9th International Conference on MANAGING PAVEMENT ASSETS (ICMPA9)

Changing Asset Management in New Zealand

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New Zealand Transport Agency

AASHTO THE VOICE OF TRANSPORTATION

VirginiaTech Transportation Institute

TRB

U.S. Department of Transportation Federal Highway Administration

WORLD ROAD ASSOCIATION MONDIALE DE LA ROUTE 1909-2009 AIPCR PIARC

VDOT Virginia Department of Transportation

Content

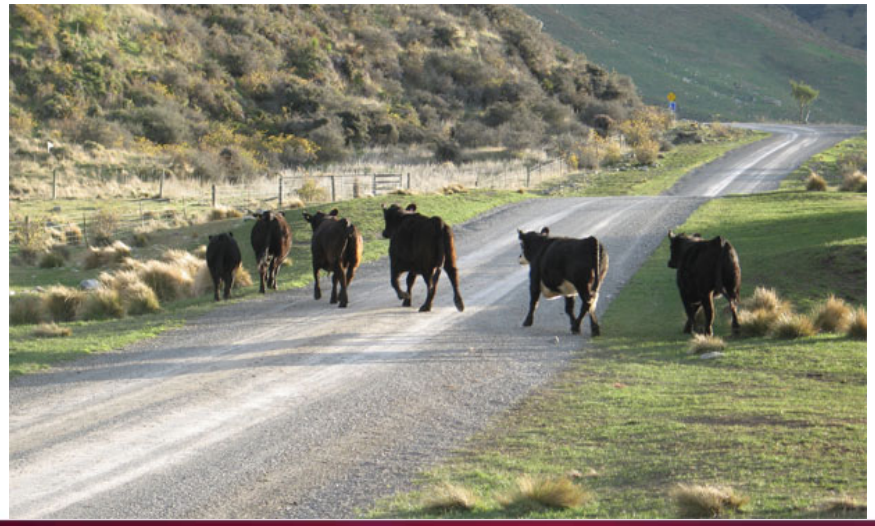
- Network management
- Drivers of change
- Analysis
- Response
- Result

NZ - economy

Road network

63,000km sealed

18,500km urban

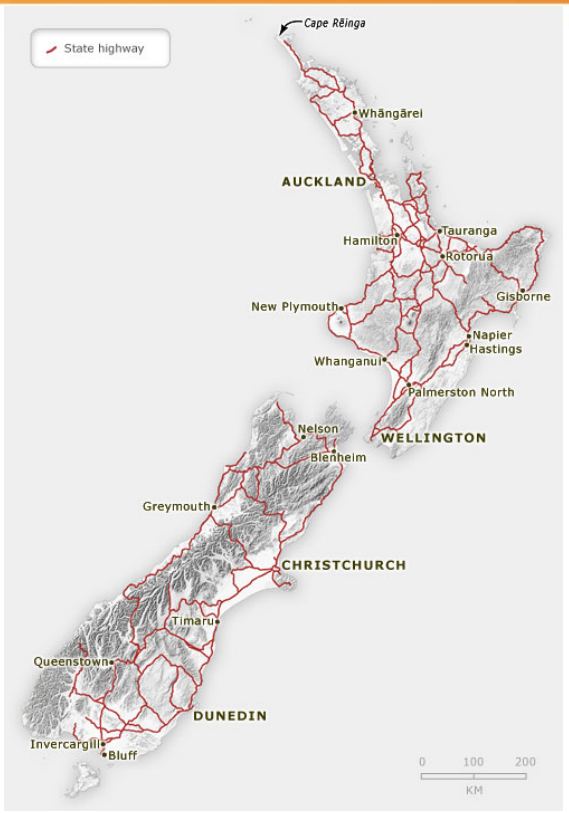


31,000km unsealed

Types of network

Distributor Networks
(Node to property)

