

2.0 INTRODUCTION

2.1 Background

2.1.1 ASSET MANAGEMENT POLICY

PURPOSE

The Asset Management Policy supports Council's long term strategic goals found in the 2015 LTP of:

- Ensure that the Taupō District remains a great place to live
- Promote economic development
- Protect our water resources and use them wisely
- Maintain the quality infrastructure that we have
- Keep rates and debt affordable

OBJECTIVE

The objective of Council's Asset Management Policy is to:

- ensure service delivery is optimised to deliver agreed community outcomes and levels of service for both residents, visitors and the environment
- optimise expenditure over the life cycle of the assets
- risks are managed appropriately
- provide a service delivery that is sustainable

PRINCIPLES

The following principles will be used by Council to guide asset management planning and decision making:

- effective consultation to determine appropriate levels of service
- Integration of asset management within Council's strategic, tactical and operational planning frameworks including; corporate, financial, and business planning
- Informed decision making using a lifecycle and risk management, and inter-generational approach
- Transparent and accountable asset management decision making
- Sustainable management of assets for present and future needs

CORPORATE FRAMEWORK

This Asset Management Policy links to Council's LTP, Infrastructure and Financial Strategy and Asset Management Plans(AMPs). It builds on Council's strategic goals by promoting an integrated approach to the management of service delivery and across all asset classes.

STRUCTURED ASSESSMENT of ASSET MANAGEMENT PRACTICE

Council has undertaken a structured assessment of the appropriate level of asset management practice for each of the asset classes. This structured assessment follows the guidelines provided in Section 2.1.3 of the International Infrastructure Manual (IIMM 2011v4).

IMPLEMENTATION and REVIEW of POLICY

This Asset Management Policy has been implemented in 2015. The Asset Management Policy was reviewed in 2017 prior to completing asset management plan updates to support the 2018 LTP.

MATURITY ASSESSMENT

In the first quarter of 2015 the maturity level of each of the Asset Management Plans has been assessed through an external review process to determine the actual level of maturity. This review will form the basis for the further refinement of each of the AMP's Improvement plans.

2.1.2 PURPOSE OF THE PLAN

Taupo District Council is responsible for managing a range of community owned assets such as the road network. To ensure all these assets are managed in an efficient and affordable way asset management plans are required.

The size of the transportation investment and importance of providing transport services to the community demands excellence in the management of these assets. The community expects the transportation network to be managed in such a way that costs are minimised while providing the levels of service the community desires.

The overall purpose of asset management (AM) planning is:

“To meet a required level of service in the most cost effective way (through the creation, operation, maintenance, renewal and disposal of assets) to provide for existing and future customers”.

This asset management plan (AMP) is the tool for combining management, financial, engineering and technical practices to ensure that the level of service required by customers is provided at the lowest long term cost to the community. The plan is intended to demonstrate that Council is managing the assets responsibly and that customers will be regularly consulted over the price/quality trade-offs resulting from alternative levels of service.

AMP's are therefore concerned with outlining optimal life cycle management strategies and providing details of the associated costs. This identification of future needs, management options and cash flows provides the ability to even out peak funding demands and account for asset depreciation loss of service potential.

The main benefits derived from AM planning are:

- Improved understanding of service level options and standards.
- Minimum lifecycle (long term) costs are identified for an agreed level of service.
- Better understanding and forecasting of asset related management options and costs.
- Managed risk of asset failure.
- Improved decision making based on costs and benefits of alternatives.
- Clear justification of forward works programmes and funding requirements.
- Improved accountability over the use of public resources.
- Improved customer satisfaction and organisational image.

A fundamental objective throughout the preparation (and future review) of this plan will be to identify potential opportunities for reductions in asset lifecycle costs.

The overall responsibility for asset management with TDC sits with the asset managers and the implementation of works and programmes lie with the relevant operational teams. Councillor involvement is through the approval of the ten year plan (TYP) and annual plan process. All AMPs are to be formally updated on a 3 yearly basis, which coincides with the TYP review cycle.

Asset managers are also part of the Asset Management Team who work together to ensure quality outcomes. The team has key relationships with the policy division to make sure that customer expectations are understood as well as key outcomes are achieved. The Finance team also assist in the preparation of finance section. Project information as well as overall budgeting is then passed to senior management to enable further analysis as well as support.

This Asset Management Plan is updated internally by the Transportation team building, on the existing Asset Management Policy document. Data has been collated and updated by engineering officers using the available RAMM and recent asset valuation data. Contributions

for this plan have also been made from relevant asset managers/engineering officers within Infrastructure Group and financial updates via the Management Accountant team.

2.1.3 LEGISLATIVE REQUIREMENTS FOR ASSET MANAGEMENT PLANNING

The recent focus on AM planning, results from the Local Government Amendment Act 2002 (November 2010 amendment). This Act places an emphasis on strategic financial planning and requires local authorities to:

- Prepare and adopt a Long Term Plan (LTP) with a 10 year planning horizon every three years, taking into account asset creation, realisation, and loss of asset service potential.
- In determining their long term financial strategy, consider all relevant information and assess the cost/benefit of options.
- Manage assets prudently, in the interests of the district and its inhabitants and ratepayers.
- Clearly identify significant forecasting assumptions and risks underlying financial estimates.
- Identify any significant negative effects that any activity within the group of activities may have on the social, economic, environmental, or cultural well being of the local community.

The preparation and implementation of an AMP from which long term financial strategies will be developed, is a means of TDC complying with these requirements.

