Tasman District Council

Transportation
Activity Management Plan

2012 - 2022

July 2012

Quality Assurance Statement		
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	Status:	Final
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For full Quality Assurance Statement, Refer Appendix Z

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1 KEY ISSUES FOR THE TRANSPORTATION ACTIVITY

The most important issues relating to the transportation activity are shown below in Table 1-1.

Table 1-1: Key Issues for the Transportation Activity

Key Issue	Discussion
Damage to roads and the transportation assets from storms and heavy rainfall events.	In December 2010 and December 2011 the Tasman district experienced extremely heavy rainfall which led to flooding, slips and debris flows resulting in damage to Council infrastructure and private property. This was particularly destructive in Golden Bay in 2011 and in Murchison and Golden Bay in 2010. Both these events depleted Councils disaster funds. The full extent and cost of the damage to Council infrastructure for the December 2011 event, including roads, other transportation assets, utility infrastructure and flood protection structures, is estimated to be approximately $10.1 million. Of these costs around $6.7 million should be recoverable from the Ministry of Civil Defence and Emergency Management or from insurance, which leave a Council liability of around $3.4 million. Most of the repair work will be undertaken in the current 2011/2012 year. Much of the Council funding is likely to come from existing Council disaster funds or new loans. Council has budgeted for around $900,000 to help replenish the disaster funds in 2012/2013. Council has also decided to use $3 million of the Port Nelson special dividend received in 2011/2012 to replenish the General Disaster Fund. This additional funding will mean there should be sufficient money available to cover the costs of the disaster recovery work.
Reducing levels of government subsidy.	The NZ Transport Agency (NZTA) has not provided Council with an inflation adjustment for its share of the funding for local roads over the last three years. This has effectively reduced NZTAs contribution towards funding Tasman's local roads. NZTA has continued with this approach to road funding and will not provide for inflation adjustments for the next three years (2012-2015). This will have the effect of reducing the funds available to manage roads and other transportation activities. Council has decided to inflation adjust its share of funding local roads, even though NZTA has not done so. Council has and will continue to develop innovative ways to manage the challenges in the reduced funding environment. Also, since the preparation of the 2009-2019 Activity Management Plan, the NZTA criteria for funding cycling and walking projects have changed. NZTA has shifted the priority for funding to the major urban centres from elsewhere in the country. This shift has removed the 59 percent subsidy Council used to receive for walking and cycling projects in the Tasman district. Council has subsequently removed all cycleway projects from the next 10 years as they are not affordable without the subsidy. The exception is the continuation of Tasman's Great Taste Trail. Council had also been planning to provide funding towards passenger transport between Richmond and Nelson, but as a result of the Government subsidy being withdrawn, this funding was removed at the time of preparing the Draft AMP. As a result of the reduced levels of government funding and the desire to keep rates increases and debt levels to a minimum, Council has had to remove a number of transportation, roading, cycleway and footpath projects from the coming 10 years. Projects that have been removed include seal extensions, undergrounding powerlines, new footpaths (from 2012-2015 only), cycleways and some streetscaping. Many transportation projects planned in the 2009-2019 Activity Management Plan are not provided for in this Activity Management Plan 2012-2022. Council has implemented robust prioritisation procedures (eg. A matrix for prioritising where new footpaths will be provided) and is continually looking for efficient processes to achieve more for less.