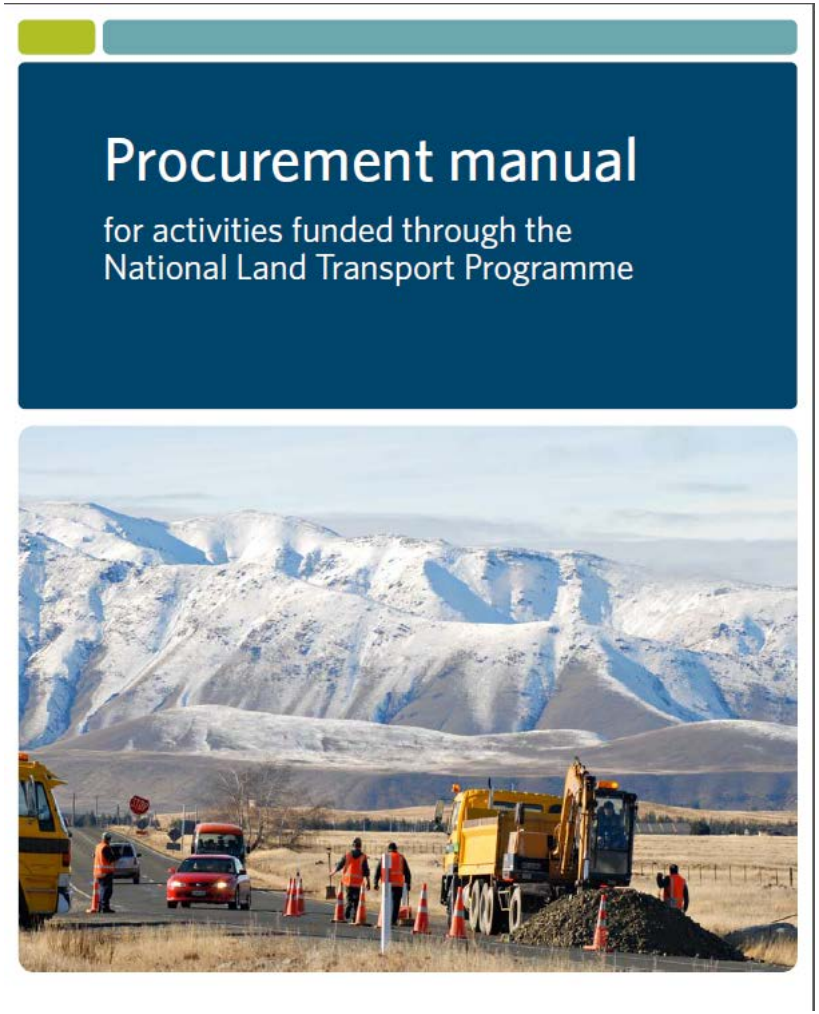
Local roads



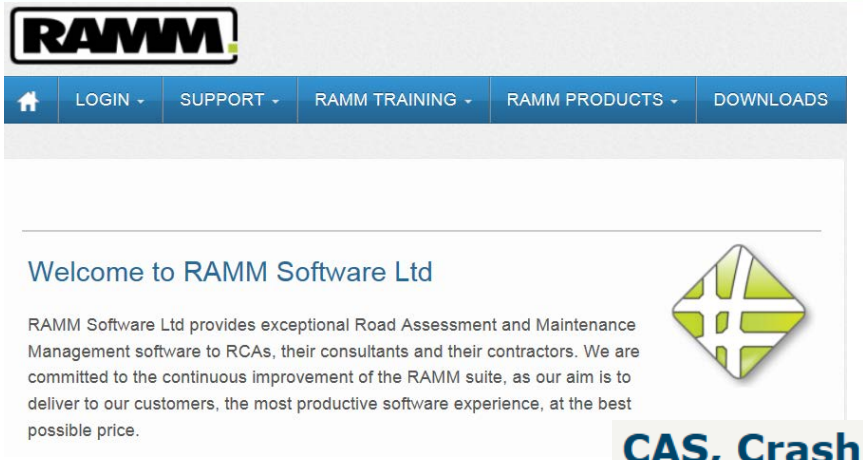
State highways

Backbone network
(Node – node)