2.1.3.1 Section 10 Purpose of local government

- (1) The purpose of local government is –
 - a) To enable democratic local decision-making and action by, and on behalf of, communities; and
 - b) To meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses.
- (2) In this Act, good-quality, in relation to local infrastructure, local public services, and performance of regulatory functions, means infrastructure, services, and performance that are –
 - (a) Efficient; and
 - (b) Effective; and
 - (c) Appropriate to present and anticipated future circumstances

2.1.3.2 Section 17A Delivery of Services

- (1) A local authority must review the cost-effectiveness of current arrangements for meeting the needs of communities within its district or region for good-quality local infrastructure, local public services, and performance of regulatory functions.

2.1.4 LEGISLATIVE DOCUMENTS

The key legislative documents relating to the management of the transportation assets are listed in the following table. Further documents can be found in Appendix E (Asset Maintenance, Renewal and Capital Expenditure Policy) of this AMP.

Local Government Act 2002 and Amendments	The LGA empowers local authorities to carry out various transportation works, but does not require them to do so. The Act requires public consultation.
Transport Act 1962	Was the principal Act for general land transport safety matters. While the Transport Act 1998 now includes most of its provision, it still

	includes provisions for some traffic bylaws and parking enforcement.
Land Transport Act 1998	Promotes safe road user behaviour and vehicle safety; provides for a system of Rules governing road user behaviour, the licensing of drivers and technical aspects of land transport; recognises reciprocal obligations of persons involved; consolidates and amends various enactments relating to road safety and land transport; enables New Zealand to implement international agreements relating to road safety and land transport. It now includes the regulation of commercial transport services and the limits on driving hours.
Land Transport Management Act 2003	Sets out the requirements and processes for local authorities to obtain funding for road construction and maintenance, and for the funding of Police on-road enforcement. As amended in 2008 it is also the Act that establishes the NZ Transport Agency.
Other Acts and Regulations	Further information can be found in Appendix E.
Traffic Regulations 1977	Land transport rules now cover most of these requirements. Some requirements, relating to steering and restrictions on towing of trailers by passenger service vehicles, remain in these regulations.
Land Transport Regulations 1999	Details the offences for breaching land transport rules and the penalties.
Road User Rule 2004	Establishes the rules under which traffic operates on roads. The rule applies to all road users, whether they are drivers, riders, passengers, pedestrians, or leading or droving animals.

2.1.5 RELATIONSHIP WITH PLANNING AND STRATEGIC DOCUMENTS

The way in which AM planning links the Strategic planning process with operations and annual plans is illustrated below.

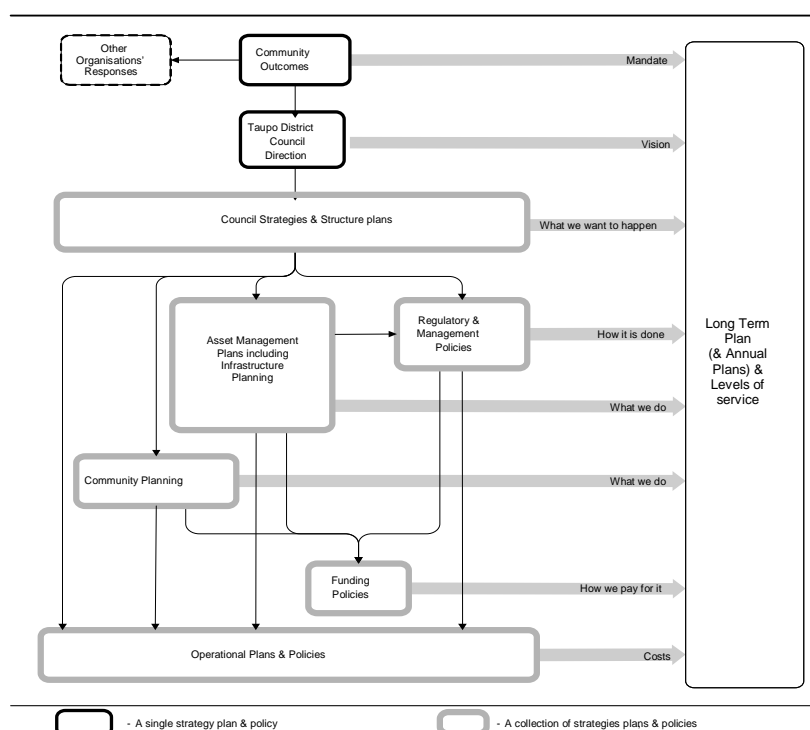


Figure 1: Council Planning

AMP's are tactical plans for achieving strategies resulting from the strategic planning process. AMP's are a key component of the council planning process linking with the following documents.

Ten Year Plan (TYP): TYP sets the strategic direction for the Council and is the overarching planning tool which describes the activities the Council will undertake to deliver. It identifies the outcomes the community would like to achieve. It also contains the financial forecast for the next 10 years. This financial forecast is drawn from the AMP.

Annual Plan: This is prepared for year 2 & 3 of the TYP and sets out how Council will undertake its strategic goals and details the specific activities and functions. The works identified in the AMP should automatically become the basis on which future TYP's and annual plans are prepared.

District Plan: The District plan is an implementation tool used to protect values and outcomes important to the community. The road network is essential in the transportation of goods, services and people into, out of and through the district and provides for the economic and physical wellbeing of the community. The road network and Taupō airport provide the principal transport infrastructure for the district and are physical resources of strategic importance which need to be protected from activities which may have an adverse effect on their safe and efficient operation. Refer to Appendix A for section of District Plan relating to Traffic and Transport.