Increasing demand for transportation services, and roading, cycleway and footpath projects.	There are a number of factors creating extra pressure and demand on Council's transportation network, including increasing traffic volumes in Richmond causing congestion, and rising demand for personal mobility, cycleways, walkways, new footpaths, public transport, streetscaping and improved freight movement. There is on-going demand for seal extensions in the rural unsealed road network. The incidence of heavy rainfall and flood events is also having a major impact on Council's transportation network.
Tasman's Great Taste Trail	In 2012/2013 Council will complete Stage 1 of Tasman's Great Taste Trail (TGTT) to Mapua and Wakefield, and will also extend the trail to Tasman View Road, Motueka, Riwaka and to Kaiteriteri Mountain Bike Park. Council will also establish an interim connecting trail loop from Motueka to Woodstock and through to Wakefield. The Kaiteriteri link is funded through a $150,000 contribution from the Ministry of Economic Development. In 2013/2014 Council will complete upgrading the TGTT in the Mapua/Ruby Bay area. The completion of the full TGTT loop from Wakefield through Spooners Tunnel, Kohatu, Tapawera to Woodstock and Motueka is scheduled to be completed from 2014/2015 to 2018/2019 (years three to seven of this AMP). This work is subject to Annual Plan reviews, and to Council reviewing adequate external funding cash contributions from community groups/organisations and Central Government.
Kaiteriteri Road improvements.	Council has not budgeted funding for any further improvements to the road during the coming 10 years, apart from minor safety improvements that may be needed and would be funded from the budget provided for those works. Council acknowledges the large number of submissions received supporting the need to improve the road. However, Council is of the view that it is not affordable at this present time.
Increasing public concern about high levels of debt and rates increases.	In order to keep rates increases to a minimum and debt levels down, Council is not planning to undertake a large number of projects that the public wants. Council is focusing on delivering critical core infrastructure projects and maintaining its existing network, rather than providing new assets or improved assets that will require on-going maintenance and expenditure. Council is aware that this will mean large numbers of Tasman residents will be unhappy with the lack of work proposed in the transportation, roads and footpaths activities.
Providing value for money.	Council currently spends significantly more on the sealed road network compared with the unsealed road network. Considering the proportions of each are very similar, Council may consider reverting sections of sealed roads back to unsealed roads to reduce maintenance costs. Council may amend maintenance standards when preparing new contracts. This may lead to a change in the level of service.
Crashes on the road. network	An unacceptably high number of crashes occur on the road network. Council is planning some intersection improvements to help address this problem. This work will be funded from the minor improvements budget which is limited to projects with a value of less than $250,000.

2 ACTIVITY DESCRIPTION

2.1 What We Do

Tasman District Council is responsible for the management of a transportation network that comprises approximately 1,700km of roads, (944km sealed and 757km unsealed), 475 bridges (including footbridges), 234km of footpaths and walkways, 23 carparks, 2,723 streetlights, 9,241 traffic signs and 8,771 culvert pipes. Each road in the transportation network has been categorised into a transportation hierarchy based on the road's purpose and level of use.

This activity includes:

- ownership or authority to use the land under roads
- road carriageways for the safe movement of people and goods
- culverts, water tables and a stormwater system to provide drainage for roads
- signs, barriers and pavement markings to provide road user information and safe transport
- bridges to carry traffic over waterways
- footpaths, walkways and cycleways to provide for the needs of pedestrians and cyclists
- street lighting to provide safe movement for road users at night
- car parking facilities.

This activity also includes other transportation related services, for example transport planning, road safety, cycleways and public transport services like the Total Mobility Scheme. These activities are included because they are part of managing the roading and footpath network (such as transport planning and road safety) or they can utilise the roading assets (such as cycleways and public transport). These activities are also of a small scale and do not materially impact on the overall budgets of the transportation activity and it is not efficient to deal with them as a separate group of activities.

A complete description of the assets included in the transportation activity is in Appendix B.

2.2 Why We Do It

By providing a high quality transportation network, the Council enables the safe and efficient movement of people and goods which improves the economic and social well-being of the district. The provision of transport services, roads and footpaths is considered a core function of local government and is something that the Council has done historically. The service provides many public benefits. It is considered necessary and beneficial to the community that the Council undertakes the planning, implementation and maintenance of the transportation network.

3 COMMUNITY OUTCOMES AND OUR GOAL

The community outcomes that the transportation activity contributes to most are shown in Table 3-1.

Table 3-1: Community Outcomes

Community Outcomes	How Our Activity Contributes to the Community Outcome
Our urban and rural environments are pleasant, safe and sustainably managed.	Our network of roads, footpaths, cycleways and carparks are safe, uncongested and maintained cost-effectively.
Our infrastructure is safe, efficient and sustainably managed.	Our urban communities have a means of travel for pedestrians, cyclists and commuters that is safe and efficient. Our rural communities have safe and effective access to our transportation network.

