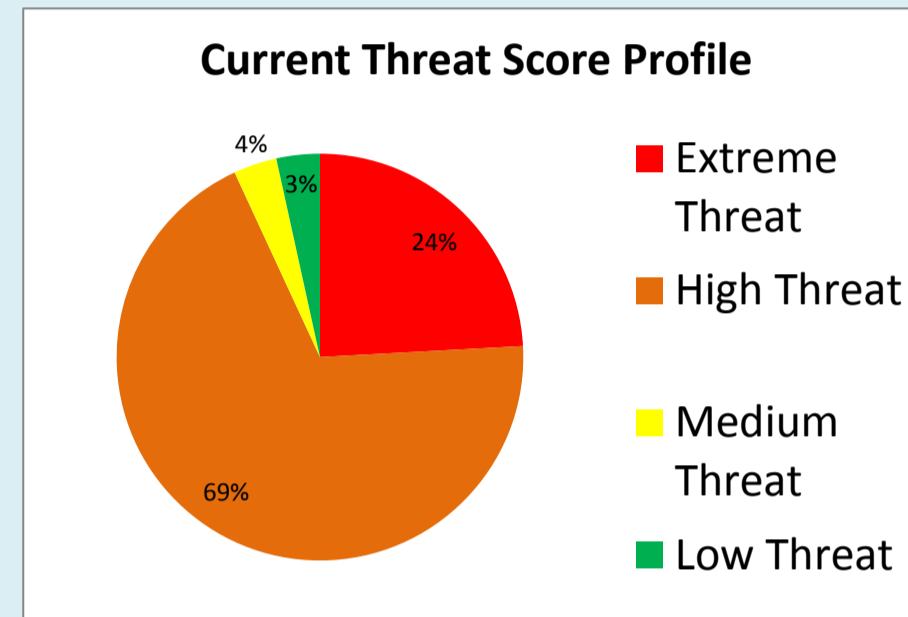
Risk Dashboard Report



Risk Monitoring Key	
No change	↔
Increase in Priority	↑
Decrease in Priority	↓

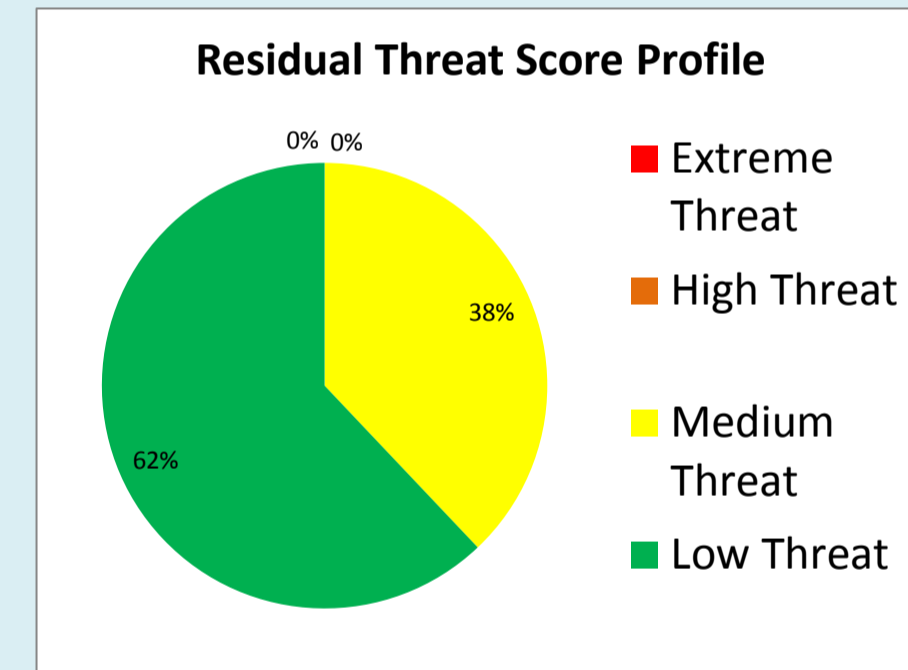
Current Threat Scores

SUMMARY	Review Date:	Trending
Extreme Threat	7	↔
High Threat	20	↔
Medium Threat	1	↔
Low Threat	1	↔
Total	29	↔