Infrastructure strategy: The Infrastructure strategy will provide a strategic direction for the Council to manage its key infrastructure over the next 30 years. The strategy will scope and prioritise key, long-term infrastructure issues, and outline how the Council proposes to address those issues.

Financial strategy: The Financial Strategy is central to the development of the Council's Long Term Plan 2018-28. It will set out the Council's approach to managing its finances for the next decade, including the key financial parameters guiding the development of the Long Term Plan, including limits on rates increases and debt. It will also show the overall financial implications of the Council's operations over the ten years covered by the Long Term Plan 2018-28.

Business/Activity Plans: The service levels policies, processes and budgets defined in AMPs are incorporated into business plans as activity budgets, management strategies and performance measures.

Contracts: The service levels, strategies and information requirements contained in AMPs are translated into contract specifications and reporting requirements.

Legislation: The AMP must comply with all relevant legislation and provide the means of meeting legislative requirements.

Bylaws, standards and policies: These tools for asset creation and subsequent management are needed to support AM tactics. Refer to Appendix C for Taupo District Council Road Sign Policy.

Tree and vegetation policy: This document gives some direction as to trees and vegetation and/or planting on reserves including road reserves and berms.

Waikato Regional Council Policy/Regional Land Transport Plan: These references give the policy framework and give effect to the preferred strategic direction and a vision of what kind of transport system the region wants, a set of desired outcomes the region wants to achieve and a specific direction to focus the region's efforts in meeting these objectives. Other plans and policies such as Waikato Operative regional road safety plan are linked also.

Recreational strategy: This is a high level strategy explaining what is to be achieved in the future; and is fed by and feeding to documents such as TYP, business plans, growth, development contribution, walking and cycling strategies and asset management plans.

Walking and cycling strategy/horse riding strategy: These strategies come under the umbrella of the recreational strategy and will be used as input into the infrastructural and community planning and operational plan. This is the result of the Community outcomes and TDC direction.

Stormwater Asset Management Plan: The Stormwater assets are closely interwoven with the transportation assets. The boundary between the two asset types are clearly defined within the stormwater asset management plan. Road catch pits and leads are considered to be transportation assets. All costs associated with those catch-pits and leads, e.g. operational costs of cleaning sediment from the road catch pits are reported in the Transportation AMP. Catch-pits and leads in other than public roads, e.g. car parks and industrial sites and service stations are included within the Stormwater AMP.

Property & Parks Asset Management Plans: Community facilities have three areas where assets overlap and these are: street trees and gardens; street sweeping; and roads/carparks & paths on reserve land.

Growth Management Strategy 2050: At the core of Taupo District 2050 are 12 Strategic directions. These provide the framework of interrelated policies that guide decision making and growth related issues. Strategic direction 8 and 9 relate to Transportation AMP (refer page 7 of GMS). From the strategy a growth model outlines the proposed growth for the next 10 to 30 years and this is updated every 3 years.

Structure Plans: Adopted and proposed structure plans outline how growth is to be managed within areas - Taupo Urban Structure Plan (TUSP), Taupo Town Centre Structure Plan (TTCSP), Commercial and Industrial Structure Plan (CISP), Kinloch Community Structure Plan (KCSP), Mapara Valley Structure Plan. These plans identify future transport projects required for the district, however funding constraints mean not all projects are included.

2.2 Key Stakeholders

Key stakeholders are those who have significant and/or specific involvement with the assets and/or the service facilitated by the assets and describes their particular main interests.

This AMP recognises the following as key stakeholders:

Stakeholders - External & National stakeholders	Stakeholders main interest	Engagement Methods/Touch points
Accident Compensation Commission	Road Safety – injury prevention & community programmes.	Correspondence, Road Safety Partnership meetings.
Active Modes Infrastructure Group	Active modes of transport, cycling markings etc	Quarterly meetings with other key stakeholders from around NZ, Taupo is represented on this team
Age Concern	Walking and cycling, mobility and access, mobility scooter workshops, Older Driver courses.	Occasional correspondence, Access Taupo meeting participation, newsletter updates.
Audit New Zealand	Legislative responsibilities as defined in Legislation.	As per audit processes.
Automobile Association (AA)	Transport Sector group	Contact via regional road safety meetings and workshops.
Cycle Advocates Network (CAN)	Transport Section group	Occasional correspondence and contact via regional road safety meetings and workshops.
Department of Conservation	Walking tracks, carparks on reserves.	Occasional correspondence
Energy Conservation Authority	Transport Sector groups	Occasional correspondence mainly over LED street lighting.
Local Government New Zealand/Central Government	To ensure Local Government Act is complied with (via Auditor-General). Enhance value of decision making process.	Occasional correspondence
Ministry of Education	Safety of school children (urban and rural), school children using rural buses.	Occasional correspondence to identify school bus routes & infrastructure required.
Ministry for the Environment		Very occasional correspondence
Ministry of Health		Occasional correspondence Submissions if required
Ministry of Transport		Via submission process Correspondence Workshops Regional meetings
New Zealand Police	Recognised as significant stakeholder. Road Safety Partner	On-going liaison and appropriate formal contact where required.