3.1 Our Goal

Council will progressively move towards managing all of its transportation responsibilities in a more sustainable and integrated way.

4 OPERATIONS, MAINTENANCE AND RENEWALS STRATEGY

4.1 Operations and Maintenance

The Council has determined that the most effective way to achieve its objectives is to contract out the professional engineering services and physical maintenance works to commercial consultants and contractors in order to procure this work at true market value. By using a competitive tendering model in accordance with national requirements the Council is eligible to receive financial assistance referred to as a subsidy. This subsidy is currently set at 49% for the three year period 2012-2015 through the NZTA on an approved programme of work.

The district is split into four road network maintenance contracts which include sealed and unsealed pavement maintenance, drainage systems maintenance, routine bridge maintenance (detritus, cleanliness and vegetation), footpath and walkway maintenance, vegetation control, detritus removal, street cleaning, litter removal, signs maintenance, barrier maintenance, and road marking. Structural bridge maintenance and street lighting are maintained under separate maintenance contracts.

Operation and maintenance is discussed in detail in Appendix E.

4.2 Renewals

Assets are considered for renewal as they near the end of their effective working life or where the cost of maintenance becomes uneconomical and when the risk of failure of critical assets is sufficiently high.

For most transportation assets, the main parameter that signals the need for road renewals is the asset condition.

For pavements and surfacings, Council utilise modelling software in conjunction with field measurements and maintenance history to optimise the network renewals programme. For other assets such as footpaths and drainage structures, a combination of the condition, expected life and engineering judgement is used to programme renewals.

The quantity of renewals undertaken may be affected by the requirement to justify planned works with the NZTA prior to funding approval. Works which cannot be justified will not receive subsidy, and therefore may be deferred. Funding applications are yet to be completed for the renewals work identified within the financial forecast; therefore at this stage the extent of deferred renewals is unknown.

Renewals are discussed in detail in Appendix I.

5 EFFECTS OF GROWTH, DEMAND AND SUSTAINABILITY

5.1 Population Growth

The Council has developed a Growth Demand and Supply Model (GDSM) to forecast the population and business growth in the district and the implications of this growth on network infrastructure. The GDSM is described in brief in Appendix F and in more detail in a separate model description report.

The ultimate outputs of the GDSM include a projection of the district's population, and forecast of where and when new dwellings and business buildings will be built. This is summarised in Appendix F. The population projection for Tasman district is shown in Figure 5-1.

