Case Study

Best Practice Asset Management

An example of an Activity Management Plan, published by the Best Practice Asset Management Working Group

Case Study AMP 02- 2014
The Best Practice Asset Management Working Group was established by the Road Efficiency Group to harness and promote the existing body of good asset management practices. A dynamic working group with regularly changing members, the working group is made up of representatives from eight road controlling authorities.

The Best Practice Asset Management Working Group regularly publishes materials and case studies related to asset management guidance and practices.

The group's goal is to:

- identify existing best practices that should be taken up by industry
- promote adoption of these practices throughout the sector through sharing of case study learning's
- highlight gaps in best practice guidance to existing industry bodies.

This package contains the Roads and Footpaths - Activity Management Plan (developed by Waipa District Council) and related materials, such as relevant comments on the Plan by NZ Transport Agency.

This plan and other materials included in this package are not to be used as a template for other plans. Rather, the aim is to provide guidance on how certain aspects of this plan can inform the development of other plans.

**IMPORTANT:** Given that the Waipa District Council AMP was developed for 2012, it does not yet incorporate the business case approach or the One Network Road Classification adoption that will be required in future AMPs.

For further information on this resource and to find out about other best practice resources, please email

roadefficiency@nzta.govt.nz

or visit our website

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4. Road Corridor Maintenance Intervention Strategy ............................. Error! Bookmark not defined.
5. Related Materials
Dawn Inglis, Road Corridor Manager at Waipa District Council, makes the following comments:

“At Waipa District Council, we are fortunate that we are managing a rural provincial network and our assets are in a fairly good condition. We have a good, solid network, and although we are experiencing some growth, this is not affecting the network too much. We don’t really have any significant congestion issues.

“All of our infrastructure asset management planning follows the same model. It’s a corporate template we adopted some time ago, it’s got a sensible flow to it and tells the story quite well. We have a dedicated group for technical administrative support, so they keep the overview and make sure the right model is used, timelines are met, and support is provided if needed.

“Our Transport AMP only gets formally reviewed every three years, although we do consider it a living document; it is supported by other plans, such as our Maintenance Intervention Strategy which is essentially a maintenance management plan. It details how we will achieve a certain level of service which is often hidden away in contract documents – everything is very transparent and out in the open.

“This transparency really is a key element of how we operate, and it allows us to properly align our technical performance measures with our expected levels of service.

“We have a very good planning and investment team at the NZ Transport Agency here in the Waikato. They are working right alongside us. The AMP audit that they undertook with us recently showed a couple of areas where we can improve and that is what we’ll do.

“For example, the Transport Agency commented on our risk identification section and that we had not looked at risk as holistically as we might have. We had acknowledged this as whilst we had noted it for specific areas, we hadn’t really tackled overall network risks. We have subsequently applied the RIMS best practice risk guidelines, and when we formally adopt our Transport AMP in 2015, that will all be in there. So in that respect the audit is a great tool, it gives great direction as to where we should focus.

The actual audit process is quite thorough – the Transport Agency provides a spreadsheet of questions and gives us some time to digest these; then they
sit down with us for two days to talk through it all. The rating system is useful but we are not too focused on that – it’s not like a score but an indication of where we sit relative to advanced asset management practices. As a Council, we don’t have any aspirations to move onto a specific point on the spectrum, it really just illustrates the different complexities of different regions. So we consider where we are sitting on the scale is quite appropriate.

“There are a number of challenges we are facing at the moment. For example, the new local government act requiring 30 year infrastructure strategies is a huge challenge for Waipa. It requires the use of optimisation tools that we are not familiar with and haven’t used in the past. So it’ll be important that we collaborate regionally, to try and use the skills of others, to work together and help each other out.

“Another area that is important to us is asset valuation and the estimate of annual depreciation. We wanted to use the RAMM valuation model to use annual valuations for assets, but this has proven difficult as the previous system used was the organisation’s financial accounting system which also had a record of all assets to component level. Moving to RAMM was an issue because our financial team and Audit NZ were concerned about data accuracy between the two systems. Currently we need to maintain two asset inventory systems, one focussed on asset management functions, and one for financial annual depreciation. We therefore have to have processes in place to keep both systems aligned.”

