Changing Asset Management in New Zealand

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Content

• Network management
• Drivers of change
• Analysis
• Response
• Result
NZ - economy
Road network

63,000km sealed
18,500km urban

31,000km unsealed
Types of network

- Local roads
- State highways

Distributor Networks (Node to property)

Backbone network (Node – node)
Use of Contracts

Procurement manual
for activities funded through the National Land Transport Programme

About all-of-government contracts

The New Zealand 'all-of-government' contracting approach
All-of-government (AoG) contracts establish a single supply agreement between the Crown and approved suppliers for the supply of selected common goods and services purchased across government. These contracts deliver a range of benefits to agencies, suppliers and, ultimately, the New Zealand taxpayer. These benefits include: cost savings to agencies, the government and taxpayers, predictable prices for agencies and suppliers, and improved competition.

Who develops and manages the AoG contracts?
The feasibility and benefits of any 'all-of-government' (AoG) contract are investigated by the Ministry of Business, Innovation and Employment (MBIE’s) Government Procurement Branch. The branch was established as part of the Government Procurement Reform Programme - a 10-year programme set up to enable the development of a world-class strategic procurement system in New Zealand.

AoG contracts are developed and managed by procurement Centres of Expertise.

- Who can buy from the all-of-government contracts?
- How to buy from the all-of-government contracts
- Current all-of-government contracts
- All-of-government contracts in development
- How are tenders on All-of-Government contracts reported?

If you have a query about AoG contracts please email procurement@mbie.govt.nz.

Last updated 28 August 2014
Common IT Systems

Welcome to RAMM Software Ltd

RAMM Software Ltd provides exceptional Road Assessment and Maintenance Management software to RCAs, their consultants and their contractors. We are committed to the continuous improvement of the RAMM suite, as our aim is to deliver to our customers, the most productive software experience, at the best possible price.

CAS, Crash Analysis System - a crash analysis tool

Published: Jan 2005

The CAS is an integrated computer system that provides tools to collect, map, query, and report on road crash and related data. It contains data from all traffic crashes reported by police. It provides a platform for the development and implementation of new road safety initiatives, making a huge contribution towards crash prevention.

Transport Investment Online

Login
### 3 LAND TRANSPORT REVENUE

<table>
<thead>
<tr>
<th></th>
<th>Actual 2013/14 $m</th>
<th>Actual 2012/13 $m</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>REVENUE</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fuel excise duty</td>
<td>1,650</td>
<td>1,564</td>
</tr>
<tr>
<td>Road user charges</td>
<td>1,247</td>
<td>1,119</td>
</tr>
<tr>
<td>Motor vehicle registration fees</td>
<td>188</td>
<td>174</td>
</tr>
<tr>
<td><strong>LESS REFUNDS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fuel excise duty</td>
<td>46</td>
<td>41</td>
</tr>
<tr>
<td>Road user charges</td>
<td>42</td>
<td>53</td>
</tr>
<tr>
<td>Motor vehicle registration fees</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td><strong>TOTAL LAND TRANSPORT REVENUE</strong></td>
<td><strong>2,994</strong></td>
<td><strong>2,758</strong></td>
</tr>
</tbody>
</table>
Familiar with asset management
DRIVERS OF CHANGE
New Zealand's current level of investment in roading is the highest it has been since the 1960s. New Zealand is now spending a higher percentage (1.3 percent) of its GDP on roading compared to other developed countries.

Over the next 10 years, expenditure on transport is expected to increase at 3.3 percent per year, well above the forecasted 2 percent annual increase in inflation for the economy as a whole over the same period. – Ministry of Transport Briefing to the Incoming Minister
Local share borne by fewer people
Cost increases unsustainable
ANALYSIS
Road Maintenance Task Force. Review of road maintenance regime

Published: Oct 2012

In 2011 the government established the Road Maintenance Task Force to identify opportunities to increase the effectiveness of road maintenance. The final Task Force report plus the research reports commissioned to support the work of the Task Force are available here to download.

The Task Force reviewed significant costs to the sector and existing business practice. In particular, they reviewed asset management, risk management and procurement methods.

The Task Force identified four general areas for improvement:

- Adapting the business models used to deliver maintenance, renewals and operations.
- Improved procurement practices, also in support of new business models.
- Improved prioritisation and optimisation through level of service differentiation.
- Consistent introduction of enhanced asset management practices.