Residual Threat Scores

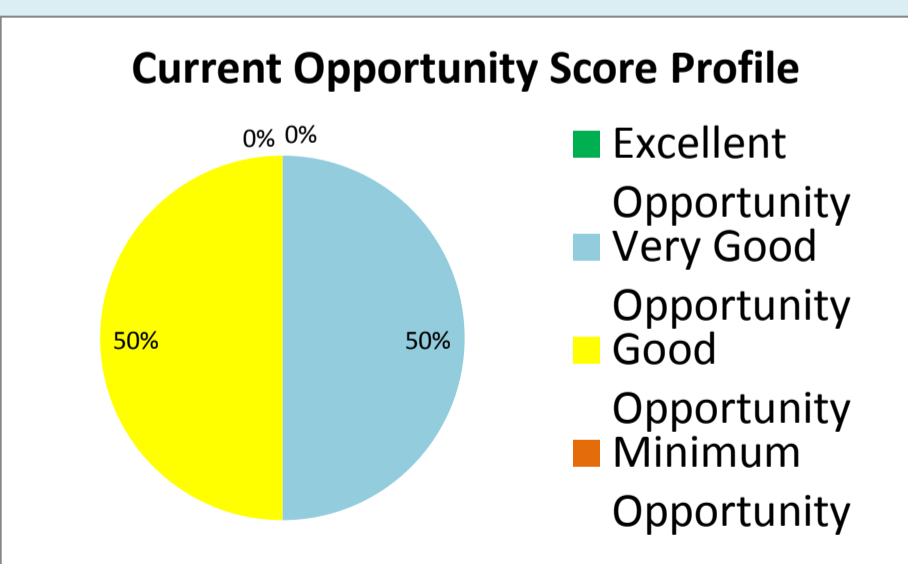
SUMMARY	Review Date:	Trending
Extreme Threat	0	↔
High Threat	0	↔
Medium Threat	11	↔
Low Threat	18	↔
Total	29	↔



OPPORTUNITIES

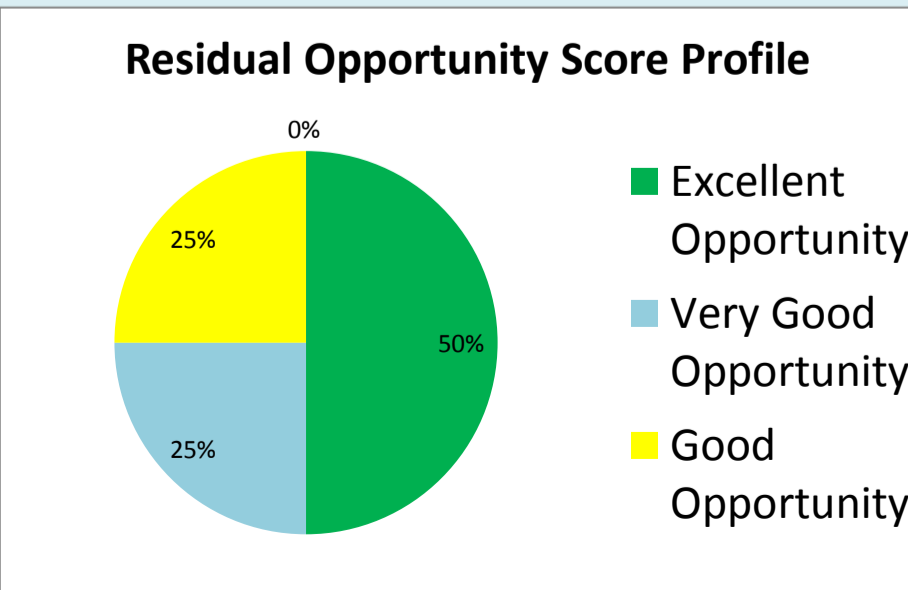
Current Opportunity Scores

SUMMARY	Review Date:	Trending
Excellent Opportunity	0	↔
Very Good Opportunity	2	↔
Good Opportunity	2	↔
Minimum Opportunity	0	↔
Total	4	↔



Residual Opportunity Scores

SUMMARY	Review Date:	Trending
Excellent Opportunity	2	↔
Very Good Opportunity	1	↔
Good Opportunity	1	↔
Minimum Opportunity	0	↔
Total	4	↔