Dawn’s last comment relates to the One Network Road Classification (ONRC):

“We are relatively comfortable with the ONRC, we have applied the criteria and we have reclassified our network already. Our network is quite straightforward, the RAMM data is good, so the challenge is now working with the new technical performance measures. I think we will look to change how we manage contracts, as many of the measures will be reflecting contractor outcomes on the network. The measures will create some tensions within the community as fit for purpose measures become apparent, but with declining revenue streams to be able to pay for the outcomes provided, this needs to be addressed. From a contract management perspective, I think it will change what we do and be a new way of operating, and perhaps it will be a bit of a shock for others. The realisation that we need to do this now was certainly a bit worrying at the start, but now I just think we need to be smarter about what we’re doing.”
Asset Management Review
Waipa District Council

Approved Organisation (AO): Waipa District Council
Date of Review: 16/05/2013
NZTA Reviewer: Marianne McMillan
Council status of the Activity/Asset Management Plan: Approved
Total value of NZTA's 2012-15 NLTP investment for this AO: $20,495,000

PURPOSE
This assessment forms part of an overall review of asset management practise across New Zealand. Waipa District Council is one of thirteen road controlling authorities selected to participate.

In making its investment decisions, the activity/asset management plan (AMP) is a key document. A well balanced AMP will give the NZ Transport Agency confidence that an Approved Organisation (AO) is delivering value for money over the life of the asset. While these reviews will provide individual feedback to the authorities reviewed, they will also result in guidance around the Transport Agency’s expectations in relation to asset management; provide some examples of good practice and share lessons learnt.

Our methodology is explained in Appendix One.

OVERVIEW OF FINDINGS
Overall, Waipa District Council has a good level of asset management capability, and processes and practices appropriate to its size and complexity. The roading network is made up of flat to rolling topography and is relatively low risk. The Asset Management Plan is well written, an easy read and is a good example for others. Council’s roading team is now acting as advisor to other aspects of Council in terms of asset management. With Council’s roading asset management plan being a good example, we encourage Council to publish it on its website to make it easily accessible to others.
Risk identification in the asset management plan was light, missing community perceptions & expectations and safety. Council is currently reviewing its safety management system (SMS). Once reviewed, Council intends for the revised SMS to be clearly linked to the asset management plan. It was unclear how Crash Analysis System (CAS) data had influenced Council’s decision making. This is an area for improvement, which was also noted during the 2007 AMP document review.

Council investigates ways to improve efficiency and takes opportunities to collaborate as appropriate. They have some good examples of “sweating the asset” through more patching and resealing resulting in delayed rehabilitation treatments. Council is also encouraged to look closely at its levels of service, to help identify more opportunities for efficiencies.

We commend Council for actively seeking alternative funding to enable key projects that they would otherwise not be able to go ahead. Council has good policies and procedures in place in regard to developer contributions, but also seeks funding from other sources.

We were concerned at the level of resource being applied to ensuring the information contained in the RAMM database matches the Finance One system, in preparation for integrating the two systems. While we acknowledge that the concept is good, it seems that the level of checking required is excessive. We understand that this is an audit requirement and agree that the two systems need to reconcile, but believe that the checking could be lifted to a higher level rather than line-by-line. We encourage Finance and Roading staff to approach their auditors, to consider a more pragmatic approach.

![Comparison between actual and desired state](chart_image.png)
EXPLANATION OF RATINGS

The assessment framework uses a scoring system developed from the framework presented in the International Infrastructure Management Manual. The output from this assessment is a measure of an organisation’s asset management “maturity” plotted on the scale shown below.