Stakeholders - External & National stakeholders	Stakeholders main interest	Engagement Methods
New Zealand Transport Agency	Legislative responsibilities as defined in Legislation, Co-Funding partner.	Continual and frequent information contact and appropriate formal contact where required.
New Zealand Trucking Association	Transport Sector Group	Occasional correspondence
Road Transport Association	Transport Sector Group	Contact via regional road safety meetings and workshops, update on projects in town which may impact truck operators
Telecom and other utility companies	Utility operators, check services before starting projects.	Close liaison via NZUAG Code of Practice for working in the road procedures.
The Heavy Haulage Association	Transport Sector Group	Contact via regional road safety meetings and workshops.
Tour Coach and Bus Association	Transport Sector Group Bus stop signage	Occasional correspondence

Stakeholders – External and Regional	Stakeholders main interest	Engagement Methods
Bay of Plenty District Health Board (includes Lake District Board area)	Road safety partner, Walking and cycling strategy, road safety programmes.	Meetings, attendance at workshops
Neighbouring Councils – South Waikato, Rotorua, Hawke’s Bay, Otorohanga	Rotorua & Otorohanga share boundary roads between RCA and one bridge between Otorohanga and Taupō, road safety partners.	Ongoing contact with relevant staff/road safety coordinators, road managers. Agreements in place for sharing of maintenance and management of the bridge asset (currently informal).
New Zealand Transport Agency	Significant stakeholder. State Highway division of NZTA. Co-funding investment partner Forecasting/Programme development Planning and investment Delegated authority for some asset types.	Regular personal contact (meetings and phone) and appropriate formal contact where required. TIO (Transport investment on line).
Waikato Regional Council	LTMA 2003 role, administer public transport contract on TDC behalf, Strategies eg Walking and cycling, road safety. Access and mobility etc RLTP development.	Ongoing contact with relevant staff. Contact via regional road safety meetings and workshops, RATA, RAG Occasional correspondence.

Stakeholders – External and Local	Stakeholders main interest	Engagement Methods
Taupo District Council ratepayers, residents, customers and visitors	Recognised as large & significant stakeholders. Reliable road network and transportation services at an affordable cost.	Broad methods such as phone, service requests, general correspondence, email, meetings, facebook, social media, face to face, meetings (informal).
Access Taupo group	Recognised as large & significant stakeholders. Mobility issues, safe & accessible routes Access into facilities and buildings.	6 weekly meetings with Access Taupo group to discuss issues, emails.
All commercial and private road users including but not limited to: Bus operator Cyclists Heavy – vehicle operators Horse riders Motorcyclists Motorists Passengers Pedestrians (including mobility scooter users) etc	Recognised as large & significant stakeholders. Reliable road network and transportation services at an affordable cost that considers their favoured mode of transport.	Broad methods such as phone, service requests, general correspondence, email, meetings, facebook, social media, face to face, meetings (informal).
Bike Taupo	Recognised as a significant advocacy group. Advocate for safer cycle network on and off road. Walking and cycling strategy (cycling component) Cycle trail development.	Occasional correspondence - phone, informal meetings, email updates, Bike Taupo newsletters, website.
Consultants and Contractors	Commercial opportunities Project development Maintenance contracts Project designs	Formal and informal meetings Occasional correspondence Short term agreements Offer of service.
Emergency services (Ambulance, Fire and Police).	Road safety partners Safe and reliable road network.	Occasional correspondence with Ambulance and Fire services. Police representatives are part of the Road Safety Partnership Group. Regular contact for road safety/community programmes.
Event planners	Traffic management plans, road safety.	Meetings, TMP plan review

Stakeholders – External and Local cont.	Stakeholders main interest	Engagement methods
Local businesses/industries	Transportation services to suit commercial needs and expansion at an affordable cost Parking restrictions – on street parking spaces	Occasional correspondence Via Taupo Town centre
Safekids Coalition	Road safety for young children, driveway runover kit	Meetings
Schools (including BOT)	Safety for school children (urban and rural) Walking and cycling School bus routes including bus infrastructure (rural areas) Cycling skills in schools, Road safety/school travel plan	Road safety community programmes, school travel plans,
Taupo Town centre	Transportation services to suit commercial needs and expansion at an affordable cost Parking restrictions – on street parking spaces	Occasional correspondence Informal meetings

Stakeholders – Internal	Stakeholders main interest	Engagement Methods
Asset Managers	Implementation of infrastructure and service management activities (eg operations, demand management, maintenance, construction). Effective decision making, finance, communications, IT etc	Continual discussion via informal meetings, face to face, regular asset manager meetings.
Chief Executive	Compliance with regulations, service reliability, quality and economy	Updates when required
Communication team	Project updates, event updates	Councillor weekly update, communication plans, emails, phone, meetings etc
Community engagement team	Accessible transport network Neighbourhood events Accessible audits	Informal meetings, phone, email
Contract Managers	Responsible for implementation of infrastructure and service management activities	Continual discussion via informal meetings, face to face
Council committees	As per delegated authority	Regular meetings

Stakeholders – Internal continued.	Stakeholders main interest	Engagement Methods
Customer services	Customer service request systems which minimise and resolve complaints/enquiries relating to the activity.	Broad methods such as phone, service requests, general correspondence, email, meetings, facebook, social media, face to face, meetings (informal).
Elected members	Owner of assets, responsible for sustaining service levels under the LGA 2000.	Councillor weekly updates, regular meetings, email, occasional correspondence.
Financial team	Budget requirements (income and expenditure) including forecasting, annual plan, Long term planning	Spreadsheets updated regularly, phone, email, meetings.
Infrastructure team and manager	Input into the AMP/Activity plan, AMP policy development and Infrastructure 30 year policy	Regular meetings, open plan office discussions
Parks & Reserves team	Walkways/Access/Footpath links	Asset Manager meetings
Planners & Policy team	AMP support for Long term plans, infrastructure support for current/future district activities	Regular meetings
Transportation team	Input into the AMP/Activity plan	Regular meetings

2.2.1 LARGE OR SIGNIFICANT USERS

Within the Transportation activity there are a number of large or significant users that need to be considered as they represent a statutory or regulatory position, or in the interests of a portion of the community. These are noted in the table above.

