

Asset Management Plan

Murray Burt, *Chief Engineer*

20 July Design and Delivery Committee



AT is Kaitiaki / Guardian of \$22B transport infrastructure assets for Tāmaki Makaurau



Road pavements
assets worth
\$9.6 billion
7,661 km of roads
6,843 km is sealed and
818 km is unsealed



Stormwater
assets worth
\$2.9 billion
13,542 km stormwater channel
89,141 catchpits



**Bridges, walls
and structures**
assets worth
\$1.9 billion
1,248 bridges
4,461 retaining walls
307 km railings and fences



**Footpaths and
cycleways**
assets worth
\$1.5 billion
7,460 km of footpaths
350 km of protected
cycleways



Street lighting
assets worth **0**
\$0.3 billion
122,347 street lights



**Traffic systems,
signs and markings**
assets worth
\$0.2 billion
857 controlled intersections
163,004 signs



Parking
assets worth
\$0.5 billion
250 off-street parking areas,
11 parking buildings,
969 parking payment units



Public transport
assets worth
\$1.7 billion
7 bus stations,
1,482 bus shelters,
40 rail stations,
72 electric trains
23 ferry wharves

AT manages
\$22 billion
of transport assets,
including infrastructure
assets with a replacement
value of
\$18.6 billion
Our assets are
depreciating with time
and use at a rate of
\$338 million
per year or
\$1.1 million
per day

Asset inventory as at 30 March 2021.
Total asset value of \$22 billion includes land, corporate and IT assets.

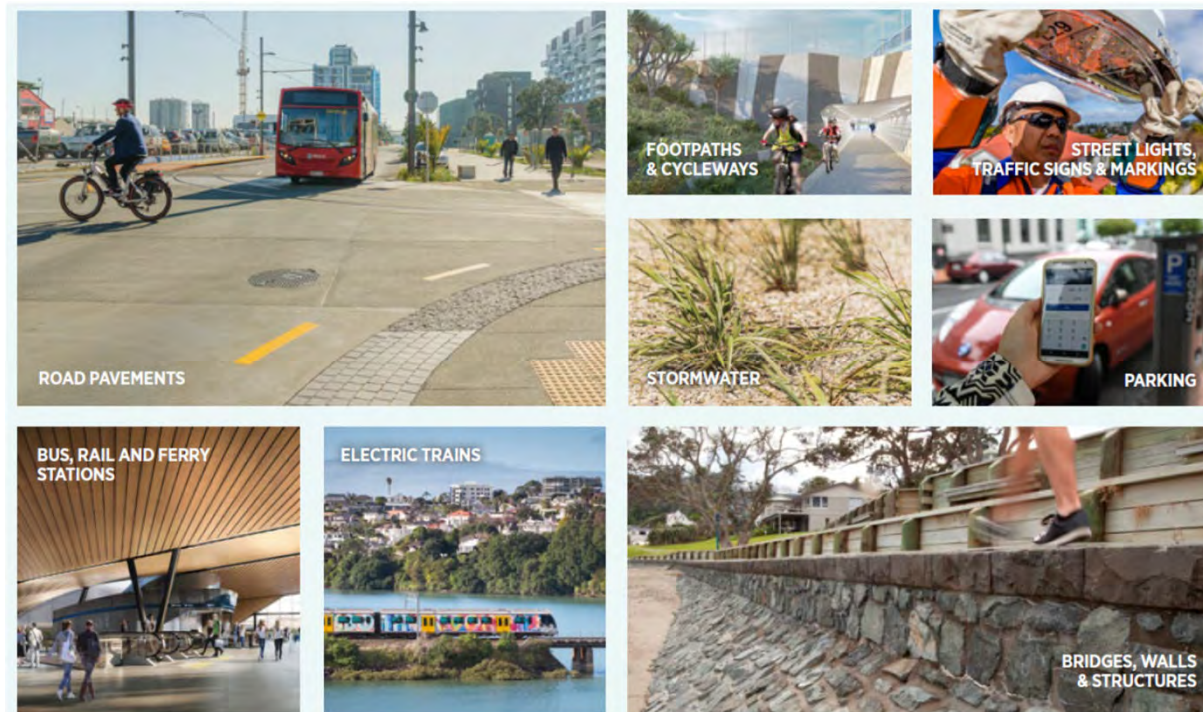


Asset Management Plan

AT prepare an Asset Management Plan (AMP) every three years to guide management of Auckland's transport infrastructure assets in the best interests of present and future customers, recommending appropriate investment for public safety, to reduce the risk of asset failure, and to maintain adequate levels of service.

