

Auckland Transport

2012-2015 Asset Management Plan

Glossary

Auckland Council	(AC)
Asset Management	(AM)
Asset Management Plan	(AMP)
Auckland Transport	(AT)
Integrated Transport Plan	(ITP)
Long Term Plan	(LTP)
Regional Land Transport Programme	(RLTP)
Statement of Intent	(SOI)

Executive Summary

The purpose of this paper is to seek Auckland Transport Board approval for publication of the AT Asset Management Plan (AMP) covering the period 2012 to 2015. The Office of the Auditor General's Criteria for assessing Asset Management Plans requires Board Approval of an organisation's Asset Management Plans as a demonstration of commitment.

The Local Government Act 2002, [the Act], requires Auckland Council (AC) to:

- Publish a Long Term Plan (LTP)
- Prepare a range of policies including Significance, Funding and Financial Policies
- Identify community outcomes and priorities
- Provide information on the assessment and management of changes in demand or service levels

The AMP is a significant contributor to the transport component of the LTP in demonstrating compliance with Schedule 10 of the above Act.

The AMP provides details of maintenance, renewal and improvement work programmes to meet the agreed levels of service required from the transport system. It informs the LTP and the RLTP by documenting the levels of service of the network, identifying risks and mitigating measures and detailing the asset life cycle management strategies and their long-term investment needs. The AMP is the primary AT document addressing the requirements of the Local Government Act 2002, providing details of the transport network needs for the first 3 years of the plan, with summarised requirements for years 4 to 10. This AMP is required to be published in June 2012 and a new one will be required in June 2015.

The draft of the AMP has been peer reviewed by Audit NZ and Auckland Council with no significant issues raised. These reviews did however acknowledge that AT is in the early stage of developing region wide asset management practices, and stressed the importance of a robust improvement plan process.

As a result of developing the AMP, AT has identified a potential funding gap between the network needs and the level of funding available. The magnitude and implications of this gap will only become fully apparent once the LTP is finalised in late June 2012.

The full AMP will be available in hard copy and posted on the AT website in July 2012.

Recommendations

It is recommended that the Board:

- i). Receive the report.
- ii). Approves the first Auckland Transport Asset Management Plan 2012 to 2015.
- iii). Delegates authority to the Chief Executive to publish the final Asset Management Plan 2012 to 2015, incorporating any subsequent changes resulting from the final Long-Term Plan and the Regional Land Transport Programme.