2.3 Purpose of Ownership

The purpose of transportation assets is to provide a sustainable, safe, convenient, comfortable and cost effective road system for the movement of people, goods and vehicles throughout the District.

Council has the option of owning transportation assets or supporting private sector developers/landowners in the provision of roads through development of private access roads and rights of way. Refer to Appendix D for list of Private Roads.

Transportation asset ownership and responsibility matrix	Legal Issues	AM plans & budgeting	Data Collection & Maintenance	Maintenance	Level of Service	Implement new works	Opex - Overheads	Opex - Rates	Opex - Interest	Opex - Insurance	Opex - Power	Opex - Security	Opex - Cleaning	Renewal	Technical advice/input	Valuation
Storm water to bottom of catch pits																
Urban street cleaning																
Pavement Maintenance - legal roads																
Bridge maintenance																
Road amenity/safety maintenance																
Street cleaning - rural sweeping																
Special purpose roads																
Maintenance management - RAMM																
Kerb and channel repairs																
Verge maintenance																
Street landscaping																
Off street parking																
Reserve Road maintenance																
Roadway maintenance																
Traffic services																
Foot bridge maintenance - on legal roads																
Footpath maintenance - on road reserve																
Footpath - reserves																
Cycleways - on road reserve																
Cycleways - reserves																
Cycle & Walking Strategy update																
Cycle strategy implementation - education																
Traffic amenity/safety maintenance																
Traffic services																
Carriageway Lighting																
Road safety community development																
Road safety projects																
Blister islands																
Total mobility assistance																
Bus service																
Lighting - reserves																

Transportation responsibility
 Parks & Reserves responsibility
 Property responsibility
 Storm water responsibility

Figure 2: Ownership and Responsibility Matrix

2.3.1 LINKS OR ORGANISATIONS VISION, MISSION, OBJECTIVES, GOALS

The Transportation AMP aims to meet the following Community Outcomes:

Economy

Our communities prosper in a thriving local economy with a diverse range of rewarding employment opportunities.

Environment

A shared responsibility for places we are proud of.

Engagement

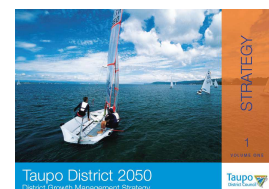
Council is connected with its communities, advocating for their social and cultural well-being.

Community Outcomes are taken into account when determining life cycle strategies, levels of service, etc.

Council's response to the Community Outcomes acknowledged that managing growth is one of the biggest issues for TDC over the next 10 years, and in June 2006 published TD2050. TD2050 provides a policy framework to guide where and how future growth should occur and identifies a series of actions to achieve this desired pattern of urban growth. At the core of TD2050 are the 12 Strategic Directions. These provide the framework of interrelated policies that guide decision making on growth related issues. Over time they will be achieved by putting into effect identified policies and undertaking the specific actions identified in TD2050. The Strategic Directions, policies and actions out of TD2050 that are specifically relevant to the transportation activity are:

Strong Communities - Strategic Direction 5:

- Identify and plan for social and community infrastructure needs in advance of development (Policy 5.2).



Sustainable Economy – Strategic Direction 7:

- Ensure that economic activities reflect the need to preserve the natural environment that sustains the district's economy (Policy 7.1).

Integrating Land Use, Infrastructure & Funding – Strategic Direction 8:

- Manage the sequence of development in growth areas so that services are available from inception of new or expanding communities (Policy 8.1).

Transport Modes and Connections – Strategic Direction 9:

- Maintain and enhance the District's strategic transport networks to link industries to move goods and people efficiently (Policy 9.1)
- Provide for a comprehensive and integrated range of present and future public and private transport options within the District (Policy 9.2)
- Manage the road system to achieve integration, choice and balance by developing an efficient and safe network and making the most of existing infrastructure (Policy 9.3)
- Facilitate the development and implementation of a corridor approach to transportation and integration with the pattern of land use (Policy 9.4)
- Consider a range of funding alternatives in respect of transportation provision in the District (Policy 9.5)

Leadership, Partnership and Collaboration – Strategic Direction 12

- Develop collaborative working relationships with other key stakeholders to achieve effective implementation (Policy 12.1)

Action – A 8.2

Include agreed growth assumptions in all Asset Management Plans.

Action – A 8.3

Ensure Asset Management Plans support the patterns of development defined by TD2050 are aligned with the LTCCP, proposed District Plan and funding policies.

2.3.2 ASSET MANAGEMENT'S CONTRIBUTION TO CORPORATE OBJECTIVES

Council's goal, as set out in the TYP relating to the road network is:

To provide an effective, efficient, sustainable and safe transportation network which allows people to move easily and is essential for the economic and social wellbeing of the community.