Current Top Threats

Risk ID	Risk Title	Risk Owner	Current Risk Rating	Residual Risk Rating	Key Actions
5	Fire - death or injury as a result of non-compliance within the building	Taupo DC	Extreme	Medium	No report has been undertaken. Fire egress routes, fire protection, fire separation cells, fire doors should all be investigated by a qualified Fire Engineer. Given the high likelihood of non-compliances and associated cost to fix the most appropriate mitigation is an alternative facility that complies with current code.
7	Failure of building as a result of durability issues	Taupo DC	Extreme	Low	Existing building is close to the end of its lifespan in a lot of areas. A more detailed investigation is required to advise remediation requirements and costs. However given the extent of work required it is unlikely to be a long term and cost effective solution. To mitigate this risk cost effectively is likely to involve an alternative facility that is in good condition with long remaining lifespan.
9	Accessibility, escape routes within existing building	Taupo DC	Extreme	Low	Obtain an accessibility report. Cost up the recommendation within that report.
16	Asbestos within present building	Taupo DC	Extreme	Medium	Asbestos to be removed and/or made safe. Or to mitigate this risk entirely is likely to involve an alternative facility with no asbestos.
19	Building not being able to achieve 67% NBS and IL4 rating	Taupo DC	Extreme	Medium	To mitigate this risk cost effectively is likely to involve an alternative facility that meets IL4, 67%NBS.
22	Reputational risks around life safety, sustainability, durability, customer experience	Taupo DC	Extreme	Low	Investigate options: 1). Upgrade existing building to IL4, with 67% NBS. 2). Demolition of existing building and build a new IL4 building. 3). Relocate into an existing IL4 building.
24	Not meeting H&S obligations under the HSE Act in terms of health, wellness, staff safety, customers and other building users (eg contractors)	Taupo DC	Extreme	Low	Refurbish as required. Or to mitigate this risk most effectively is likely to involve an alternative facility .
1	Significant seismic event	Taupo DC	High	Medium	TDC requires an IL4 building with 67%NBS rating. Obtain a detailed seismic assessment. Existing building unlikely to be able to be brought up to IL4/67%NBS.
2	Seismic event	Taupo DC	High	Medium	As above
27	Airborne asbestos as a result of an event	Taupo DC	High	Low	Asbestos to be removed and/or made safe. Or to mitigate this risk entirely is likely to involve an alternative facility with no asbestos.

Current Top Opportunities

Risk ID	Risk Title	Risk Owner	Current Risk Rating	Residual Risk Rating	Key Actions
21	Obtaining a building that is fit for purpose - functionality, future-proofing, image, workplace efficiency, flexibility, customer experience, comfort and attractiveness, organisational culture	Taupo DC	Very good opportunity	Excellent opportunity	Refurbishment of existing building and/or moving to an existing building is unlikely to fully maximise the available opportunity. To do this is likely to involve a purpose designed new facility.
31	Alternative accommodation is an opportunity for Council to show leadership	Taupo DC	Very good opportunity	Excellent opportunity	This opportunity will be maximised through a new purpose designed facility.

New Risks Identified This Month N/A

Risk ID	Risk Title	Risk Owner	Current Risk Rating	Residual Risk Rating	Key Actions
	N/A				

Risks Closed This Month N/A

Risk ID	Risk Title	Risk Owner	Risk Closure Statement
	N/A		

Appendix B

Risk Register

PROJECT TITLE: Taupo District Council - Civic Administration Building

Risk Review Date: 8 June 2017
 Risk Facilitator: Fred Terblanche
 Phase of Project:
 Stage of Project:



Risk ID	Risk Title	The risk: what can happen and how can it happen	Threat / Opportunity	What are the consequences of the event?	Risk Owning Organisation	Current Risk Level				Risk Status	Review Frequency	Risk Treatment Actions	Residual Risk Level			
						Qualitative							Qualitative			
						Likelihood	Consequence	Risk Score	Risk Level				Likelihood	Consequence	Risk Score	Risk Level
1	Building	Significant seismic event	Threat	Death to occupants. Building is not operational after seismic event. Cannot run Civil Defence emergency procedures from the building.	Taupo District Council	Rare	Critical	5	High Threat	Live	Monthly	Taupo District Council requires an IL 4 building with an NBS rating of 67%. Obtain a detailed seismic assessment. Existing building is unlikely to be able to be brought up to IL4/675NBS.	Rare	Significant	3	Medium Threat
2		Seismic event	Threat	Injury to occupants. Building is not operational after seismic event. Cannot run Civil Defence emergency procedures from the building.	Taupo District Council	Possible	Major	12	High Threat	Live	Monthly	Taupo District Council requires an IL 4 building with an NBS rating of 67%. Obtain a detailed seismic assessment. Existing building is unlikely to be able to be brought up to IL4/675NBS.	Rare	Significant	3	Medium Threat
3		Significant seismic event outside of office hours - damage to property	Threat	Building failure / collapse. Building is not operational after seismic event. Cannot run Civil Defence emergency procedures from the building.	Taupo District Council	Possible	Major	12	High Threat	Live	Monthly	Taupo District Council requires an IL4 building with an NBS rating of 67%. Existing building is unlikely to be able to be brought up to IL4/67% NBS.	Rare	Significant	3	Medium Threat
4		Safety to occupants from unfixed fixtures and floor between levels from earthquake	Threat	Objects such as shelving, ceilings, light fixtures, mechanical equipment/ducting falling during an earthquake. Injury to staff.	Taupo District Council	Likely	Significant	12	High Threat	Live	Monthly	Secure shelving to walls. Investigate and carry out seismic gap/restraint requirements for existing services and ceiling grid. Does this impact on asbestos?	Unlikely	Moderate	4	Low Threat
5		Fire - death or injury as a result of non-compliance within the building	Threat	Death or injury caused by fire to occupants. If a fire broke out what would the impact be on the occupants and surrounding neighbours of non-compliant fire systems and/or existing asbestos burning?	Taupo District Council	Possible	Critical	15	Extreme Threat	Live	Monthly	No report has been undertaken. Fire egress routes, fire protection, fire separation cells, fire doors should all be investigated by a qualified Fire Engineer. Given the high likelihood of non-compliances and associated cost to fix the most appropriate mitigation is an alternative facility that complies with current code.	Rare	Significant	3	Medium Threat
6		Fire - destruction of building as a result of non-compliance	Threat	Building being damaged by fire or completely unusable.	Taupo District Council	Unlikely	Critical	10	High Threat	Live	Monthly	No report has been undertaken. Fire egress routes, fire protection, fire separation cells, fire doors should all be investigated by a qualified Fire Engineer. Or given the high likelihood of non-compliances and associated cost to fix the most appropriate mitigation is an alternative facility that complies with current code.	Rare	Significant	3	Medium Threat
7		Failure of building as a result of durability issues, especially over next 5-10 years	Threat	Weather-tightness issues and services (mechanical, fire, plumbing etc) failure resulting in occupancy discomfort, costly repairs and high running costs.	Taupo District Council	Likely	Major	16	Extreme Threat	Live	Monthly	Existing building is close to the end of its lifespan in a lot of areas. A more detailed investigation is required to advise remediation requirements and costs. However given the extent of work required it is unlikely to be a long term and cost effective solution. Or to mitigate this risk cost effectively is likely to involve an alternative facility that is in good condition with long remaining lifespan.	Unlikely	Low	2	Low Threat
8	Operations	Ongoing maintenance issues and increasing costs of maintaining a deteriorating building	Threat	Misspent money, is it prudent? Financial impact if maintenance is not carried out regularly. Lack of confidence in Council if money is spent on a building that will not be Fit For purpose (IL4 in Civil Defence).	Taupo District Council	Likely	Significant	12	High Threat	Live	Monthly	Existing building is close to the end of its lifespan in a lot of areas. A more detailed investigation is required to advise remediation requirements and costs. However given the extent of work required it is unlikely to be a long term and cost effective solution. Or to mitigate this risk cost effectively is likely to involve an alternative facility that is in good condition with long remaining lifespan.	Unlikely	Moderate	4	Low Threat
9		Accessibility, escape routes within existing building	Threat	Widen corridors, installing accessible toilets and to bring the building up to current accessibility standards would be expensive and would have significant impact on occupants. To widen corridors may result in exposing the asbestos and therefore this would also have to be removed during the process.	Taupo District Council	Possible	Critical	15	Extreme Threat	Live	Monthly	Obtain an accessibility report. Cost up the recommendation within that report.	Unlikely	Moderate	4	Low Threat