ASSESSMENT OF RATING

<table>
<thead>
<tr>
<th>Rating</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aware</td>
<td>0 – 10 The organisation is starting to learn about the importance of Asset Management</td>
</tr>
<tr>
<td>Minimum</td>
<td>11 – 40 The organisation is aware of the importance of Asset Management and is starting to apply this knowledge</td>
</tr>
<tr>
<td>Core</td>
<td>41 – 60 The organisation is developing its Asset Management activities and establishing them as Business As Usual</td>
</tr>
<tr>
<td>Intermediate</td>
<td>61 – 80 The organisation’s Asset Management activities are fully effective and are being integrated throughout the business</td>
</tr>
<tr>
<td>Advanced</td>
<td>81 – 100 The organisation’s Asset Management activities are fully integrated and are being continuously improved to deliver optimal whole life value</td>
</tr>
</tbody>
</table>
SUMMARY OF FINDINGS FROM THE REVIEW

Section 1: Life Cycle Management

Rating: Intermediate (70)
Desired: Intermediate (76)

Overview:

- The Waipa District Council roading team has a good level of expertise and this is evident through a good balance between the RAMM TSA output and visual inspections. This type of approach provides good validation and enables optimisation when developing the forward works programme.

- A large proportion of professional services work is carried out in house with specialty works outsourced. The ‘in- house’ roading team has a high level of expertise with good communication between the maintenance, capital and design teams resulting in good ownership of the network and smart decisions.

- Within Council, the roading team is leading and demonstrating good asset management and is upskilling other groups within the organisation.

- Good asset management requires budgeting for the ‘whole of life costs’ which council does well. Allowance is made each year for vested assets and their impacts on budgets. Eg state highway revocation.

- Currently Council appears to have limited focus on safety (noting the SMS is currently being refreshed and due for completion this calendar year) It is possible that more funding could be allocated to safety which may require ‘trade-offs’ in other areas. The previous AMP review (2007) noted that it was unclear how CAS data was used in optimised decision making. We saw no evidence of improvement at the time of the review, however expect that the SMS review will help to provide a greater focus on safety. Council has adopted a prioritisation matrix tool which prioritises all projects across the organization. This is a useful tool to have in place and ensures the ‘best’ projects are coming forward for funding.

- Work is currently underway to align the financial data in RAMM with that in Council’s Finance 1 system. Currently there are discrepancies between the two systems and once complete will allow RAMM to become the single system to be used. A line by line analysis was required and this has proven to have extended the timeframe for completion.

- All known assets are held in RAMM. There is no separate section in the AMP identifying the districts critical assets and specific management they may require.

- Waipa DC monitors its asset management performance, compares this with peer organisations/national benchmarks using NZTA’s transport data.
Section 2: Risks to the Transport Agency

Rating: Intermediate (68)
Desired: Intermediate (73)

Overview:
- There is good alignment between the AMP and the Long-term Plan. This helps to give the Council confidence that the AMP informs the Long-term Plan and that the right level of spending is occurring on the roading network. Council’s AMP is supported by a maintenance intervention strategy, which is used on a day to day basis to drive maintenance activities.
- The Waipa District roading network typically is made up of flat to rolling topography and could be regarded as relatively low risk. An organisational wide risk Management Strategy is currently being developed. An area where a little more risk may be appropriate is the level of contract contingencies. These could be reviewed and reduced with the view to more accurately estimating the total costs and funding requirements.
- In-house knowledge and capability of the roading team is of a high standard and this maintained by members of staff participating in forums and knowledge sharing opportunities. It is planned to commence a cadet role within the roading team and this will benefit the industry as a whole.
- The quality of asset information is good and continually improving with more ‘in-house’ ownership of the RAMM database.
- Risk identification is light in the asset management plan, particularly around community perceptions/expectations and safety.

Section 3: Levels of Service (LoS)

Rating: Intermediate (70)
Desired: Intermediate (73)

Overview:
- Waipa DC regularly undertakes research through a number of methods to identify community expectations. Some of the current LOS are developed from these.
- LOS are well articulated, easy to understand and align well between documents.
- Council is keen to work with others to align LOS regionally and nationally and this collaboration will evolve with the development of the national road classification system.
- Council is fortunate that a competitive market has been maintained in their area. However, the high level of competition puts pressure on price, which produces some very low bids and as a result some adversarial contractual relationships. This has been identified as an issue for Council and they are considering various options for future contracts. Eg. Applying a higher weighting to quality when using the Price Quality Method.
### Section 4: Growth