2.4 Assumptions

2.4.1 FINANCIAL

	Assumption	Potential risk/assessment	Mitigation measure
1	All costs are in current dollars and no present value analyses have been done.	Not the required funds to undertake capital works	Councils LTP and annual plan spend can be adjusted annually to meet Councils revenue and finance policy.
2	Costs are based on best estimates from various sources.	Projects being delayed or deferred due to cost estimates.	Engineering estimates.
3	No allowance has been made for inflation.	Under funding of cost centre	Finance team make allowances for GST in funding plan and policy
4	The subsidy from New Zealand Transport Agency will continue to be 51% for the next 3 years over all transport activities. The special purpose road – Huka Falls Road will continue to be 100% for the next 3 years when it will reduce to 51%.	There is a risk the financial assistance rate will change with the introduction of the ONRC.	Gap analysis to be undertaken.
5	Levels of service and funding have been based on historical data. Significant changes in these will affect funding accordingly.	The community desires changes to level of service which are not reflected in the document.	Council undertakes three yearly satisfaction surveys. Council undertakes pre LTP consultation to gauge the community for difference service level needs.
6	Valuation completed in August 2014 has been used as basis for asset values.	Time between the completion of the AMP and the last revaluation	Council undertakes an annual price variance assumption report
7	Allowance has been made for vested assets.	The level of allowance for vested assets is incorrect.	Councils LTP and annual plan spend can be adjusted annually to meet Council's revenue and finance policy.
8	The source of funds for the future replacement of significant assets is stated	There is a risk that sufficient funds will not be available to pay for	Council will assess the availability of funds as part of the annual budget

	in the revenue and Financing Policy.	the planned capital projects. This may be due to growth not providing sufficient funding from development or the community does not have the ability to pay or to have rates rise to fund these project.	process and if funds are not available the will re-prioritise projects and/or defer projects.
9	Assume the revenue received from Rates is as per expected.	As above	As above
10	The useful lives of significant assets are as per the accounting policies documented in the TYP. Depreciation is charged at 50% for the first year and 100% in subsequent years.	There is a risk that assets will wear out more quickly than forecast and require replacement earlier than planned. Asset lives have been incorrectly calculated meaning a funding shortfall.	Council has asset depreciation checked externally. Asset lives are compared to the latest asset information nationally.
11	Development Contributions will continue to be collected and remain available to fund network infrastructure.	If Development contributions are less than assumed, the Council may need to increase its rates to cover any shortfall or delay/defer projects.	Road network provision is provided by developers apart from quality improvement device's which are seen as a benefit to the whole community.

2.4.2 NON FINANCIAL

1	Assume the growth projections occur as per the current growth model predictions and based on the assumptions from TDC 2050 (refer pages 57 & 58 of TDC 2050).	The projections are based on a number of assumptions and therefore subjected to some uncertainty. Growth could either be higher or lower than expected. Projections are based on population data and land development data.	Council has based its plans for the management and additional infrastructure on the population projections. Regular review of the model takes place.
2	Contractors will be available for the development and construction of projects.	With the number of projects and building work happening in the district there is a risk contractors will not be available for work. Projects will be delayed due to lack of budget allocated or overpriced	Council can extend tender periods to enable contractors more time to schedule in works.

		by contractors.	
3	There will be continued growth in public participation in the democratic process and Council will need to respond to this growth.	Projects could be delayed due to the submission and hearing process or changes in levels of service.	Planning for projects need to take the public participation into account. Project plans to allow adequate time for consultation. Council's LTP an annual plan spend can be adjusted annually to meet Council's revenue and finance policy.
4	There will be no unforeseen legislative changes or central government policy changes that will affect this asset.	There is a risk that legislative change will bring about changes to Council's responsibilities.	Any legislative responsibilities that change may increase or reduce the Council's expenditure and income.
5	Economic and labour market constraints may have a direct effect on recruitment.	If Council is unable to recruit to the required level to complete the works programme for the year this could have impact on Councils credibility	Council may have to hire consultants to provide support; this could increase the cost of service delivery which will need to be funded through the annual plan process.
6	Traffic growth will vary within the district but generally be consistent with projected population growth.	The risk that traffic growth will increase at a rate beyond what is expected. If new infrastructure or projects are required and not expected this could put pressure on Council's budgets or extent of works could be reduced.	Continual monitoring of traffic volumes and predictive modelling required.
7	That Councils resource consents, where applicable for its activities will be renewed as required or approved in an appropriate manner.	Delay to projects being commissioned or installed.	Will need to ensure early consultation with iwi and hapu regarding infrastructure projects. Ensure adequate funding is allocated to fund processes outlined in agreements and increased environmental requirements.

2.5 Significant negative effects

In general providing a safe road and footpath network has both positive and negative benefits/effects. The table below outlines the negative effects and the mitigation measures.

Negative effect	Mitigation measures
<ul style="list-style-type: none"> The environmental effects from vehicles include air emissions, potential runoff and transport related waste from roads. 	<ul style="list-style-type: none"> Ensure run-off from road surfaces will be collected and/or managed and treated where appropriate particularly to protect Lake Taupo. Support national and regional regulations on vehicle exhaust limits. Traffic management (plans) in place to reduce congestion.
<ul style="list-style-type: none"> Noise of heavy vehicles and/or engine braking. 	<ul style="list-style-type: none"> Namely mitigated by the completion of the ETA with heavy vehicles using the bypass. All major transport projects must comply with the District Plan and consent conditions, if applicable.
<ul style="list-style-type: none"> New roads can change the amenity of an environment and can have an impact on the community by creating physical separation in neighbourhoods; 	<ul style="list-style-type: none"> Will be mitigated by introducing walking and cycling facilities and include urban design features where possible. Adequate public consultation.
<ul style="list-style-type: none"> The cost of providing the service on rate payers, especially to the smaller communities. 	<ul style="list-style-type: none"> Adequate public consultation via TYP.
<ul style="list-style-type: none"> Number of traffic crashes resulting in death and injury. 	<ul style="list-style-type: none"> This will be incorporated into road safety practices in the design and construction of roads. Undertake localised crash reduction studies & implement improvements through appropriate engineering measures. Community road safety programmes & campaigns addressing high risk areas. Annual minor improvement projects. Set appropriate speed limits.