Use of Contracts



Common IT Systems



User funded - $3b/yr

3 LAND TRANSPORT REVENUE

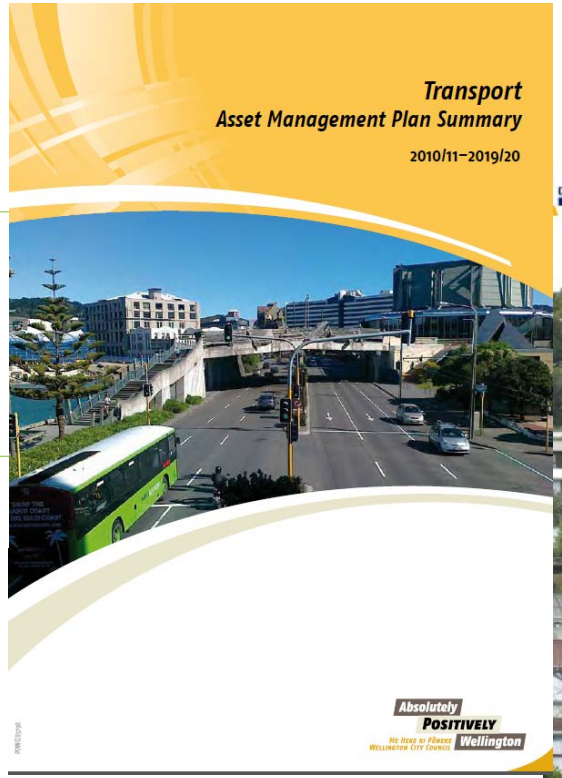
	Actual 2013/14 $m	Actual 2012/13 $m
REVENUE		
Fuel excise duty	1,650	1,564
Road user charges	1,247	1,119
Motor vehicle registration fees	188	174
	3,084	2,857
LESS REFUNDS		
Fuel excise duty	46	41