The AMP is a financial planning requirement of Auckland Council's CCO Accountability Policy (s90(2)(d) LGACA); it is the Programme Business Case submitted to Waka Kotahi to fund AT's asset maintenance and renewals programme and provides part of the evidence used by Audit NZ to assess compliance with the Local Government Act (LGA).

The AMP is about looking after what we have...
Taking care of our transport assets for today and for future generations



Asset Management Investment Case

AT follows national and international best practice to develop the business case for 'right sized' investment in transport asset management.

The AMP Considers:

- Asset condition and deterioration modelling.
- Vision zero safety.
- Growth and intensification.
- Climate resilience.
- AT strategic outcomes for multi mode transport.
- Costs, resources and financial modelling.



ASSET DETERIORATION

If AT does not address asset deterioration adequately, by maintaining and renewing assets in a timely and efficient way, then safety will be compromised, customer journeys will be affected, and significant problems will be created for the region and for future generations.



ROAD SAFETY

Deaths and serious injuries on Auckland's roads are high by national and international standards, especially pedestrians, cyclists and motorcyclists. Our Vision Zero goal is to eliminate harm to all road users.



GROWTH AND INTENSIFICATION

The network requirements to address the impacts of growth and intensification will be significant, and if not met, will accelerate asset deterioration and escalate costs.



RESILIENCE

The transport network lacks resilience in the face of future challenges, including climate change, increasing the potential for significant disruption.



Unlike a business case for building a new asset, there is no 'do nothing' option in this AMP. **Our role as kaitiaki or guardians of the transport network means we must look after the public assets that have been entrusted to us and we must plan ahead to ensure that transport networks are managed and maintained to face the challenges of the future.**

Asset Renewals Investment Plan

The 2021-31 AMP recommends an appropriate level of investment of \$3.93 billion for asset renewals over the 10-year period, for public safety, to reduce the risk of asset failure, and to maintain adequate levels of service.