**Rating:** Intermediate (69)  
**Desired:** Intermediate (78)

**Overview:**
- Waipa DC has two main growth strategies “Futureproof” and Waipa 2050. Futureproof is a joint project set up by partner councils to consider how the sub-region should develop into the future and Waipa 2050 is Waipa DC’s growth strategy for the district.
- A high level of engagement has been taken between NZTA and Council during the planning of the Waikato Expressway and its downstream effects, allowing these to be managed into the future. Waikato DC is very aware of the implications of the expressway on its network.
- A number of projects have been able to proceed with the use of alternative funding. A land transport example is the Leamington to Karapiro section of the Te Awa Cycleway. Council continues to seek alternative funding for a range of projects across the district.
- Waipa District Council is currently assisting Waikato Regional Council with marketing to increase PT patronage in the district.
- Currently there is no policy or requirement in council for the disposal of assets. Waipa DC could consider opportunities for disposal of assets in future and is keeping a watching brief on the Southland model.

### Section 5: Demand

**Rating:** Core (60)  
**Desired:** Intermediate (65)

**Overview:**
- Council makes good use of survey data, population demographics, etc and has a good knowledge of where increases in demand will come from. The impact of forestry is relatively low with growth to come from the urban areas and the impact of the Waikato Expressway. The AMP has identified the possible changes in demand but the response to these could be articulated to a higher degree. A good example of responding to changes in demand is the recent audit of infrastructure by a disability group as Council has recognised the increase in the elderly and immobile using mobility scooters and wheelchairs.
- Waipa District Council is one of the project partners of the Waikato Regional Transport Model enabling robust decision making between regional growth and transport planning.
- Waipa District Council does not have congestion problems and therefore demand management is not necessary. Council does consider environmental changes (such as forestry impacts and the downstream effects of the building of the Waikato expressway). There has, however, been no real consideration of the effects of potential decreases in demand and the possibility of retiring uneconomic assets.
Section 6: General

Overview:
- The AMP is updated regularly with a comprehensive review every 3 years to inform the Long Term Plan. The robustness of the AMP has provided council with confidence that the optimal amount of funding is being spent on the network therefore little adjustment is required to the Long Term Plan. There are linkages between the AMP and a number of other Council documents including the district plan – e.g. making Forestry a “discretionary” activity via the District Plan means that Council has better control over the timing of logging and its impact on the network.
- Council has good ownership and understanding of its Asset Management Plan. It’s development was driven by Council, using a consultant in an advisory capacity. This has resulting in a readable and useful guiding document for day to day use.
- Since 2007 structural changes within the roading team have resulted in responsibilities being clarified. Excellent communication across the team has provided ownership of the AMP and all staff use it as a reference document. The AMP is supported by a maintenance intervention strategy.
- There is limited mention of road safety throughout the document however it is noted that Council’s SMS is under review and will be referenced under the AMP umbrella. Timeline for completion for this review is this calendar year.
- One of the tools used as the basis of good asset management is RAMM. Internal roading staff have taken more ownership of RAMM and improvements to the data captured will help to make more informed decisions when developing the forward works programmes.
- Council generally has a continuous improvement philosophy and has an Organisation Development Manager to drive this. There is a “Let’s Improve” initiative within Council which encourages and supports review and revision of processes and procedures. Key processes are currently being developed into process maps.
- There are good examples of innovation and collaboration within Council which under the current economic climate are expected to reduce costs. Examples of this are:
  - Hamilton / Waikato / Waipa councils’ bridge inspections contract. After an initial round of inspections, the bridges will be inspected using a risk based approach rather than cyclic.
  - Hamilton / Waikato / Waipa councils’ shared power services.
  - Waipa DC are one of the project partners of the Waikato Regional Transport Model
  - Futureproof (a joint strategy project set up by partner councils to consider how the sub-region should develop into the future)
### Section 6: General

|---------------------------|----------------------------|

- Examples of innovations are;
  - Trials of management of unsealed roads using dust suppressant techniques and recycled materials in aggregates. Council is also investigating whether sealing the remaining 73km of unsealed roads may provide a lower whole of life cost, as the majority of the unsealed roads are at the extremities of the network.
  - Moving reseals from a single year contract to 3 yearly. It remains to be seen if savings will be made as the CPI costs may result in a higher cost overall.