Road user charges	42	53
Motor vehicle registration fees	1	0
	88	94
Less bad debt write-off	2	5
TOTAL LAND TRANSPORT REVENUE	**2,994**	**2,758**

Familiar with asset management

Leading Economic Development for the Christchurch City Council

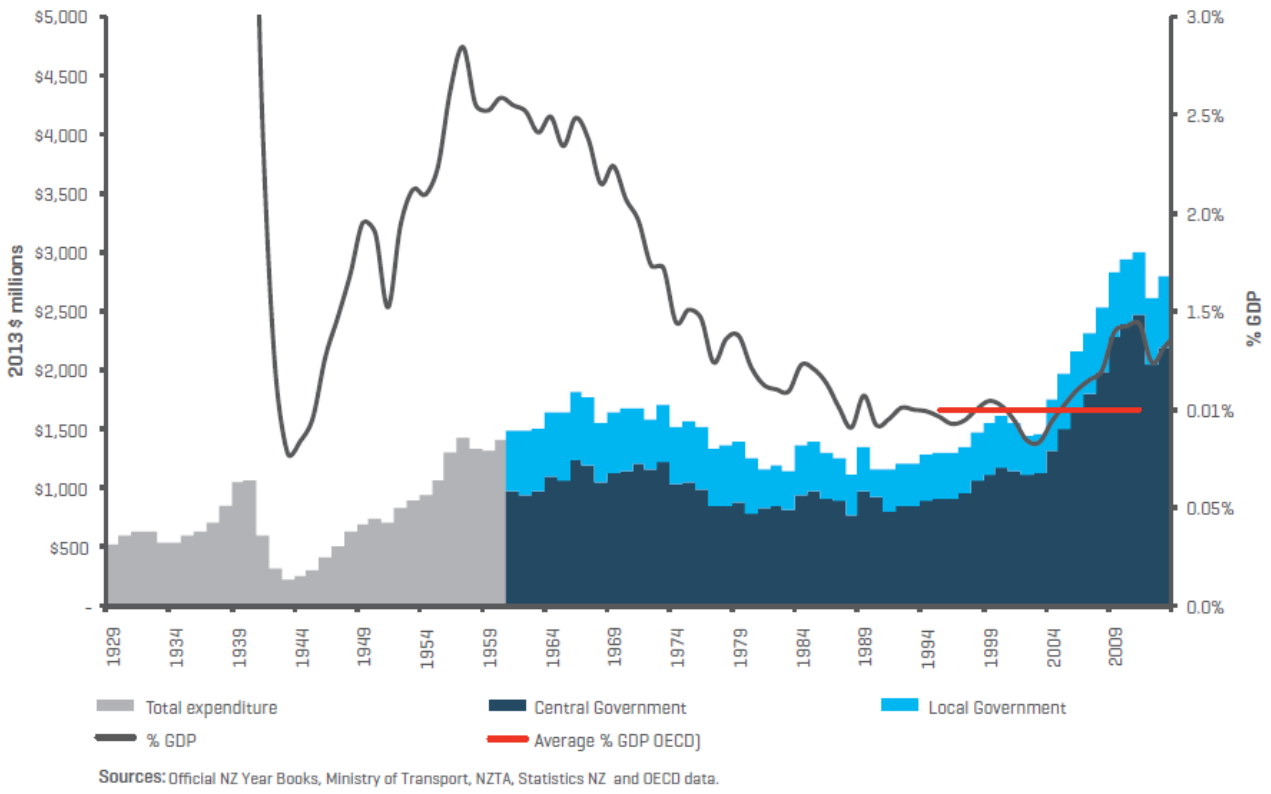
CHRISTCHURCH ECONOMIC INFRASTRUCTURE SITUATION REPORT