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Risk Review Date: 8 June 2017
 Risk Facilitator: Fred Terblanche
 Phase of Project:
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						Likelihood	Consequence	Risk Score	Risk Level				Likelihood	Consequence	Risk Score	Risk Level
10		Lateral spread from liquefaction in seismic event increases safety and extent damage risks	Threat	Building structure significantly damaged as not designed for latest codes and possibly liquefaction.	Taupo District Council	Unlikely	Major	8	High Threat			Obtain a geotechnical report. If major implications it will be difficult to upgrade existing building. Or to mitigate this risk cost effectively is likely to involve an alternative facility that is purpose designed.	Unlikely	Significant	6	Medium Threat
11		Strength of weakest building and connection to other buildings	Threat	Structural failure or weathertightness failure in these connection points. Council building not meeting IL4 obligations in a civil defence emergency.	Taupo District Council	Possible	Significant	9	High Threat	Live	Monthly	Seismic / structural investigation and design of connection. Or to mitigate this risk cost effectively is likely to involve an alternative facility	Unlikely	Moderate	4	Low Threat
12		Freak events, e.g. car crash into building	Threat	Building damage, injury or death to staff.	Taupo District Council	Unlikely	Moderate	4	Low Threat	Live	Quarterly	H&S investigation into any potential hazards on site such as roof access ladders, bollards at road frontage.	Unlikely	Moderate	4	Low Threat
13		Refurbishment - uncertainty of timeframes and unforeseen costs once works commence	Threat	Cost blowout once construction works commence. Increased business disruption.	Taupo District Council	Possible	Significant	9	High Threat	Live	Monthly	Further comprehensive investigations from consultants to ascertain further certainty. Or to mitigate this risk cost effectively is likely to involve an alternative facility requiring no refurbishment.	Rare	Moderate	2	Low Threat
14		Technical design risk - ensuring derived solution is fit for purpose	Threat	The problems around the building and structure are technically complex.	Taupo District Council	Possible	Significant	9	High Threat	Live	Monthly	Appropriately experience consultants and obtaining peer reviews as required. Or to mitigate this risk cost effectively is likely to involve an alternative facility	Unlikely	Significant	6	Medium Threat
15		Refurbishment - replacement plant would have longer lifespan than the building	Threat	Services whole of life costs not optimised as building likely to be demolished by then.	Taupo District Council	Likely	Significant	12	High Threat	Live	Monthly	Obtain report of existing services and whole of life considerations.	Likely	Moderate	8	Medium Threat
16		Asbestos as is within the building - risks during removal and residual	Threat	Potential for health problems, illness and death from asbestos exposure. Financial implications if prosecuted and Council hadn't taken all practicable steps to ensure the H&S of staff.	Taupo District Council	Almost Certain	Critical	25	Extreme Threat	Live	Monthly	Asbestos to be removed and/or made safe. Or to mitigate this risk entirely is likely to involve an alternative facility with no asbestos.	Unlikely	Significant	6	Medium Threat
17		Airborne asbestos as a result of an event	Threat	Health of occupants, disruption to business & operations, impacts on neighbours and environment	Taupo District Council	Unlikely	Critical	10	High Threat	Live	Monthly	Asbestos to be removed and/or made safe. Or to mitigate this risk entirely is likely to involve an alternative facility with no asbestos.	Rare	Moderate	2	Low Threat
18		Movement of building in heavy rain and high winds	Threat	Water ingress if flashings are dislodged in high winds. Flashing could hit and injure/cause death to passerby or cause damage to neighbouring property.	Taupo District Council	Unlikely	Major	8	High Threat	Live	Monthly	Maintenance/refurbishment of cladding materials.	Unlikely	Moderate	4	Low Threat

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						Qualitative							Qualitative			
						Likelihood	Consequence	Risk Score	Risk Level				Likelihood	Consequence	Risk Score	Risk Level
19		Building not being able to achieve 67% NBS and IL4	Threat	Severe impact on lifesafety both occupants of building and community as building could be severely damaged and out of action. Civil Defence emergencies would need to be coordinated from a different building with an IL4 rating. Makeshift facility also unable to provide TDC level of service to community	Taupo District Council	Likely	Critical	20	Extreme Threat	Live	Monthly	To mitigate this risk cost effectively is likely to involve an alternative facility that meets IL4, 67%NBS.	Rare	Major	4	Medium Threat
20		Market value of asset if refurbished is less than the cost incurred to do it	Threat	Over-capitalised asset. Disclosure to ratepayers of over-capitalisation. Council reputation.	Taupo District Council	Possible	Major	12	High Threat	Live	Monthly	Obtain a valuation from a Registered Valuer for the existing building versus a new building in current location. Or to mitigate this risk cost effectively is likely to involve an alternative facility .	Unlikely	Moderate	4	Low Threat
21		Obtaining a building that is fit for purpose - functionality, future-proofing, image, workplace efficiency, inflexibility, customer experience, comfort and attractiveness, organisational culture	Opportunity	Obligations around levels of service to community compromised. Fire egress compliance Fire Protection compliance. Staff working efficiently and effectively. Talent attraction. Team's working collaboratively and morale is high. High productivity and value for money for rates.	Taupo District Council	Unlikely	Major	-8	Very Good Opportunity	Live	Monthly	Refurbishment of existing building and/or moving to an existing building is unlikely to fully maximise the available opportunity. To do this is likely to involve a purpose designed new facility.	Almost Certain	Major	-20	Excellent Opportunity
22		Reputational risks around life safety, sustainability, durability, customer experience.	Threat	Lack of confidence from community and rate payers over Council's operations. Council credibility dented.	Taupo District Council	Likely	Major	16	Extreme Threat	Emerging	Monthly	Investigate options: 1). Upgrade existing building to IL4, with 67% NBS. 2). Demolition of existing building and build a new IL4 building. 3). Relocate into an existing IL4 building.	Unlikely	Moderate	4	Low Threat
23		Reputation lost through doing nothing, doing the wrong thing or moving prematurely or too late	Threat	Ratepayers feeling annoyed that their rates payments are being wasted on Council offices.	Taupo District Council	Possible	Major	12	High Threat	Live	Monthly	Thorough investigation of all possible options, outcomes and feasibility of those different options. Be decisive based on clear reasoning and communicate those transparently to all stakeholders.	Unlikely	Moderate	4	Low Threat
24	People & Culture	Not meeting H&S obligations under the HSE Act in terms of health, wellness, safety for staff, customers and other building users, e.g. maintenance contractors	Threat	Existing building condition presents risks to all occupants. Prosecution if all practical steps have not been undertaken to ensure the safety of staff	Taupo District Council	Likely	Major	16	Extreme Threat	Live	Monthly	Refurbish as required. Or to mitigate this risk most effectively is likely to involve an alternative facility .	Unlikely	Moderate	4	Low Threat
25		Inability to attract / retain staff with outdated facilities	Threat	Under-resourced. Not getting the best personnel for the job. High staff turnover.	Taupo District Council	Likely	Significant	12	High Threat	Live	Monthly	Workplace surroundings and team interaction is integral in employing and maintaining staff.	Rare	Moderate	2	Low Threat
26		Psychological impact on staff knowing that there are issues in the present building	Threat	Affects productivity and morale	Taupo District Council	Likely	Moderate	8	Medium Threat	Parked	Monthly	Workplace surroundings and team interaction is integral in employing and maintaining staff. Refurbishment of existing building, will require the relocation of existing staff throughout the construction period.	Rare	Low	1	Low Threat