2.6 Asset Management Plan Complexity

2.6.1 OUTLINE OF APPROACH

Senior Leadership Group Managers have identified the need for robust asset management planning. They have identified the level of Asset Management planning by asset type either as core or advanced. The Transport AMP has been identified as Advanced.

Core asset management plans are those which produce an AMP based on providing current levels of service and meet minimum legislative requirements by supporting a long term (10 year plus) cash flow forecast and accounting for changes in the service potential of assets. Core AMPs define existing levels of service and identify costs based on renewal accounting principles.

Advanced AMP's identify processes to optimise lifecycle AM strategies and provide a greater degree of confidence in the resulting cash flow predictions. Advanced AM functions include predictive modelling, risk management, optimised renewal decision making (ORDM) and service level reviews.

The Transportation Asset Management Plan 2018 follows the IIMM framework and it has been developed and collated internally by the Transportation team. In a recent review of the AMP

undertaken by New Zealand Transport Agency (NZTA), it has been considered to reflect an "Intermediate" level of development; however areas such as Risk Management and Levels of Service are considered to be at an advanced level.

The difference between core and advanced is that at an advanced level:

- Future demand is predicted
- High knowledge of asset owned including condition assessment and performance
- Knowledge of current utilisation and ultimate capacity
- Ability to predict failure modes
- Ability to analyse alternative options
- Ability to optimise maintenance and operational activities.

The complexity of this version of the Transportation Asset Management Plan sits in between Core and Advanced as further work is needed to understand the current utilization and capacity through further modelling of the transportation network and mainly the last three bullet points above.

2.6.2 LIMITATIONS OF THIS AMP

As it currently stands, this AM Plan has limitations in the following areas:

- Levels of Service require detailed consultation to make these more current.

Asset condition and performance assessment need to be verified through investigations and the renewal programme modelled using condition rating data.

2.7 Organisational Structure

Taupo District Council has a flat organisational structure and is structured in order to deliver the key strategic directions of the Ten Year Plan.

This being:

- Working Together
- Growth and Economic Development
- Strong, Safe and Healthy Communities
- Sustainable Environment

Transportation activities come under the Strong, Safe and Healthy Communities strategic direction. The Transportation division (asset manager) sits within the Infrastructure Group which manages all TDC's transportation assets.

The Transportation team has two streams;

- 1) Transportation Operations team which delivers professional services for design, procurement and contract administration (through a business unit agreement). The Transportation Operations team has an agreement for the provision of New Zealand Transport Agency subsidised services.
- 2) Transportation Asset team delivers asset management planning, forward planning, budgeting and programming as well as some project management. The team also delivers road safety, passenger transport service and demand management.

Both of these teams report to the Infrastructure manager who has overall responsibility of the Transportation Asset Management in the District and reports directly to the Group Manager of Operations.

In addition to the Transportation team members, the Transport activity is able to draw on the following in-house resources from:

The Finance & Administration team are responsible for the development of the Asset Management System and Asset Management Plan financials; and Development Engineer ensures that any new road networks conform to TDC's Code of Practice.

The aim of the Transportation division is:

"To manage and maintain the transportation assets within the Taupo District to an acceptable level of road user satisfaction and safety within the constraints of funding provided."

The organisational structure and Operational Group structure is illustrated in the following figures.