SEPTEMBER 2014



DRIVERS OF CHANGE

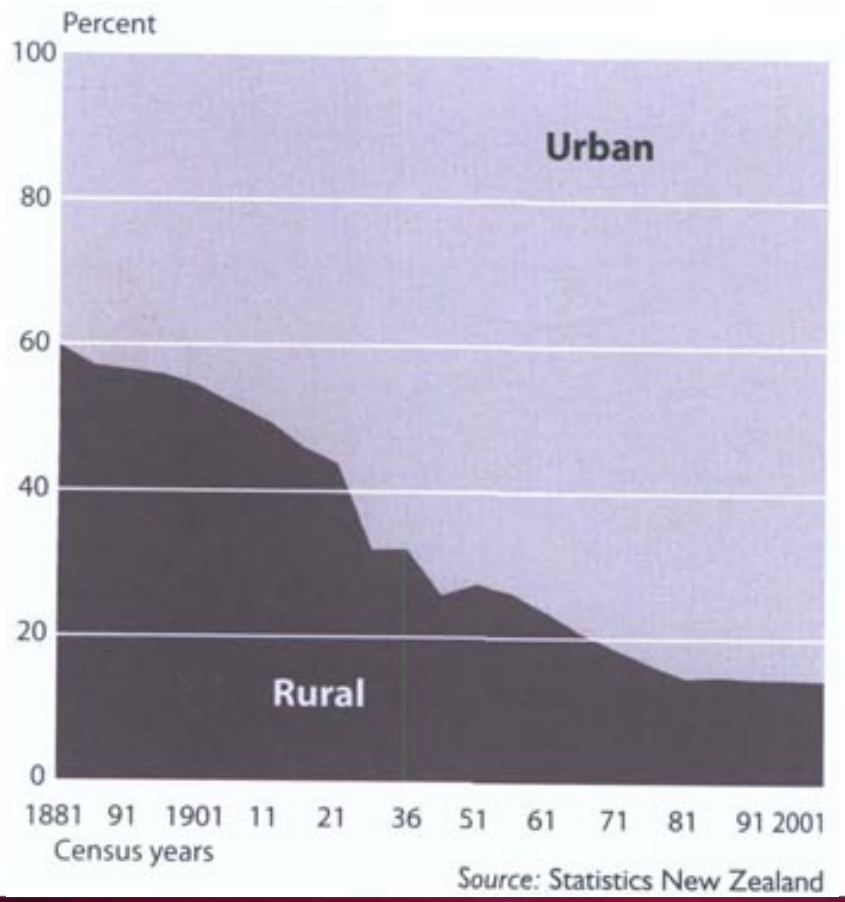
Concern at affordability

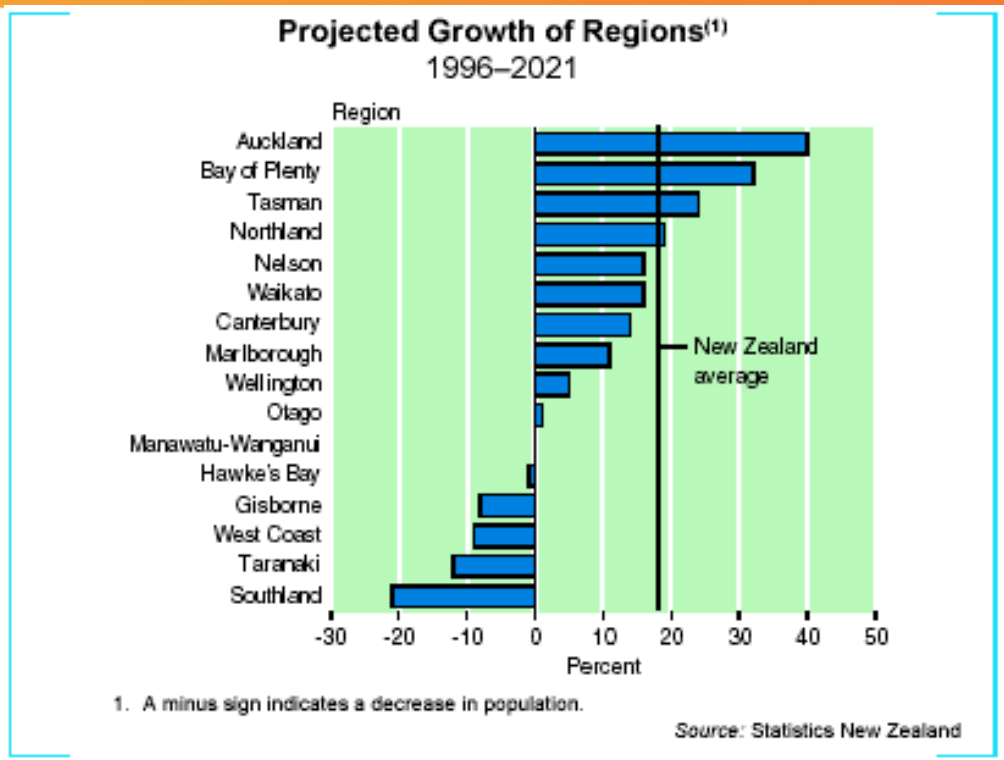


New Zealand's current level of investment in roading is the highest it has been since the 1960s. New Zealand is now spending a higher percentage (1.3 percent) of its GDP on roading compared to other developed countries.