PROJECT TITLE: Taupo District Council - Civic Administration Building

Risk Review Date: 8 June 2017
 Risk Facilitator: Fred Terblanche
 Phase of Project:
 Stage of Project:



Risk ID	Risk Title	The risk: what can happen and how can it happen	Threat / Opportunity	What are the consequences of the event?	Risk Owning Organisation	Current Risk Level				Risk Status	Review Frequency	Risk Treatment Actions	Residual Risk Level			
						Qualitative							Qualitative			
						Likelihood	Consequence	Risk Score	Risk Level				Likelihood	Consequence	Risk Score	Risk Level
27	Financial	Costs - based on prelim information could be out of date and/or out of scope	Threat	Cost blowout once construction works commence. Unplanned rates increases, having to disclose those to rate payers, councillors and community.	Taupo District Council	Possible	Major	12	High Threat	Live	Monthly	Obtain inputs from contractor(s) based on reports and/or intrusive investigations. In parallel obtain QS pricing from reports and building investigation. Re-confirm scope based on latest designs.	Unlikely	Significant	6	Medium Threat
28		Loss of asset, compromised financial position, higher risk through future uncertainty and self-insurance	Threat	Existing building condition increases catastrophic loss during significant event.	Taupo District Council	Unlikely	Critical	10	High Threat	Live	Monthly	To mitigate this risk cost effectively is likely to involve an alternative facility .	Unlikely	Moderate	4	Low Threat
29	Other	Items not identified in Consultant reports - not understanding the full extent of the assessments	Threat	Consultant reports - TDC not understanding the full extent of the assessments. Therefore during refurbishment costs will increase as they are not within the construction scope.	Taupo District Council	Possible	Major	12	High Threat	Live	Monthly	Do more investigations by consultants to ensure that everything is captured within the refurbishment scope.	Unlikely	Low	2	Low Threat
30		Minimise business disruption caused by refurbishment or construction works	Opportunity	Disruption to business & operations through better planning and/or staged occupation of completed building works.	Taupo District Council	Possible	Moderate	-6	Good Opportunity	Live	Monthly	Opportunities may exist to shorten the timeframe in temporary buildings for some aspects of council services by good planning around staging. Higher possibility in a new building construction.	Possible	Moderate	-6	Good Opportunity
31		Alternative accommodation is an opportunity for council to show leadership	Opportunity	Decisive action around the existing building safety concerns but also leading the way locally in modern building design, compliance with latest regulations, codes of practice, sustainability	Taupo District Council	Possible	Significant	-9	Very Good Opportunity	Live	Monthly	This opportunity will be maximised through a new purpose design facility.	Likely	Major	-16	Excellent Opportunity
32		Public / councillors not accepting process	Threat	Judicial review of process - initiated by, for example, ratepayers assn. Council reputation - community lack of confidence in Council.	Taupo District Council	Possible	Major	12	High Threat	Live	Monthly	Thorough investigation of all possible outcomes and feasibility of those different options. Clear and transparent communication. Community consultation.	Unlikely	Moderate	4	Low Threat
33		Wider benefits around a new well-designed council facility	Opportunity	Enhancing the urban design, amenity and character of CBD, positive impact on surrounding built environment and property values	Taupo District Council	Possible	Moderate	-6	Good Opportunity	Live	Monthly	This opportunity will be maximised through a new purpose design facility.	Possible	Significant	-9	Very Good Opportunity