For more about the Road Maintenance Task Force, see: Road Maintenance Task Force - question and answers (PDF, 89 KB, 3 pages).

See also Transport Minister Gerry Brownlee’s media statement: Road maintenance recommendations welcomed.
THE RESPONSE
Sector-led change

- Procurement
- Collaboration
- Better asset management
- Levels of service

Road Efficiency Group

Updated: 19 December 2013

The Road Efficiency Group (REG) is a collaborative initiative by the road controlling authorities of New Zealand. Its goal is to drive value for money and improve performance in maintenance, operations and renewals throughout the country.

Since the formation of REG in 2012, considerable progress has been made on a number of projects aimed at sharing perspectives and knowledge to identify opportunities to improve performance and reduce costs.

Building a more robust, effective way of working will reduce costs and encourage innovation in the management of local roads and state highways.

REG was nominated by the government to carry out the recommendations of the broader Road Maintenance Task Force.

REG focuses on three key areas:

- A One Network Road Classification (ONRC) to standardise data and create a classification system which identifies the level of service, function and use of road networks and state highways.
- Best Practice Asset Management to share best practice planning and advice with road controlling authorities.
- Collaboration with the industry and between road controlling authorities to share information, staff and management practices.
Asset management driven by customer levels of service

### Outcome Measures

#### Safety
- The road and roadsides are becoming safer to drive on as shown in the five-year trend in serious and fatal injuries
- The roads and roadsides are being maintained in a way that means I feel safe when driving them

#### Resilience
- The number of journeys impacted by unplanned events is acceptable
- An appropriate level of effort is put into risk mitigation on roads where there is no viable alternative access, if it were to be closed by an unplanned event

#### Value
- The road maintenance delivered to the customer
- The road network is being maintained efficiently and effectively to deliver the Clos Outcomes of the ONRC

#### Value for Money
- The road system is being maintained to deliver the Clos Outcomes of the ONRC
- Reducing number of serious and fatal injuries on network each financial year as part of a 3 year trend.

#### Value for Money - OM 1
- Safety - OM1
- Safety - OM2
- Safety - OM3
- Resilience - OM1
- Resilience - OM2

### Amenities

- The smoothness of my journey is as I would expect when I take into account the importance of the road.
- The travel time to reach my destination is predictable.
- The bus service is what I would expect in an area like this.
- Access to public transport available.

#### Accessibility
- The trucks that need to use these roads can do so.
- Truck Travel Exposure - Proportion of the network not traversable to - Class 1 Heavy Vehicles and 30 KVA vehicles
- Roads are operated to facilitate journey movements

<table>
<thead>
<tr>
<th>Amenities</th>
<th>Travel Time Reliability</th>
<th>Accessibility</th>
</tr>
</thead>
<tbody>
<tr>
<td>Smooth Travel Exposure (STE) Index for sealed roads (DIA Non-In Far Med)</td>
<td>Predictability of travel time - Measures the variability of journey travel times in large metro networks for agreed time periods on a representative sample of high classification roads and for key journeys.</td>
<td>Access to public transport available.</td>
</tr>
<tr>
<td>Average Roughness - The average ride comfort level of the sealed road network meets specified levels (Local Govt Maintenance Guidelines)</td>
<td>Bus Journeys - The variability in departure time to that scheduled.</td>
<td>Truck Travel Exposure - Proportion of the network not traversable to - Class 1 Heavy Vehicles and 30 KVA vehicles</td>
</tr>
</tbody>
</table>

#### Value
- Value for Money
- Value for Money - OM 1

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6/4/2015

9th International Conference on Managing Pavement Assets | May 18-21, 2015
Progress

• Classification scheme developed and applied in all networks
• Customer levels of service developed for each class of road
• Change plans under way:
  ▪ Identify top issues (safety, amenity, travel time, etc)
  ▪ Identify data gaps
  ▪ Identify System changes – RAMM, attribute cost
  ▪ Assess existing levels of service
  ▪ Identify service gaps (investment and dis-investment)
  ▪ Consult with stakeholders
Change facilitated by the sector.
Results

Annual Average $/lane.km For Pavement and Sealing M,O and R

Cost of Maintenance, Operations & Renewals for State Highways
Sourced from NZTA + funded organisations
Title of Presentation

NAMES OF PRESENTERS