- Council now needs to develop some processes for monitoring the effectiveness of its initiatives and innovations. It is useful to capture the learnings and apply these to future activities.

- The AMP is a good example, being well structured and easy to read with few gaps. There is value in publishing it on the Waipa DC website, not only so the ratepayers have access to it but also so other councils can use it as an example.

- A key improvement is the work currently underway to integrate the financial data in RAMM with that in Council’s Finance 1 system. This work is being done by council’s in-house asset information team.

- Other improvements are the integration of footpath condition data into the asset register and a review of assumptions affecting pavement asset lives. It is important that data is captured to validate and inform assumptions. An assessment of the long term effects of climate change on the network is also planned.
APPENDIX ONE: METHODOLOGY

The Process

The review process included the following steps:

1. A self-assessment questionnaire was sent to the organisation (refer Appendix Two).
2. NZ Transport Agency reviewers, a GHD asset management consultant and the organisation’s asset management staff met onsite to discuss the self-assessment results and moderate the scores.
3. The findings were summarised into draft reports.
4. The organisation comments were sought on the draft reports.
5. Individual reports were finalised after feedback was received from the participating organisation.
6. An overall report on common themes and lessons learned was completed (to be published on the NZ Transport Agency website).

The self-assessment required the organisation to provide a current maturity score and a score for the desired level of maturity. The appropriate target was set through the initial self-assessment and moderated through the assessors’ experience in working across similar asset intensive sectors.

The rationale for the score and evidence to support the score was also documented. Through the onsite interview process, the current and appropriate scores were validated and agreed with organisation representatives who had completed the self-assessment. Where there was a difference of opinion on the score, the differences were discussed and the final scores reflect that discussion. Further observations and improvement opportunities were noted through the onsite interviews and have been included in the draft reports.

Maturity Assessment Framework

The self-assessment questionnaire was developed specifically for this review by the NZ Transport Agency and GHD. Organisations were scored against each of the 38 questions grouped into the following areas:

- Lifecycle
- Risk
- Levels of service
- Growth
- Demand
- General

The completed questionnaire is provided in full in Appendix Two.
<table>
<thead>
<tr>
<th>Question Number</th>
<th>Main question</th>
<th>Sub question</th>
<th>Response</th>
<th>Self-score</th>
<th>Desired score</th>
<th>difference</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>How do you develop your three year capital and operating program?</td>
<td>Forward Works Programme based on TSA output along with feedback from reseal contract inspections and maintenance staff. Capital (page 87) Operating: To meet maintenance intervention strategy (page 31, 7.1.2 page 84)</td>
<td></td>
<td>75</td>
<td>75</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>How well do you understand and manage your network management costs as a percentage of the total maintenance budget?</td>
<td>Work Category 151. $640k / $17468k = 3.7% (incl. non-subsidised activities) in 2012/13 year. Only monitored through NZTA reporting mechanisms. As we have previously been considered reasonable and appropriate, this has not been a high priority.</td>
<td></td>
<td>70</td>
<td>70</td>
<td>0</td>
<td></td>
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<tr>
<td>3</td>
<td>How closely do you align your renewals programme with depreciation for your network over a ten year period?</td>
<td>Waipa District use loan funds where deficiencies arise. Significant issues arising on use of RAMM valuation module as moving away from finance One module. See figure 48, page 112.</td>
<td></td>
<td>70</td>
<td>80</td>
<td>10</td>
<td>Working on improving the accuracy of depreciation calculations, through reconciling RAMM with Finance systems.</td>
</tr>
<tr>
<td>4</td>
<td>How well are your critical assets identified, monitored and managed?</td>
<td>Criticality classifications used. Moving to managing bridges by individual risk assessment</td>
<td></td>
<td>70</td>
<td>70</td>
<td>0</td>
<td></td>
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<tr>
<td>5</td>
<td>How do you know your programme is optimal?</td>
<td>Not directly evaluated. Programme is being prioritised to deliver LOS and steadily condition indicators.</td>
<td></td>
<td>40</td>
<td>65</td>
<td>25</td>
<td>More could be done on trade-offs between maintenance and renewals and safety</td>
</tr>
<tr>
<td>6</td>
<td>What is your decision making criteria used to develop your programme?</td>
<td>Maintenance Intervention Strategy used along with input from historical data, analysis of RAMM data, and the required LOS</td>
<td></td>
<td>80</td>
<td>80</td>
<td>0</td>
<td></td>
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<tr>
<td></td>
<td>How do you balance the need for additional funds to maintain your network to agreed service levels with budget constraints?</td>
<td>How are you monitoring the impact of any cost saving initiatives e.g. deferred work, procurement options, collaboration, new materials? Where is the evidence?</td>
<td>Budgets are monitored very closely as budgets are very tight. A recent technical audit identified some issues around Traffic Services spend which are being addressed as, and when, possible. No monitoring being undertaken. Very difficult to articulate what impact a change in funding will have on levels of service.</td>
<td>70</td>
<td>70</td>
<td>0</td>
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<td>8</td>
<td>How do you benchmark your performance against your peers and/or all NZ?</td>
<td>How often do you do this comparison and what do you do with this information?</td>
<td>Maintenance costs compared with maintenance cost data in Smartmovez website annually. Safety data shared with Road Safety Action Plan partners. NZTA peer group for Waipa may not be appropriate due to higher URT.</td>
<td>80</td>
<td>80</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>How have you ensured all your critical assets are recognised in the Asset Management Information System?</td>
<td>Is there a decision framework that encompasses all the assets? Is it documented and where?</td>
<td>All known assets, critical or otherwise are held in RAMM. A new bridge inspection contract identified some issues that are being addressed. Data cleansing work as part of the move from F1 to RAMM for the roading financial asset register is also helping to ensure all assets are recognised. The decision framework is detailed within the AMP.</td>
<td>65</td>
<td>80</td>
<td>15</td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>Have you got different pavement strategies for each network classification?</td>
<td>Please explain</td>
<td>The different pavement strategies are covered in detail in the Maintenance Intervention Strategy document</td>
<td>90</td>
<td>90</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>11</td>
<td>How do you trade off expenditure between maintenance and renewals?</td>
<td>How do you identify the difference in budgets with any renewal investment, i.e. the relationship between maintenance and renewals</td>
<td>High priority given to reseals and pre-reseal repairs as critical to protecting long-term integrity of assets.</td>
<td>55</td>
<td>75</td>
<td>20</td>
<td></td>
</tr>
<tr>
<td>12</td>
<td>When you invest in new capital how do you consider the whole of life costs and adjust the maintenance budget accordingly?</td>
<td>How do you make budget adjustments to allow for new investment</td>
<td>Yes, always. Projects and associated budgets (inclusive of operating impacts) are reviewed through an organisation wide Prioritisation Matrix. Allowance is also made each year for vested assets and their impact on budgets. This is particularly so with the impact of the Waikato Expressway revocation of SH1 and SH1B.</td>