Appendix C

Client Risk Assessment Matrix



Project Title: Taupo District Council - Civic Administration Building
Probability and Consequences Scoring Schedule



Note: It is recommended the Consequence Categories, the definition of the impacts at each level and the Financial and Programme values are reviewed and agreed by the Client and project stakeholders.

Threats

Descriptor	Health & Safety incident	Environmental	Financial	Programme	Reputation	Legal	Rating
Critical	Single fatality or multiple injuries leading to permanent disability or impact on health.	Incident resulting in an environmental impact taking >6 months to restore. National concern. Environmental Prosecution.	\$1M-\$5M	12 months delay	Adverse national media coverage. Significant and irrevocable damage to brand and relationship with key stakeholders and clients.	Major litigation or prosecution with damages/fines. Major breach of regulation leading to cancellation of operating license. Significant Executive management time to resolve. Custodial sentence for Senior Executive.	5
Major	Recoverable injuries resulting in admittance to hospital for treatment as an in-patient or for more than 24 hours. Non permanent impact on health.	Incident resulting in environmental impact taking up to 1 to 6 months to restore. Regional concern. Regulator enforcement action (clean up notice/injunction)	\$500K - \$1M	4-8 months delay	Adverse regional media coverage. Significant dissatisfaction to key stakeholders and clients. Damage to brand up to 6 months.	Litigation or prosecution with damages/fines. Breach of regulation leading to suspension of operating license. Significant management time to resolve.	4
Significant	Recoverable injuries requiring professional medical treatment and absenteeism from work.	Incident resulting in environmental impact taking between 1 week to 1 month to restore. Regional concern. Regulator enforcement action (minor fine)	\$50K - \$500K	2-4 months delay	Adverse regional media coverage. Significant dissatisfaction to community groups, key regional stakeholders and clients. Damage to brand between 1 and 3 months.	Major breach of regulation with punitive fine. Involvement of senior management.	3
Moderate	Recoverable injuries requiring professional medical treatment but no absenteeism from work.	Incident resulting in possible short term irreversible damage, taking up to 1 week to restore. Local concern. Verbal warning from regulator	\$10K - \$50K increase	1-2 months delay	Adverse local media coverage. Dissatisfaction to community groups, lobby group, local stakeholders and clients. Damage to brand up to 1 month.	Breach of regulation with investigation or report to Authorities with possible prosecution and fine	2
Low	Recoverable injuries manageable with insitu first aid treatment.	Incident resulting in no environmental impact and no action from regulator	\$1000-\$10K increase	< 1 Weeks delay	No media coverage. Issues managed directly with individual stakeholder and client with minimal impact on brand.	Minor legal issues, non-compliances and breaches of regulation.	1

Descriptor	Probability	Frequency	Description	Rating
Almost Certain	>50%	Greater than once a year	The threat is expected to occur in most circumstances.	5
Likely	20% - 50%	Once per 1 - 5 years.	The threat will commonly occur in most circumstances.	4
Possible	10% - 20%	Once per 5 - 10 years.	The threat may occur occasionally.	3
Unlikely	1% - 10%	Once per 10 - 50 years.	The threat could infrequently occur.	2
Rare	<1%	Less than once per 50 years	The threat may occur only in exceptional circumstances.	1

Opportunities

Descriptor	Health & Safety incident	Environmental	Financial	Programme	Reputation	Rating
Critical	Prevention of single fatality or multiple injuries leading to permanent disability or impact on health.	Innovation resulting in an environmental enhancement leading to national recognition.	> \$??K saving	> ? months saving	Positive national media coverage. Significant enhancement of brand and relationship with key stakeholders and clients.	5
Major	Prevention of incident causing recoverable injuries resulting in hospitalisation or non permanent impact on health.	Innovation resulting in an environmental enhancement leading to regional recognition.	\$??K - \$??K saving	? - ? months saving	Positive regional media coverage. Significant enhancement of brand and relationship with key stakeholders and clients.	4
Significant	Prevention of incident causing recoverable injuries requiring professional medical treatment and absenteeism from work.	Innovation resulting in an environmental enhancement leading to regional recognition.	\$??K - \$??K saving	? - ? months saving	Positive regional media coverage. Significant enhancement of brand and relationship with community groups, key regional stakeholders and clients.	3
Moderate	Prevention of Recoverable injuries requiring professional medical treatment resulting in minimal absenteeism from work.	Innovation resulting in a minor environmental enhancement leading to regional recognition.	\$?K - \$?? K saving	? - ? months saving	Positive local media coverage. Enhancement of brand and relationship with community groups, lobby group, local stakeholders and clients.	2
Low	Prevention of recoverable injuries manageable with insitu first aid treatment.	Innovation resulting in a minor environmental enhancement leading to client recognition.	< \$??K saving	< ? weeks saving	No media coverage. Enhancement of brand and relationship with individual stakeholder/client.	1