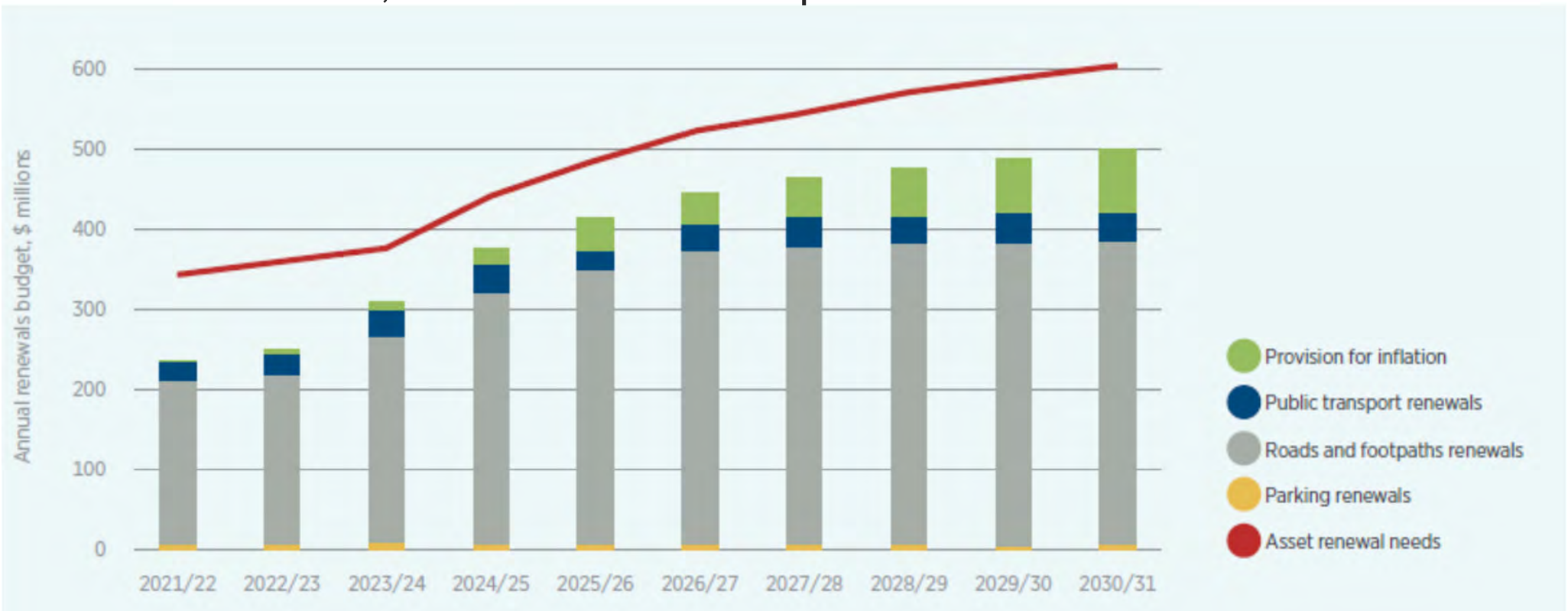


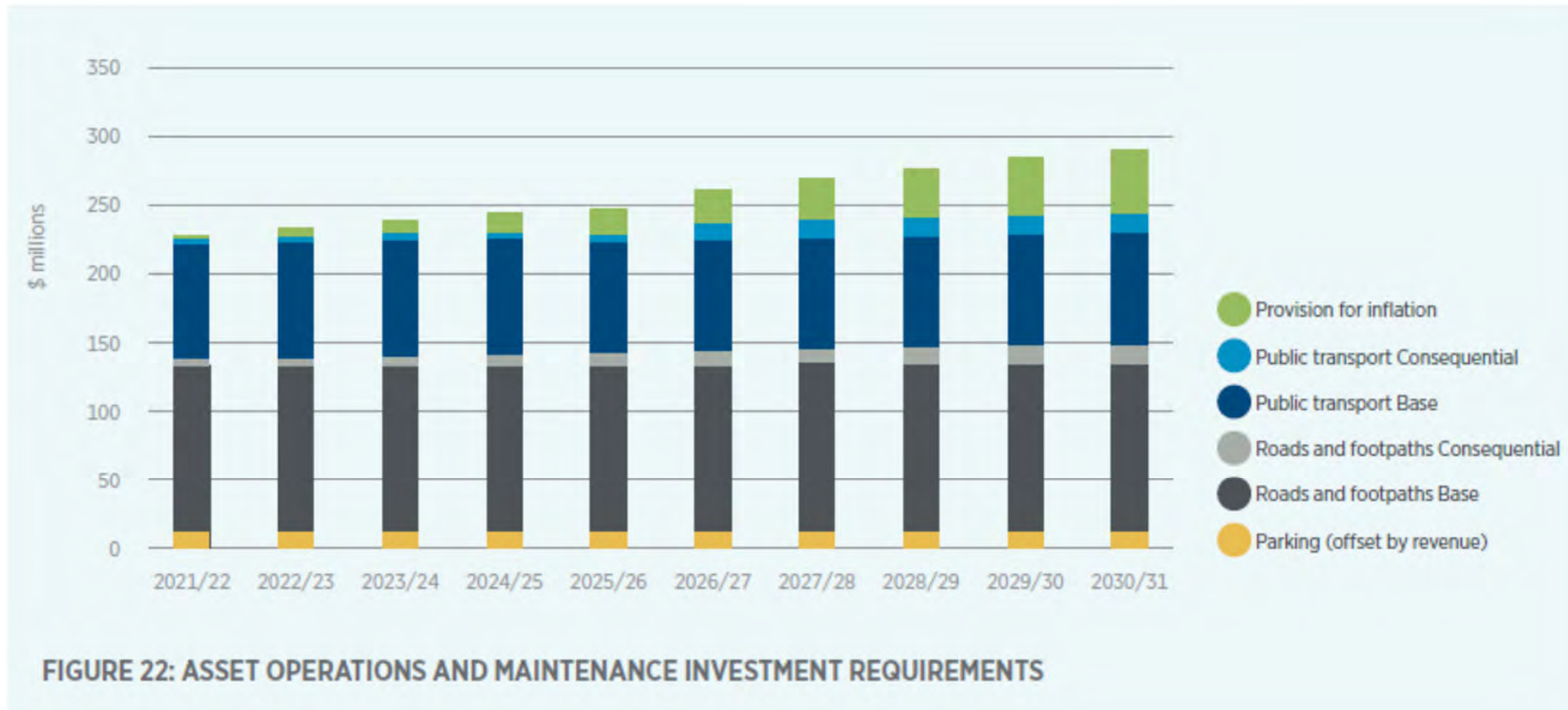
FIGURE 23: ASSET RENEWALS INVESTMENT REQUIREMENTS

- **Asset deterioration:** This plan will:
 - restrict the impacts on levels of service to less critical assets
 - ensure that assets are safe and serviceable
 - avoid additional costs caused by unexpected asset failure.