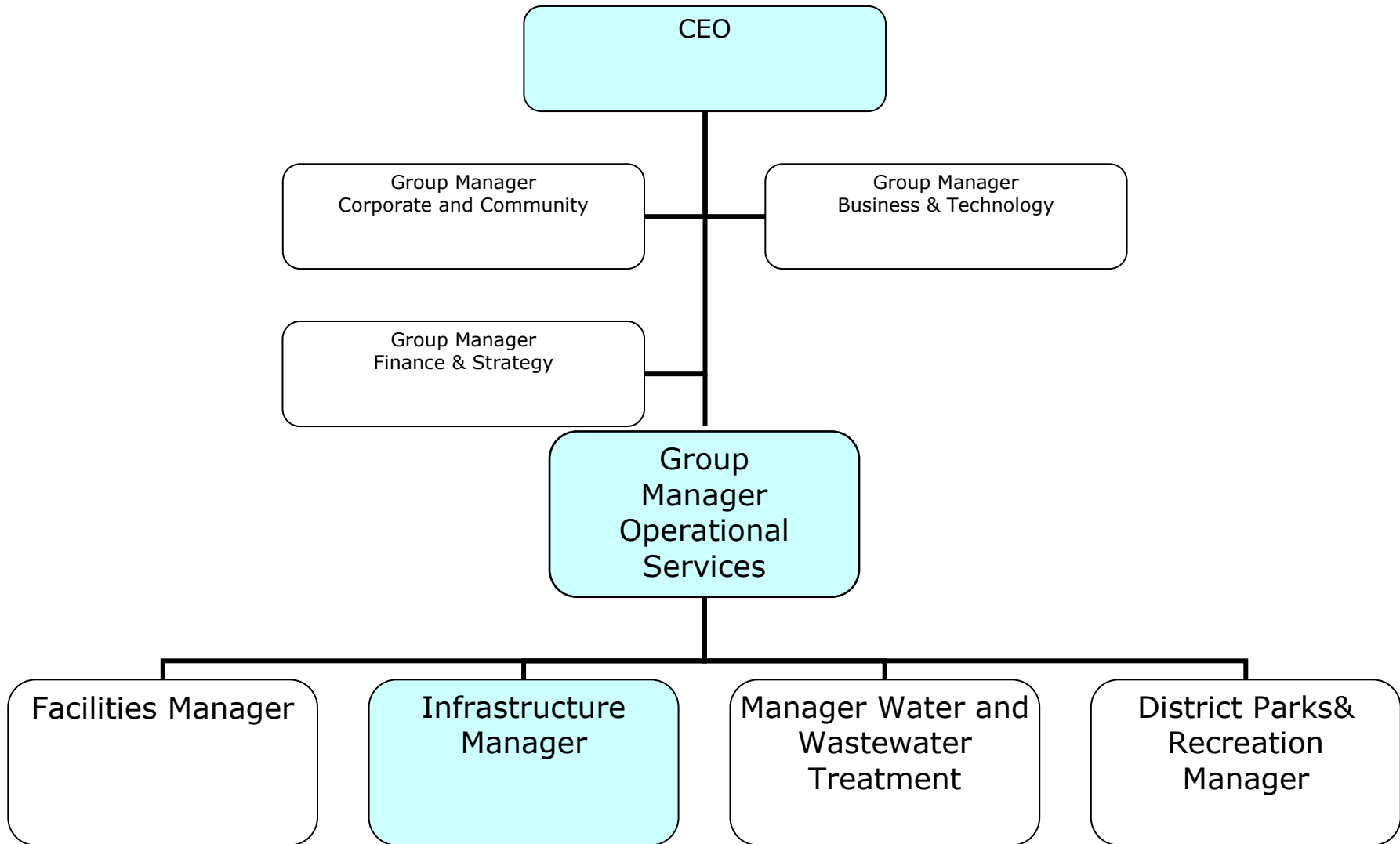


Figure 3: TDC Organisational Structure as at January 2018

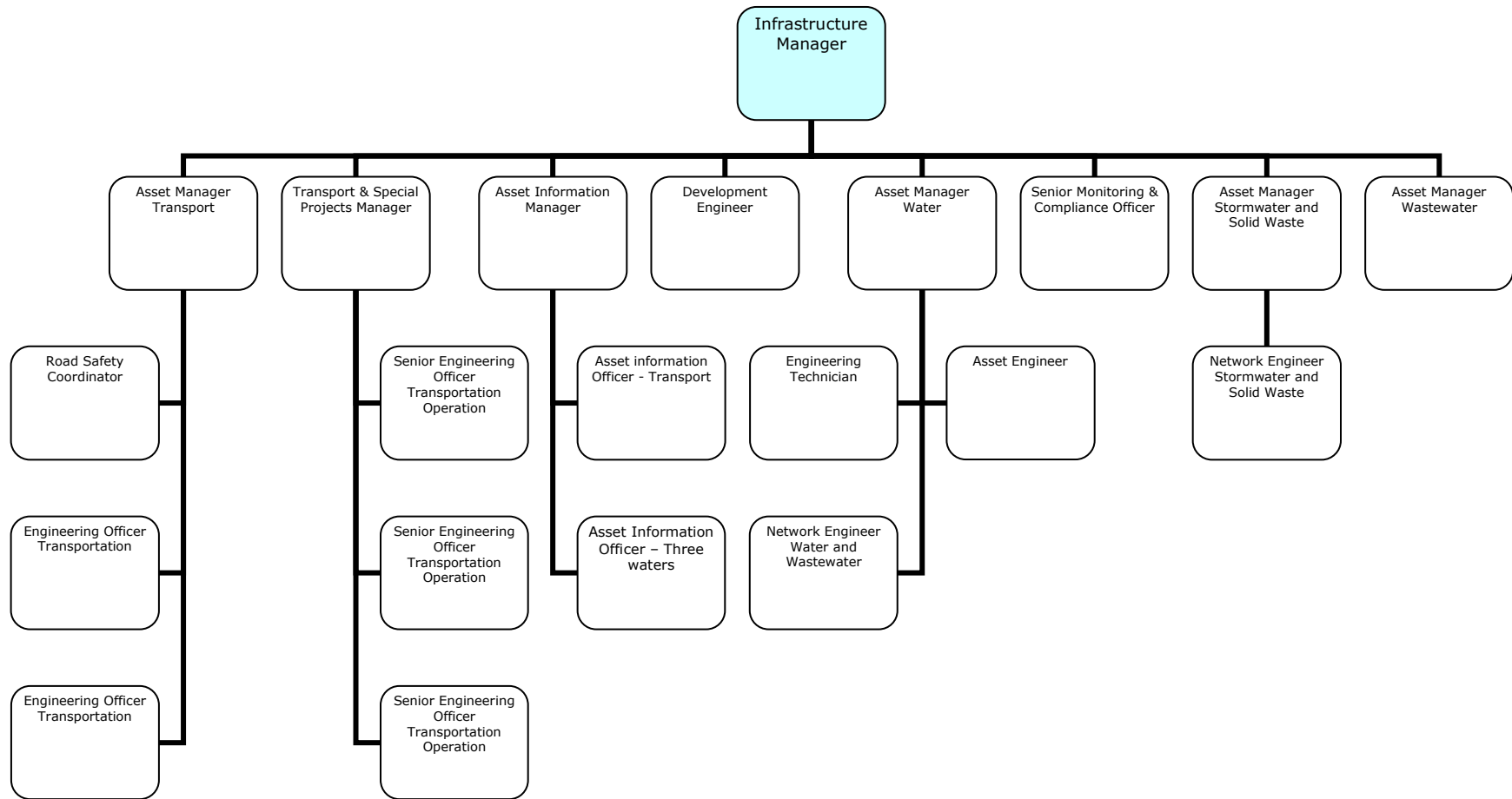


Figure 4: Infrastructure team organisational structure as at January 2018 (i.e. who does the work and how it's managed)