Descriptor	Probability	Description	Rating
Almost Certain	>90%	The opportunity is almost certain to be realised.	5
Likely	75% - 90%	The opportunity is expected to be realised in most cases.	4
Possible	50% - 75%	The opportunity will probably be realised.	3
Unlikely	25% - 50%	The opportunity is unlikely to be realised.	2
Rare	<25%	The opportunity is very unlikely to be realised.	1

Appendix D

Risk Likelihood and Consequence Matrix





Risk Likelihood and Consequence Matrix and Risk Escalation Thresholds

Threat Matrix

Probability	Consequence				
	Low (1)	Moderate (2)	Significant (3)	Major (4)	Critical (5)
Almost Certain (5)	Medium Threat	High Threat	High Threat	Extreme Threat	Extreme Threat
Likely (4)	Medium Threat	Medium Threat	High Threat	Extreme Threat	Extreme Threat
Possible (3)	Low Threat	Medium Threat	High Threat	High Threat	Extreme Threat
Unlikely (2)	Low Threat	Low Threat	Medium Threat	High Threat	High Threat
Rare (1)	Low Threat	Low Threat	Medium Threat	Medium Threat	High Threat

Threat Magnitudes	Acceptability	Urgency for Implementation of Treatment	Authority for Tolerance of Threat
Extreme Threat	Not permitted unless approved by the Board	Do not proceed. All controlled threats assessed as extreme shall be notified immediately to senior management. Where relevant solutions to reduce the threat level should be developed and implemented as far as reasonable practicable. These are to be monitored and reported monthly until completed.	Elected Members, Chief Executive Officer
High Threat	Only acceptable if not reasonably practicable to reduce level of Threat	Do not proceed. All controlled threats assessed as high shall be discussed with the Job Director to agree mitigation and reported to the General Manager, Managing Director. Where relevant solutions to reduce the threat level should be developed and implemented as far as reasonable practicable. These are to be monitored by the Job Director until completed.	Chief Executive, General Manager or above
Moderate Threat	Acceptable Threat with controls and approval	Moderate level risks can be accepted by the Job Director where the threat has been identified and relevant solutions to reduce the threat level have been developed and implemented. These are to be monitored by the Job Manager until completed.	Project Sponsor or next level of management
Low Threat	Acceptable Threat	Low Level threat can be accepted by the Job Manager. In most cases threats at this level are unlikely to require further action to be undertaken. Where further action is required this is to be monitored by the Job Manager or appropriate delegated person.	Project staff or equivalent

Opportunity Matrix

Probability	Consequence				
	Low (-1)	Moderate (-2)	Significant (-3)	Major (-4)	Critical (-5)
Almost Certain (5)	Good Opportunity	Very Good Opportunity	Very Good Opportunity	Excellent Opportunity	Excellent Opportunity
Likely (4)	Good Opportunity	Good Opportunity	Very Good Opportunity	Excellent Opportunity	Excellent Opportunity
Possible (3)	Minimum Opportunity	Good Opportunity	Very Good Opportunity	Very Good Opportunity	Excellent Opportunity
Unlikely (2)	Minimum Opportunity	Minimum Opportunity	Good Opportunity	Very Good Opportunity	Very Good Opportunity
Rare (1)	Minimum Opportunity	Minimum Opportunity	Good Opportunity	Good Opportunity	Very Good Opportunity

Opportunities Magnitudes	Acceptability	Urgency for Implementation of Treatment	Authority for Tolerance of Opportunities
Excellent Opportunity		Further investigation required.	Elected Members, Chief Executive Officer
V Good Opportunity		Worth further investigation.	Chief Executive, General Manager or above
Good Opportunity		May require further review.	Project Sponsor or next level of management
Minimum Opportunity		Low opportunity for benefit to the business. Not considered worth pursuing.	Project staff or equivalent