Asset Maintenance Investment Plan

The 2021-31 AMP recommends an appropriate level of investment of for asset operations and maintenance over the 10-year period, for public safety, to reduce the risk of asset failure, and to maintain adequate levels of service.



Waka Kotahi Feedback on the AMP

- The funding recommendations of the AMP were included in the RLTP and ATAP and endorsed by Cabinet in March 2021.
- The AMP was accepted by Waka Kotahi as the programme business case for AT's maintenance, operations and renewals (MOR) programme funding. The AMP was assessed favourably by Waka Kotahi, comments below:
 - *“Excellent AMP, strengthening the concept of stewardship and fitness of the assets for future purpose”.*
 - *“The business case aligns completely with Government priorities, particularly with ATAP (The Auckland Transport Alignment Project), which is an agreement between central and local government on investment priorities for the Auckland region. AT's bid for Maintenance, Operations and Renewals (MO&R) funding in NLTP 2021-21 is aligned with the ATAP 10-year forecast, and Arataki.”*
 - *“AT is currently in a six year ‘renewals holiday’, as they pull back from early intervention and accept more ‘sweating of the asset’ than in previous consultant driven programmes. AT's ‘recycle’ period for assets renewals is in line with or in some cases even longer than other local government networks.”*
 - *“It is more important than ever that the NLTP fully funds a ‘right-sized’ MO&R programme in order to avoid the ‘time bomb’ effect of significant under-investment. A systemic and enduring under-funding situation would lead inevitably to a deteriorating network from which it would be difficult or impossible to recover. This would be a failure of stewardship which would pass the problems to future generations.”*

The Funding Gap

Waka Kotahi Board considered overall national affordability and published their intention to co-invest (51% FAR) in the AT maintenance, operations and renewals (MOR) programme over the next 3 years. BUT at a lower level than recommended in AT's AMP:

- road asset management funded to \$866 million - 21 percent lower than the AMP recommendation of \$1,103 million.
- public transport asset management funded to \$118 million, - 26 percent lower than the AMP recommendation of \$159m.
- This equates to a shortfall of \$142 million over the first 3 years (based on 51% FAR).

The table below highlights some key differences between the submission to Waka Kotahi and the indicative approval for key elements of MOR:

Work Category	Work Category Name	2021-24 (\$m)		Variance	
		Bid	Indicative approval	\$m	%
Maintenance & Operations					
122	Traffic services maintenance	106.0	100.0	6.0	6%
123	Operational traffic management	51.7	35.0	16.7	32%
Renewals					
211	Unsealed road metalling	6.5	6.0	0.5	8%
212	Sealed road surfacing	239.0	125.5	113.5	47%
214	Sealed road pavement rehabilitation	137.0	105.0	32.0	23%
215	Structures component replacement	53.1	34.5	18.6	35%
222	Traffic services renewals	82.4	61.8	20.6	25%
225	Footpath renewal	73.5	45.0	28.5	39%

Impacts of Reduced Investment

- The 2021 AMP defines an appropriate level of investment in asset renewals and maintenance. Balancing available resources, risk and level of service.
- Reduced levels of investment will result in increased risk of asset failure, and lower levels of service, potentially impacting public safety and customer satisfaction.



Customer Safety and Satisfaction Impacts ¹⁰

Reduced investment in road resurfacing and renewals increases risk of accelerated pavement deterioration, and can contribute to hazardous driving conditions, especially for motorcyclists.



Hunua Road
(1,121 heavy vehicles per day)

Reduced investment in footpath renewals will result in reduced levels of service for pedestrians and may create a hazardous walking environment.



Reduced investment in structures component replacement increases the risk of accelerated structure deterioration and potential for failure. It may also introduce the requirement for traffic load limiting on bridge structures.