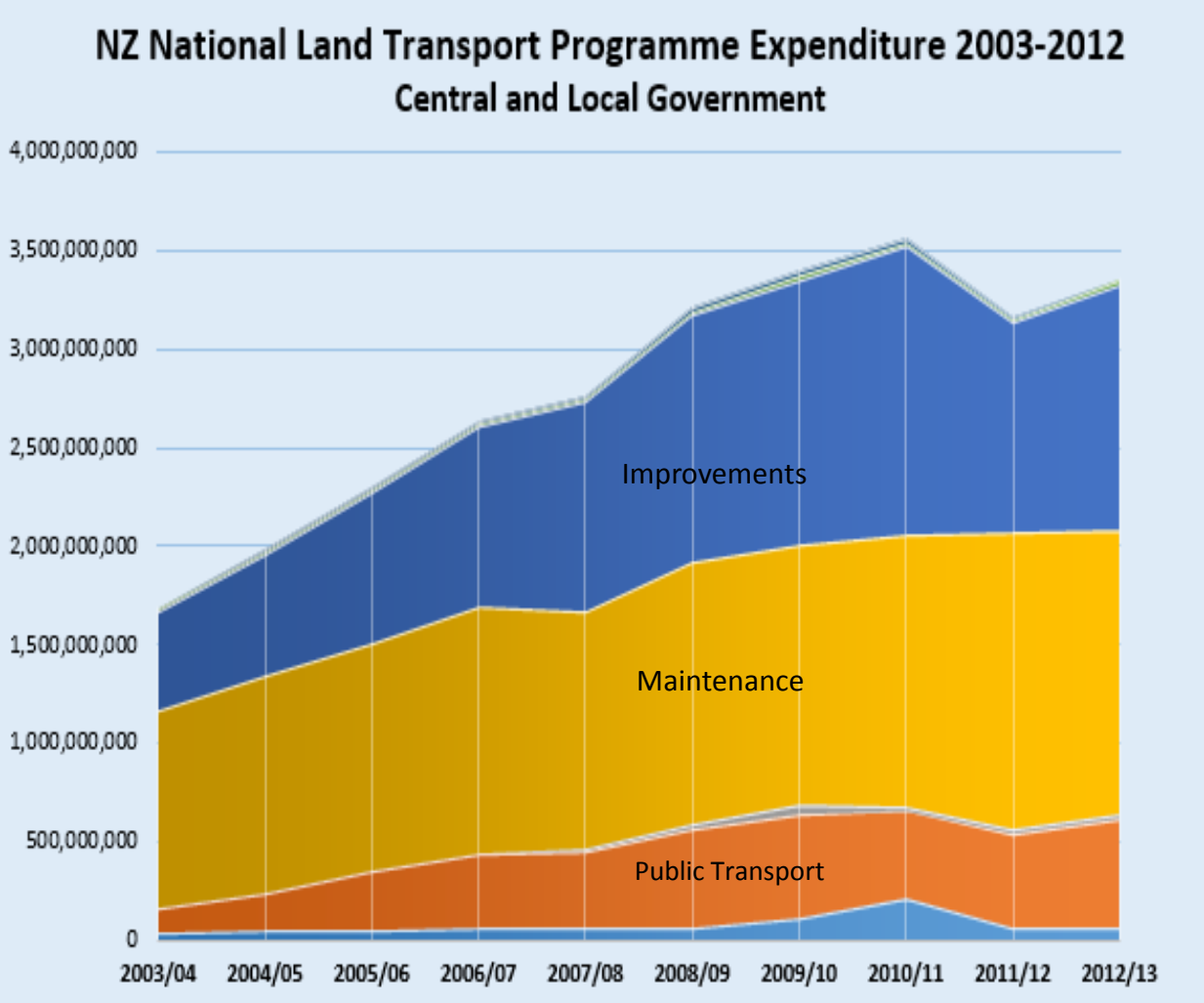
Over the next 10 years, expenditure on transport is expected to increase at 3.3 percent per year, well above the forecasted 2 percent annual increase in inflation for the economy as a whole over the same period. – Ministry of Transport Briefing to the Incoming Minister

Local share borne by fewer people





Cost increases unsustainable



ANALYSIS

Road Maintenance Task Force

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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).