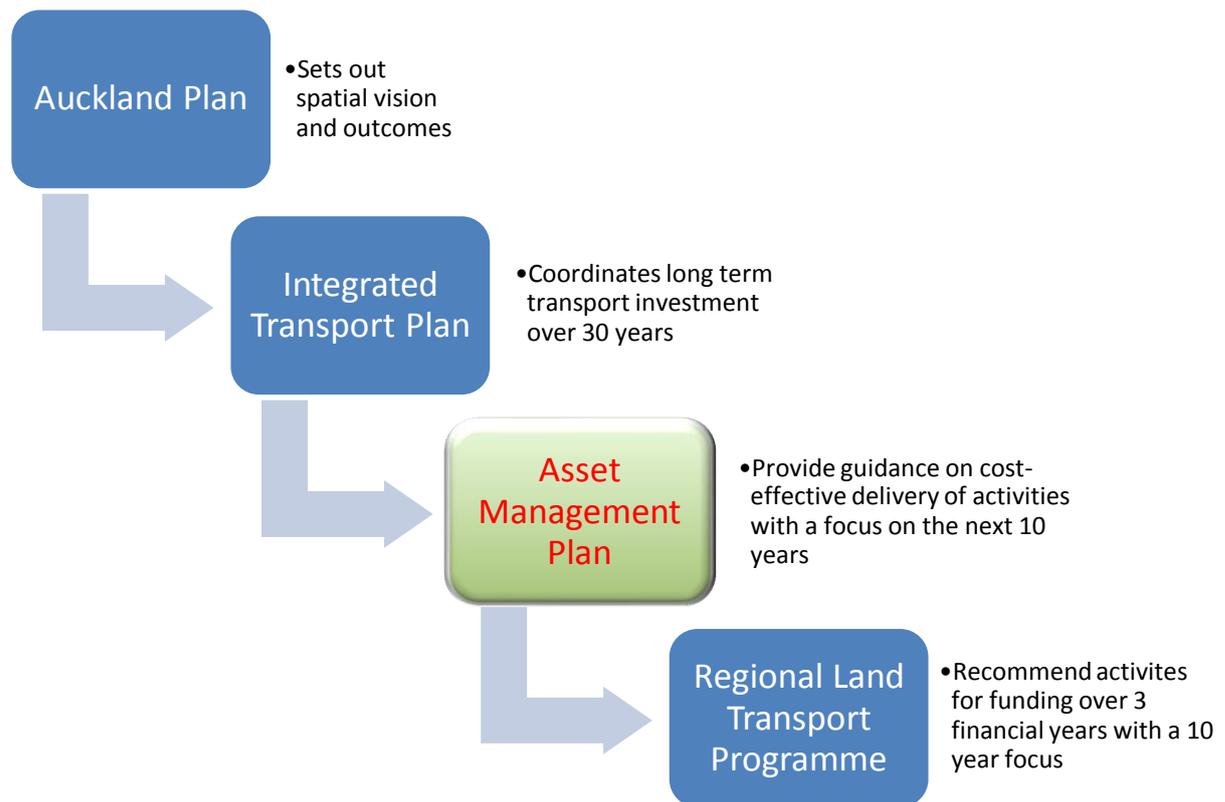
Strategic Context

The AC Statement of Intent (SOI) for AT identifies six impact areas that AT's performance is measured against between 2012 and 2015. The AMP is aligned with and gives effect to these impacts, with specific focus on the "Better use of transport resources to maximise return on existing assets".

The AMP is also aligned with the Integrated Transport Plan, for example in relation to the level of service to be delivered, planning assumptions and lifecycle management strategies. While both plans are complementary with some there is some common ground between them, they have distinct roles:

- The Integrated Transport Plan strategically coordinates the planning of the Auckland Transport network with the other transport network providers to prioritise and sequence investment over the next 30 years to deliver the spatial vision, outcomes and other requirements of the Auckland Plan.
- The Asset Management Plan focuses on the next 10 years, providing tactical and operational guidance to Auckland Transport to ensure the detailed activities needed to give effect to the Integrated Transport Plan are delivered in an efficient and effective manner. It also provides a formal performance monitoring and reporting framework for Auckland Transport to demonstrate that its statutory obligations under the Local Government Act 2002 are being met.

These two plans are being published together, to provide the evidence base for the 2012 Regional Land Transport Programme and to support Auckland Council's Long Term Plan. The relationship between these plans are illustrated below.



The strategic alignment and context of the AMP with other key plans is detailed in Attachment 1.

Background

Auckland's transport network comprises the most extensive and valuable infrastructure assets in the region. To ensure that the network is utilised to its maximum potential, Auckland Council, with assistance from central government, invests in maintaining, renewing and improving the network. The task of managing this work is undertaken by Auckland Transport.

Auckland Transport's 2012-15 AMP encompasses both the region's physical transport infrastructure and its public transport services such as buses, trains, and ferries and their supporting systems. It identifies the investment that will be needed over the next 10 years (first 3 years in detail) in maintaining, renewing, operating and improving the transport network so that it contributes effectively and efficiently to the vision and outcomes of the Auckland Plan.

To deliver best value for money, Auckland's transport network is being planned and managed as "One System", in conjunction with the New Zealand Transport Agency's state highways and KiwiRail's railway infrastructure. This is being achieved through the collaborative development of the Integrated Transport Plan by Auckland Transport and NZTA, to give effect to the Auckland Plan.

In developing this AMP, the Board have considered two previous reports:

AT Board Report	Date	Board Decision
Asset Management and Levels of Service Frameworks	April 2011	Approved AM and LOS frameworks
Draft Transport Asset Management Plan	November 2011	Approved the submission of Draft AMP for formal review by Audit NZ

The draft AMP completed in November 2011 has been used to:

- Obtain a positive technical peer review of progress towards final publication
- Inform the network investment needs for the draft LTP and RLTP
- Obtain a positive formal review by Audit NZ and Auckland Council
- Obtain informal feedback from NZTA.

The Auditor-General has prepared organisational criteria for assessing conformity to “Core” and “Advanced” levels of asset management practice. These are detailed in Attachment 2. An initial assessment of the November 2011 draft AMP indicated that AT currently meets the criteria for operating at a “Core” level.