<td>80</td>
<td>80</td>
<td>0</td>
<td></td>
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<tr>
<td></td>
<td>Risk</td>
<td>Risks to NZTA</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>13</td>
<td>What issues, if any, are you facing with delivering your agreed programme on time and within budget?</td>
<td>What strategies are you using to monitor or mitigate these issues? Is there a risk of not meeting the agreed Levels of Service?</td>
<td>The main issue is that funding is static while growth on the network continues, this creates tensions. A wet and warm spring/summer can also cause very high vegetation growth resulting in higher maintenance costs to control that growth. Larger projects require advance funds for planning aspects. Prioritising strategies for maintenance activities between work categories is underway. Development activities also impact where new assets are created without</td>
<td>75</td>
<td>80</td>
<td>5</td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td>Not always spending all of the funds allocated (underspends not significant). Council staff acknowledged that perhaps they carry too much contingency in rehabilitation sites. Could consider reducing contingencies where appropriate.</td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Question</td>
<td>Answer</td>
<td>Score</td>
<td>Score</td>
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<tr>
<td>14</td>
<td>How well aligned is your AMP financial plan with your Long Term Plan?</td>
<td>Very well being subject to final alignment with adopted LTP (now completed)</td>
<td>90</td>
<td>90</td>
<td>0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>15</td>
<td>How do you manage knowledge, capability and capacity in your organisation?</td>
<td>Good knowledge and capability through the roading staff, nine separate AM support team, and external support from Beca.</td>
<td>90</td>
<td>90</td>
<td>0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>16</td>
<td>How do you rate the quality of your asset systems?</td>
<td>System is rated as good, evidence is based on RAMM being recognised as an acceptable system by NZTA</td>
<td>70</td>
<td>70</td>
<td>0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>17</td>
<td>How do you rate the quality of your asset data?</td>
<td>Data quality is rated as good; this is based on the monthly audits carried out by Beca.</td>
<td>80</td>
<td>80</td>
<td>0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>18</td>
<td>Are you using AS/NZS ISO 31000:2009 Risk Management?</td>
<td>Not currently, being considered but no action to date. Possible regional approach appropriate (with NZTA-HNO).</td>
<td>30</td>
<td>40</td>
<td>10</td>
<td></td>
<td></td>
</tr>
<tr>
<td>19</td>
<td>How do you manage and monitor your risk action plan e.g. NZTA risk-management-framework?</td>
<td>Not currently being addressed</td>
<td>40</td>
<td>60</td>
<td>20</td>
<td></td>
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<tr>
<td>20</td>
<td>How well defined and relevant are your Levels of Service (LoS) as applied to your network?</td>
<td>LOS are well defined, but are not linked to road classification. They are not aligned regionally but well defined and relevant.</td>
<td>70</td>
<td>70</td>
<td>0</td>
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<tr>
<td>21</td>
<td>How have you agreed LoS with your community?</td>
<td>LOS is agreed with the community through the LTP process. There does remain a demand for seal extension, however this is not a significant issue</td>
<td>80</td>
<td>80</td>
<td>0</td>
<td></td>
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</tr>
<tr>
<td>22</td>
<td>Do your technical performance measures support achievement of the customer LoS?</td>
<td>Yes they do</td>
<td>80</td>
<td>80</td>
<td>0</td>
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<tr>
<td>23</td>
<td>Do the performance measures cover the breadth of all users and asset groups in the network?</td>
<td>Generally yes, however bridges and drainage are not specifically covered. Cycling groups not specifically covered.</td>
<td>60</td>
<td>65</td>
<td>5</td>
<td></td>
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<tr>
<td></td>
<td>How well do the LoS drive business priorities?</td>
<td>A lot, especially through contract discussions</td>
<td>70</td>
<td>70</td>
<td>0</td>
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<tr>
<td>25</td>
<td>How do you demonstrate sustainability in the medium and long term?</td>
<td>Supply of materials, change of materials, consider financial sustainability, competitive market</td>
<td>Main sustainability issue is staff resilience (both in-house and contractor). There are no external issues of concern at this point. Low impact design features may be a future issue for cost impacts, with respect to ongoing maintenance.</td>
<td>60</td>
<td>70</td>
<td>10</td>
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<td></td>
<td>Issue of staff resilience is due to low priced contracts creating an adversarial environment. Council is looking at setting up its contract differently in the future, to address this issue. I.e. Considering weighting its contracts more to quality.</td>
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<tr>
<td>Growth</td>
<td>Of the asset base, new, vested and subdivisions</td>
<td></td>
<td></td>
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<tr>
<td>26</td>
<td>Have you any growth planned? Is there evidence to support this?</td>
<td>Have you considered other (non construction) options to address this need?</td>