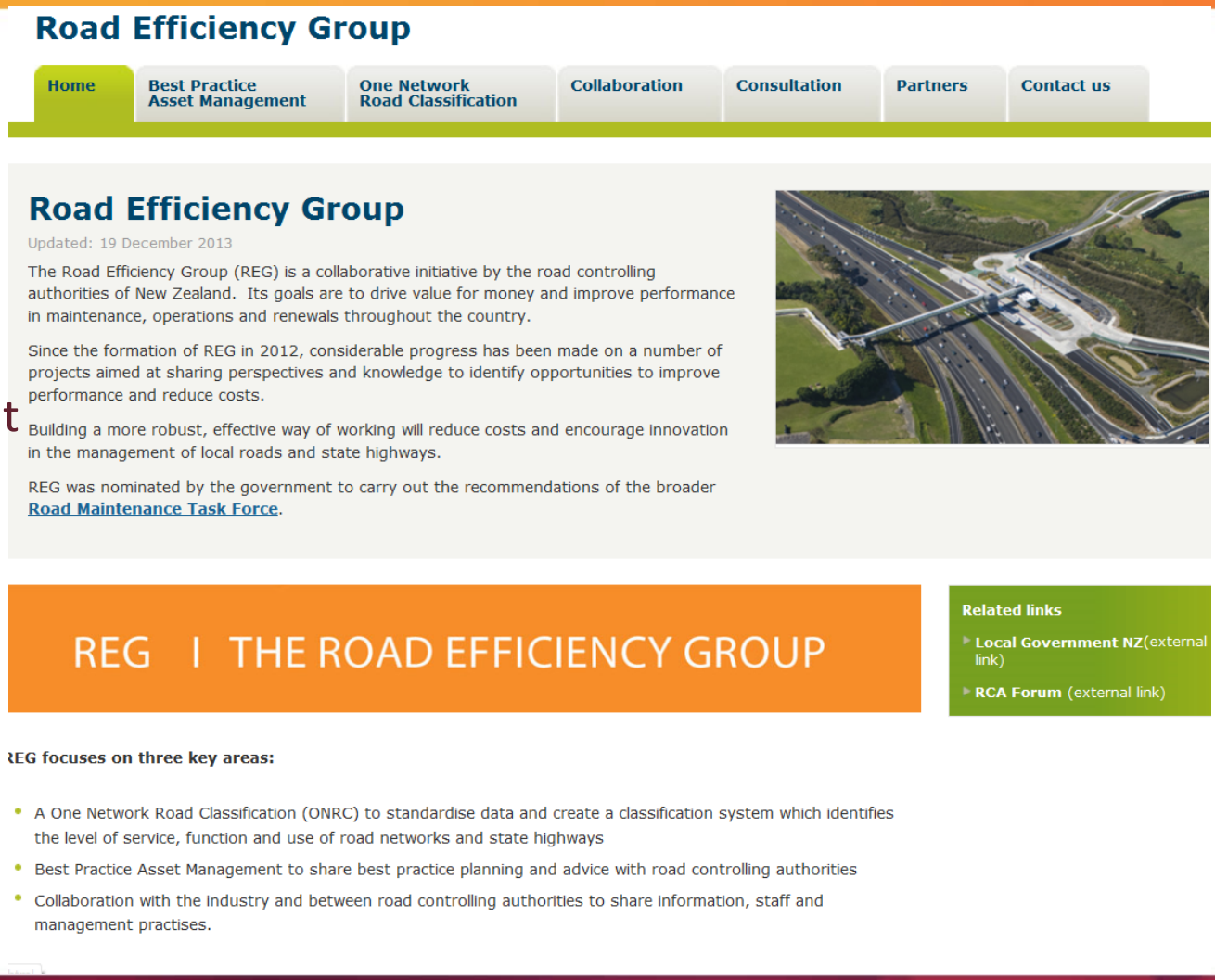
See also Transport Minister Gerry Brownlee's media statement: **Road maintenance recommendations welcomed**.

Oct 2012

THE RESPONSE

Sector-led change

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

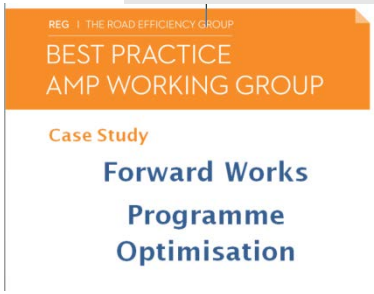


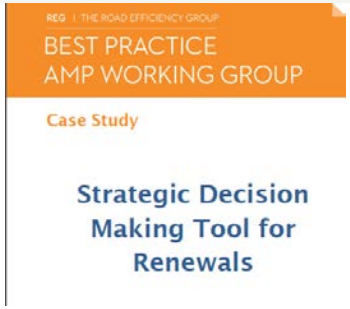
Asset management driven by customer levels of service