The final draft of the AMP has now been completed. It has been updated to include the latest asset information and the revised long-term needs of the transport network. The structure of the AMP is detailed in Table 2 of Attachment 1 (page 10), with an overview of the contents and investment needs in Attachment 3.

Consultation

The Asset Management team has ensured that the development of the AMP has been aligned with the requirements of key internal and external stakeholders. Regular feedback has been obtained throughout the development process to ensure that the published version meets stakeholder requirements.

Key Findings

The following conclusions have been reached from the final draft of the AMP:

- Overall the condition of the transport network, both across PT and Rooding is considered to be moderate to good; however there is a sizeable portion of the network without reliable condition information. The asset groups for which there is insufficient condition assessment information are drainage, bridges, streetlights, bus facilities and ferry wharves (Attachment 4).
- Current target levels of service inherited from the legacy organisations will be maintained unless revised through the development of the new LTP for 2012-15.

- In order to maintain current levels of service for roading, an average annual expenditure (uninflated) over the next 10 years of \$191m for renewals and \$208m for operations and maintenance is required.
- In order to maintain current levels of service for public transport, an average annual expenditure (uninflated) over the next 10 years of \$9m for renewals and \$255m for operations and maintenance is required.
- Capital investment required to match current targeted levels of service with demand growth projections is estimated at a level of approximately \$606m per annum uninflated (excluding renewals).
- In this AMP the future networks needs have been derived using historical expenditure as only limited information is available to predict the future requirements using deterioration modelling at this time. Predictive modelling capability is planned to be enhanced through the proposed asset management improvement programme for the whole network and as such, future requirements will be increasingly based on predictive modelling.
- In this AMP, the use of optimisation techniques to determine future investment needs is limited by current asset management systems, data and processes. This situation will improve with the development of optimised decision making systems through the AM improvement plan.
- Gaps in asset management knowledge will be rectified through a robust improvement programme and will result in the AMP being revised over time.
- The future investment needs identified through the AMP were used as the starting point of the draft LTP finalised in Dec 2011. The LTP proposals have since undergone a number of changes and it will be finalised late June 2012.

In terms of the identified future investment needs, it is to be noted that:

- The 10 year investment profile identified through the AMP will be needed to maintain current levels of service of the network
- Considering the current limitations on funding availability (NZTA and AC), it is likely that the actual funding available through the 2012/15 LTP will be less than these AMP identified investment needs
- If this scenario eventuates it is likely that reductions in target levels of service will result. The implications of this will be incorporated into the next AMP.

Improvement Plan

The Asset Management team has undertaken significant work in consolidating the existing asset information from the legacy organisations to produce the AMP. This has put in place the base technical data to define the individual asset life cycle management plans and to support investment decisions. Work now needs to continue over the next three year AMP cycle, to further develop and refine the data and analysis to achieve, within the next 3 to 5 years, "Advanced" asset management status as defined by the Auditor General.

To set a framework for the future development of the AMP, a prioritised improvement plan together with indicative costs has been produced. This is included as Attachment 5.

The key asset management improvement activities that have been identified and included in the final AMP are:

- **Asset Management Practice**
Complete a formal review of Auckland Transport asset management practice
- **Asset Data Quality**
Improve the quality of asset data in AM systems to ensure commonality across inherited data
- **Condition Assessment**
Complete a condition assessment programme for high risk assets as a priority and implement a routine condition survey programme for all transport assets
- **Operations & Maintenance**
Rationalise monitoring and reporting frameworks and operational procedures between internal AT groups
- **Life Cycle Management Plans**
Review and enhance alignment between life cycle management plans and customer expectations
- **Sustainability**
Further develop policies and strategies to promote sustainability through innovative solutions
- **Risk Management**
Further develop the asset management risk management process, including criticality, vulnerability and resilience requirements
- **Levels of Service Options and Costs**
Establish investment levels needed for different levels of service options
- **Optimised Decision Making Process**
Support the development of a robust optimised decision making process through the ITP
- **Renewal Programming**
Develop robust renewal programmes on a regional basis across all asset groups
- **Financial Planning**
Implement a financial planning model to facilitate the development of long-term financial plans

The funding required to implement these AM improvement programmes over a 3 year horizon are included in the Draft LTP.

Attachments

Attachment 1 - AMP Strategic Context

Attachment 2 - Auditor General's Criteria for Assessing Conformity

Attachment 3 - AMP Overview (draft only)

Attachment 4 - Asset Condition Summary

Attachment 5 - Summarised AMP Improvement Plan

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