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# THE STRATEGIC APPROACH TO INVESTMENT

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RCA FORUM 28 November 2014



# UPDATE

## ONRC

Some issues with RAMM

Moderation - minor issues being worked through

➤ Next Steps:

Finalise moderation	December 2014
National moderation	February 2015
Guidance for performance measures	December 2014

## AMPs

Coming in

# Background

Road Maintenance Task Force established in 2011 to identify opportunities to increase the effectiveness of road maintenance.

## 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.



Steven Joyce.



Gerry Brownlee.



Simon Bridges.

# Other teams change.....



We have a responsibility to all New Zealanders, now and in the future

# Reminder - Timeframes

Test provisional performance measures for the customer levels of service	REG	September - December 2014
Update and submit AMPs	RCAs	September - October 2014
Assess and review AMPs	Transport Agency	September - November 2014
Undertake regional moderation of ONRC	Councils and Transport Agency	November 2014
Consider current network monitoring against ONRC CLoS and performance measures	Councils	December 2014
Negotiate and assess draft local transport plans	Transport Agency	September - December 2014
NLTP final assessment and allocations	Transport Agency	December - March 2015
Develop transition plans	RCAs	September - March 2015
Implement ONRC CLoS and performance measurement frameworks	RCAs	2015-18



# Framework for assessment

- Does the AMP link the proposed investment to GPS priorities:
  - Economic growth and productivity;
  - Safety
  - Value for money
- Does the AMP reflect the requirements of the business case approach
  - Strategic case
  - Programme business case
- Is the road programme likely to be sustainable?
- Has adequate attention been given to VFM (Is the cost reasonable?)
- Are there notable risks attached to the programme?



# Transition plans

## Current State

(1) What stage have you reached in

- applying the business case approach as per the guidance in PIKB implementing ONRC

## Future State

(2) On the basis of what is identified above, identify what you are going to do in order to fully implement BCA and ONRC for the next NLTP (2018-21)

- Steps
- Timeframes
- Financial implications

## GUIDANCE FROM EQUIP

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# Assessing Activity Management Plans





## Four areas of interest:

- **Implement the business case approach**
- **Implement the ONRC**
- **Sustain the network**
- **Ensure costs are reasonable**



# Current state - some observations

- Lack of outcome focus – very few AMPs refer to service outcomes.
- Focus on asset management rather activity management
- Poor investment logic - list proposed projects but not the rationale for investing in them.
- Renewal – a wide variation in the rate of renewal investment.
- Cost – wide variation in cost
- Data – much of the data used to manage assets is inaccurate.

# AT

Several publications to be read together:

- **Integrated Transport Plan** - thorough investigation of the emerging state and scenarios up to 30 years out.
- **Asset Management Plan 2015** – high level overview of management issues such as service challenges, asset condition, risks, important partnerships
- **Asset Class Management Plans (ACMP)** for all asset classes
- **Safety Works Programme** – a separate programme to address safety issues



# SHAMP

Separate publications for

- **High level overview** (the SHAMP)
- **Life Cycle Asset management Plans** – pavements, drainage, etc

Best bit

- The Challenges Ahead (Section 3)
  - Travel demand pressures
  - Safety
  - Resilience
  - Urban congestion
  - HPMV
  - Environmental and community impacts