Progress

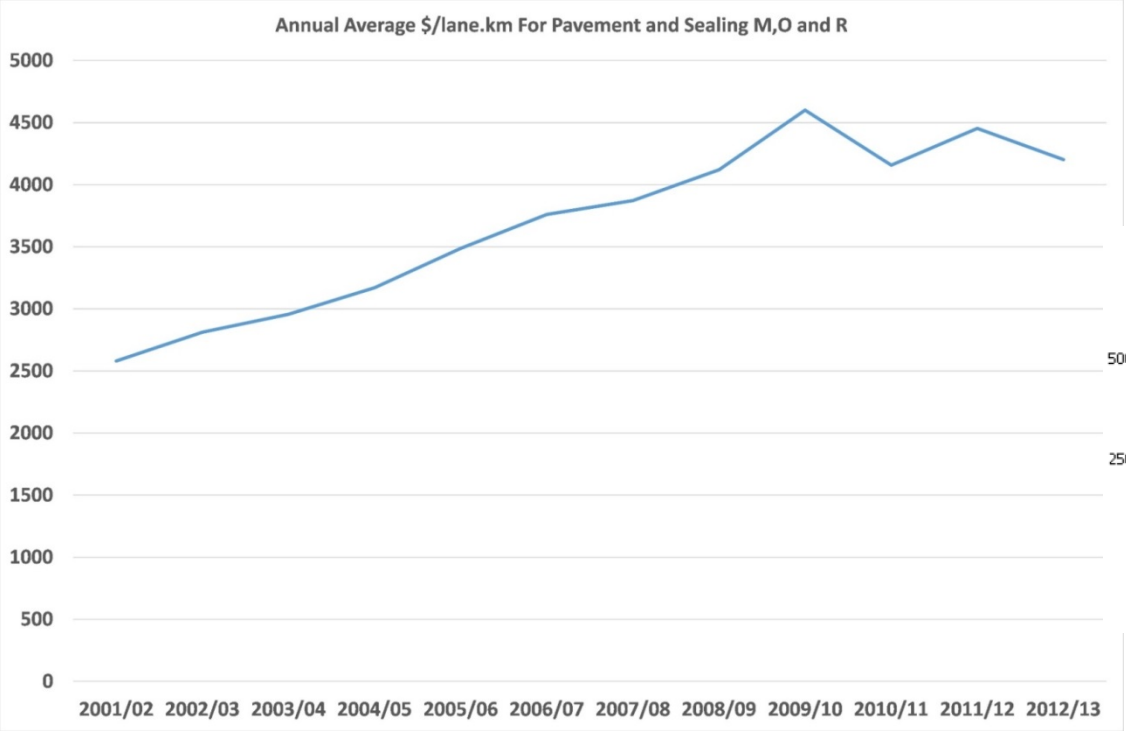
- Classification scheme developed and applied in all networks
- Customer levels of service developed for each class of road
- Change plans under way:
  - Identify top issues (safety, amenity, travel time, etc)
  - Identify data gaps
  - Identify System changes – RAMM, attribute cost
  - Assess existing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

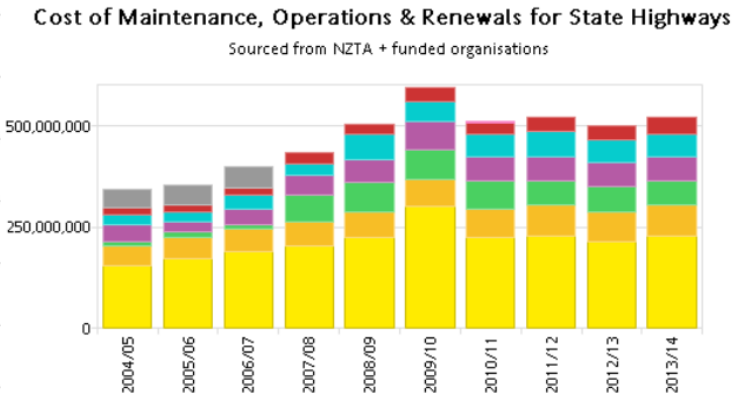
Change facilitated by the sector





Results


Annual Average $/lane.km For Pavement and Sealing M,O and R
5000
4500
4000
3500
3000
2500
2000
1500
1000
500
0
2001/02 2002/03 2003/04 2004/05 2005/06 2006/07 2007/08 2008/09 2009/10 2010/11 2011/12 2012/13


Cost of Maintenance, Operations & Renewals for State Highways
Sourced from NZTA + funded organisations
500,000,000
250,000,000
0
2004/05
2005/06
2006/07
2007/08
2008/09
2009/10
2010/11
2011/12
2012/13
2013/14


END

Title of Presentation

NAMES OF PRESENTERS