<td>Some growth being experienced as a result of development. The Cambridge section of the Expressway will also result in growth in the network. Waipa Integrated Transport Strategy evaluated future responses.</td>
<td>80</td>
<td>80</td>
<td>0</td>
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<tr>
<td>27</td>
<td>How well do you consider the potential for disposal of assets where they are no longer needed?</td>
<td>No current policy relating to this as no current requirement for asset disposal.</td>
<td></td>
<td>25</td>
<td>60</td>
<td>35</td>
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<td></td>
<td>Council could better consider retirement of unnecessary assets. They have a good awareness of revocation of the State highway and what to do with this (early thinking).</td>
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<tr>
<td>28</td>
<td>Have you included in your budgets the long-term whole of life impacts of new infrastructure i.e. maintenance, operations and depreciation costs?</td>
<td>How?</td>
<td>Yes, new projects include depreciation impacts where significant and new vested assets are also factored into budgets. Limited control over vested assets but an allowance has been included.</td>
<td>80</td>
<td>80</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>29</td>
<td>Do you actively seek 3rd party funding for growth (e.g. developer contribution, targeted rates)?</td>
<td>How do you do this?</td>
<td>Yes, through the Council adopted Development Contribution Policy and through Heavy Vehicle Impact fees</td>
<td>90</td>
<td>90</td>
<td>0</td>
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</tr>
<tr>
<td>Demand</td>
<td>How much customers consume the services provided by the asset</td>
<td></td>
<td></td>
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</tbody>
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<table>
<thead>
<tr>
<th></th>
<th>Question</th>
<th>Answer</th>
<th>Score 1</th>
<th>Score 2</th>
<th>Score 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>30</td>
<td>Are you actively scanning the environment for anticipated changes in demand?</td>
<td>Yes, through regional participation and local knowledge. Biggest impacts will be from continued urban growth, and changes to traffic passing through the district. Assisting WRC with marketing to build PT patronage.</td>
<td>70</td>
<td>70</td>
<td>0</td>
</tr>
<tr>
<td>31</td>
<td>What are the sources of your demand assumptions and how robust are these?</td>
<td>Waipa 2050 and Future Proof strategy data. Both were reliant on the 2006 census data as a base point which will reduce their robustness until 2013 census data is available.</td>
<td>90</td>
<td>90</td>
<td>0</td>
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<tr>
<td>32</td>
<td>How do you respond to anticipated increases in demand e.g. through demand or price management?</td>
<td>Do you consider a range of options and can you give examples?</td>
<td>Not considered at present</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>33</td>
<td>How do you respond to anticipated decreases in demand or changes in demand?</td>
<td>Not considered at present</td>
<td>30</td>
<td>50</td>
<td>20</td>
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<td></td>
<td><strong>General</strong></td>
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<td>34</td>
<td>How do you ensure your AMP remains relevant?</td>
<td>Formally revised, updated, and audited every 3 years with on-going informal review and updates</td>
<td>80</td>
<td>80</td>
<td>0</td>
</tr>
<tr>
<td>35</td>
<td>How often do you revisit the assumptions in your AMP?</td>
<td>3 yearly</td>
<td>80</td>
<td>80</td>
<td>0</td>
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<tr>
<td>36</td>
<td>How do you look for ways to innovate and manage your assets</td>
<td>How do you know when these innovations have been effective, i.e. do you have a system to monitor and report change initiatives? Aim is to improve through reducing cost to meet level of service. This can be achieved by changes to management, procurement, quality, technology and materials</td>
<td>65</td>
<td>75</td>
<td>10</td>
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<td></td>
<td><strong>Council</strong></td>
<td>Innovation and new management approaches are identified through discussions with suppliers and neighbours. Additional innovation is sought through treatment selection for reseals and rehabilitations. Joint/shared service initiative for bridge inspections underway.</td>
<td></td>
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<tr>
<td>37</td>
<td>How are you doing business different today compared to the AMP review in 2007?</td>
<td>What are the key differences and improvements from this change?</td>
<td>Very different with much greater use of RAMM and increased knowledge of AM</td>
<td>80</td>
<td>80</td>
</tr>
<tr>
<td>38</td>
<td>Is there a continuous improvement culture in your organisation?</td>
<td>The 'Lets Improve' initiative encourages and supports review and revision of processes and procedures. Documentation of key processes is being developed into process maps or calendars.</td>
<td>60</td>
<td>75</td>
<td>15</td>
</tr>
</tbody>
</table>

Council is starting to think about the impact of an aging population and the potential demand changes that will result.

While the roading group participates in the Council wide "Let's Improve" initiative, more could be done at the detailed level.
3 Roads and Footpaths - AMP

See separate document on website.

4 Road Corridor Maintenance Intervention Strategy

See separate document on website.
5 Related Materials

Please visit the REG and NZ Transport Agency web pages for more information. In particular:

- **ONRC**
  

- **NLTP Investment Signals** -
  