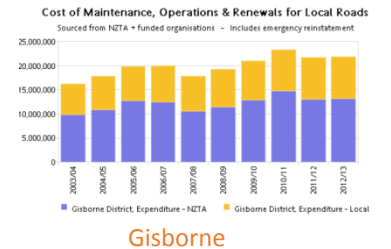
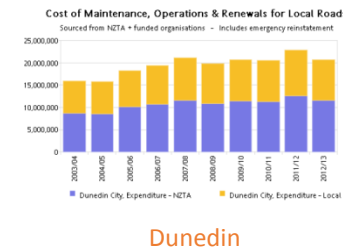
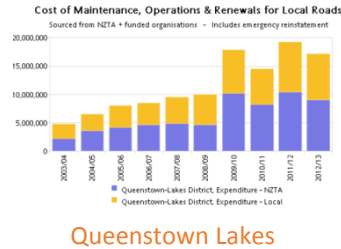
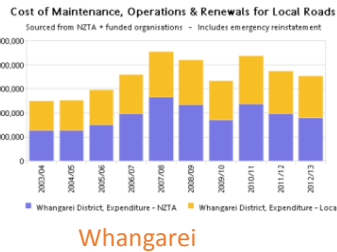
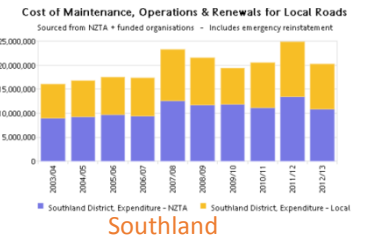
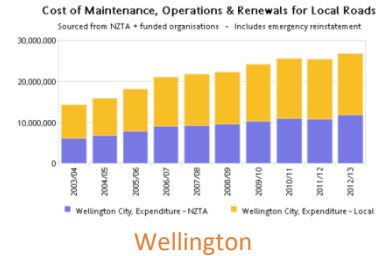
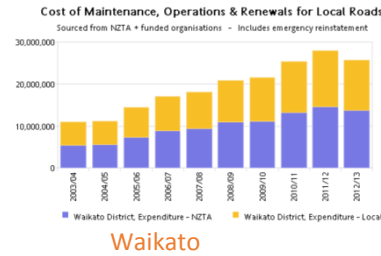
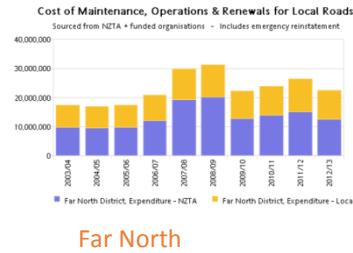
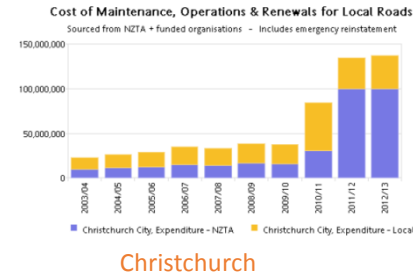
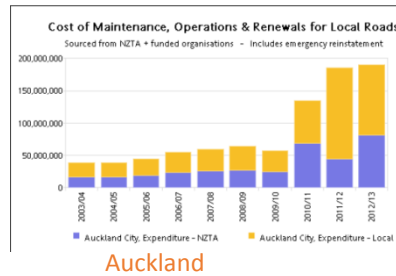
# Central Otago

## Comprehensive:

- Service levels and performance
- Demand and growth
- Assumptions and risks
- Assets
- Costs and funding

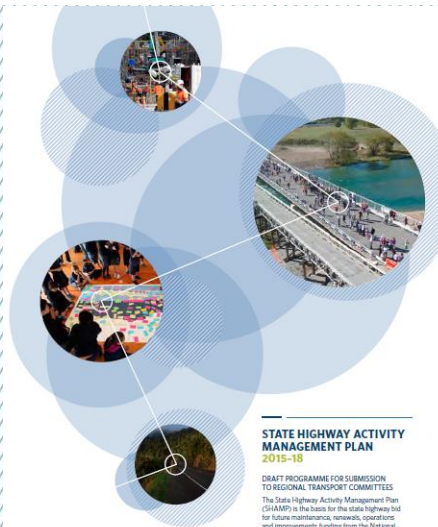


# Trends:



# Developing the SHAMP

Dave Gennard



## STATE HIGHWAY ACTIVITY MANAGEMENT PLAN 2015-18

DRAFT PROGRAMME FOR SUBMISSION  
TO REGIONAL TRANSPORT COMMITTEES

The State Highway Activity Management Plan (SHAMP) is the basis for the state highway bid for future maintenance, network operations and improvements funding from the National Land Transport Fund. This draft SHAMP has been prepared for regional transport committees to form the state highway component of regional land transport plans (RLTPs).



[NewZealandGovernment](http://NewZealandGovernment.govt.nz)

# What is the SHAMP and why is it needed?

## RELATIONSHIP BETWEEN THE SHAMP AND OTHER TRANSPORT PLANNING DOCUMENTS



### STATE HIGHWAY ACTIVITY MANAGEMENT PLAN 2015-18

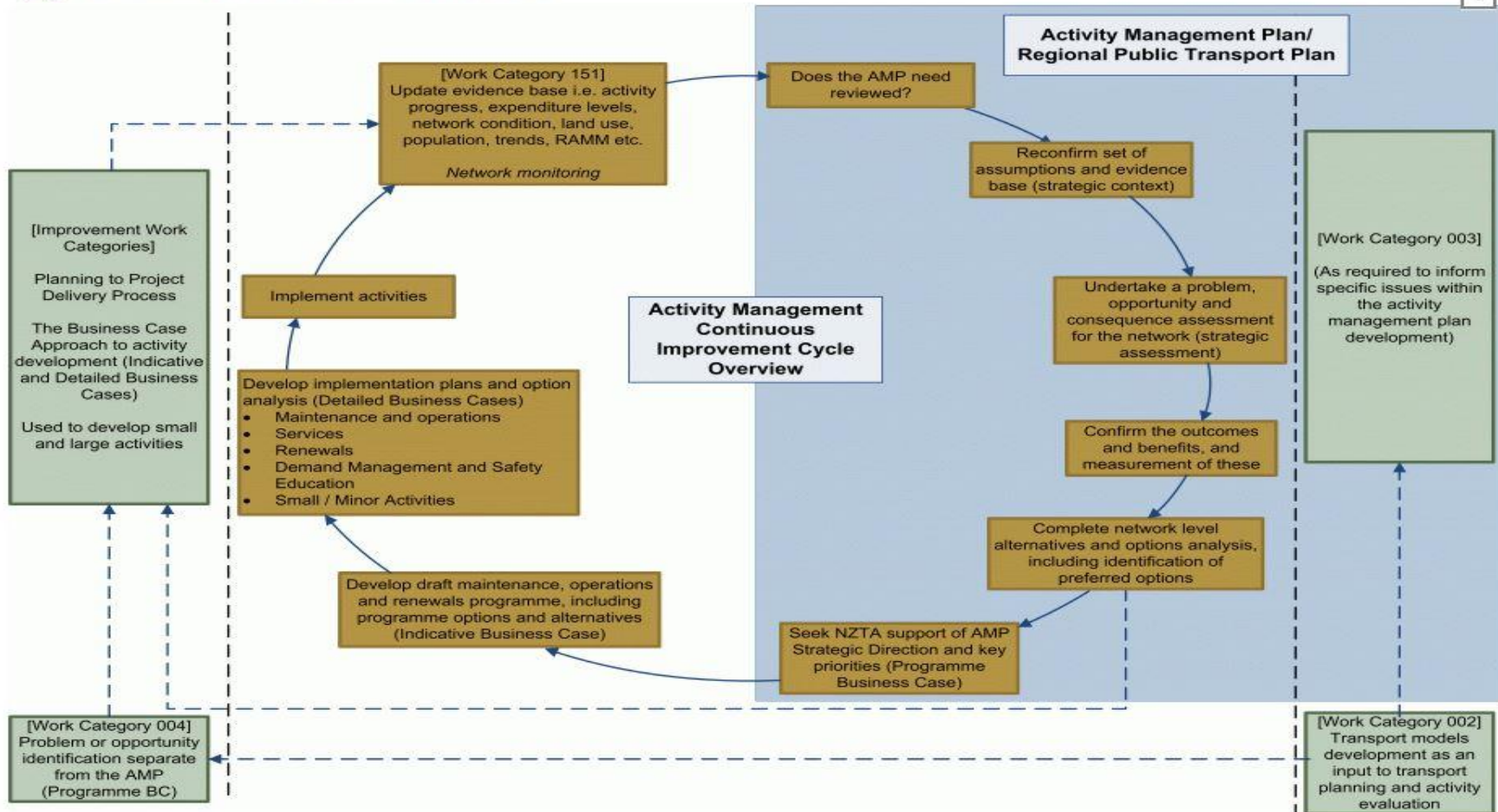
#### DRAFT PROGRAMME FOR SUBMISSION TO REGIONAL TRANSPORT COMMITTEES

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# SHAMP development Process PIKB

## Planning Improvement Cycle



# Change in approach

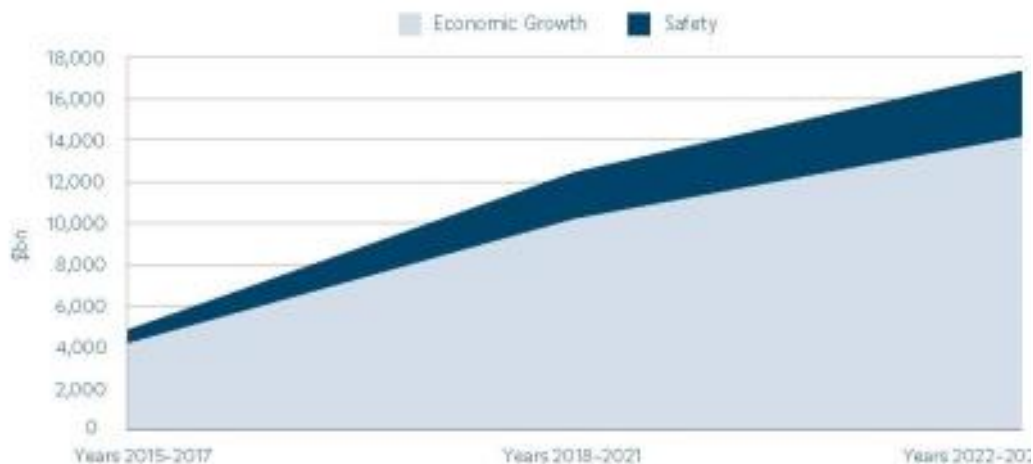
- Emphasis moved away from profiling & prioritising projects (bottom up)
- Nationally Planned approach to :
  - Agree key problems & benefits
  - Align investment to strategic direction
  - Target investment to our most strategic corridors & journeys
  - Align our levels of investment in maintenance to road classification

ONE NETWORK ROAD CLASSIFICATION

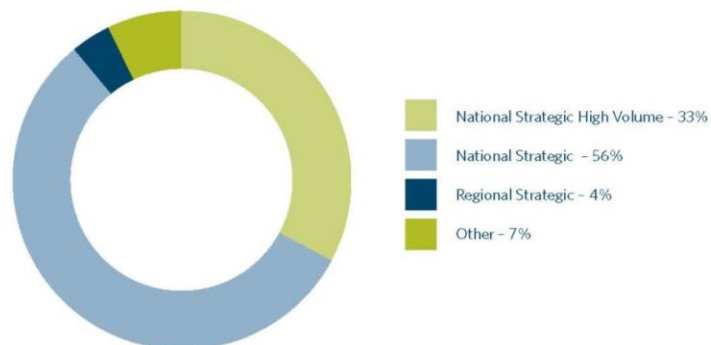


# Benefits to be realised

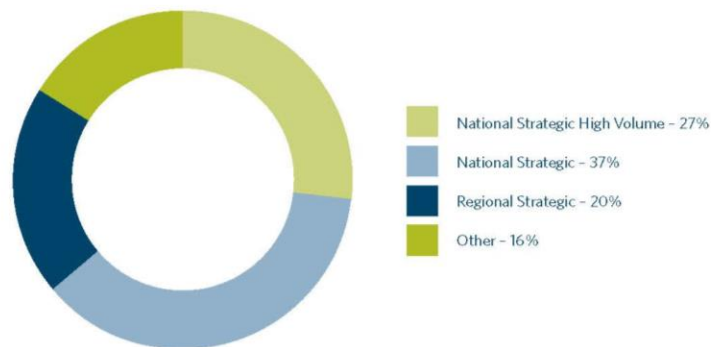
DISTRIBUTION OF MONETARY BENEFITS FROM SHAMP 2015-18 10-YEAR PROGRAMME (\$BN)



DISTRIBUTION OF ECONOMIC GROWTH BENEFITS BY ROAD CLASSIFICATION



DISTRIBUTION OF SAFETY BENEFITS BY ROAD CLASSIFICATION



# SHAMP Assessment

In progress

## Assessment 1

Activity Management Assessment by  
P and I

Treated as any other AO  
Awaiting outcome

Develop a transition Plan if needed

## Assessment 2

Independent Lessons Learnt  
Assessment



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# Thank You

<http://www.nzta.govt.nz/network/management/draft-shamp.html>



# Developing the Central Otago District Council AMP

Julie Muir



# Activity Management Process