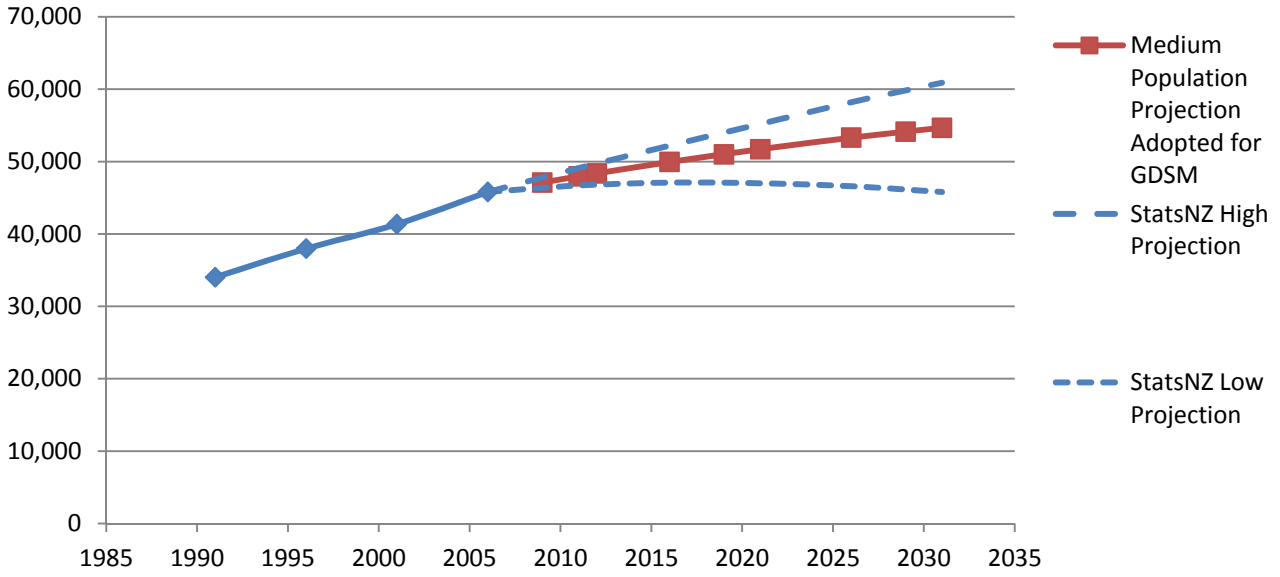


Figure 5-1: Projected Population Growth for Tasman District

The forecast of population and traffic growth has been used to determine where and when Council infrastructure needs to be developed and at what capacity. Council has also considered the influence of changing demographics, community expectations, industrial/commercial demand, technology and legislation on the demand for this service.

As s result of the recession and general slowdown in development since 2008, Council has:

- adopted lower population projections for Richmond and Motueka (in 2008 Council adopted Statistics New Zealand high growth projections); this time they have adopted medium growth projections.
- assumed there would be no business growth until July 2012 that would have a significant demand on infrastructure.

The change in growth projections has resulted in the deferral of some growth related projects due to lower demand than previously expected.

From these analyses and assumptions, Council has a moderate forecast of growth for the district. However there are a number of projects where growth is a contributing factor and allowance has been made in the design of future works and in funding arrangements. The major growth projects are listed in Table 8-1 and are identifiable by the project driver column.

5.2 Sustainability

The Local Government Act 2002 requires local authorities to take a sustainable development approach while conducting its business, taking into account the social, economic and cultural wellbeing of people and communities, the need to maintain and enhance the quality of the environment and the reasonably foreseeable needs of future generations.

Sustainable development is the fundamental philosophy that is embraced in Council's Vision, Mission and Objectives, and that shapes the community outcomes. The levels of service and the performance measures that flow from these inherently incorporate the achievement of sustainable outcomes.

Many of the Council's cross-organisational initiatives are shaped around community wellbeing (economic, social, cultural and environmental) and taking into consideration the wellbeing of future generations. This is demonstrated in:

- Council's Integrated Risk Management approach which analyses risks and particularly risk consequences in terms of community wellbeing
- Council's Growth Demand and Supply Model which seeks to forecast how and where urban growth should occur taking into account opportunities and risks associated with community wellbeing

- Council adopting a 20 year forecast in the AMPs to ensure the long term financial implications of decisions made now are considered.

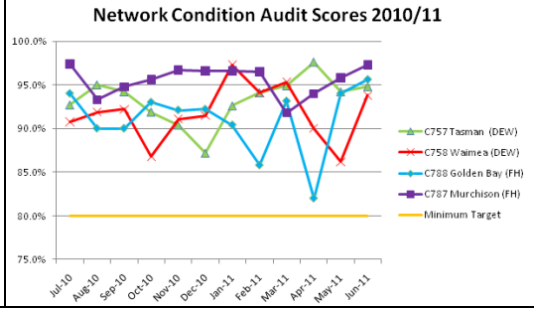
At the activity level, a sustainable development approach is demonstrated by the following:

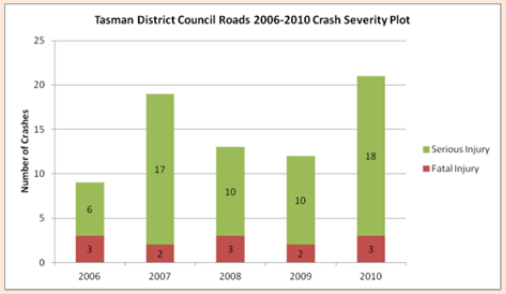
- Providing for, and encouraging alternative modes of travel, for example:
    - promoting School Travel Plans (walking to school buses)
    - promoting Workplace Travel Plans
    - providing incentives to employers to support alternative forms of transport
    - implementing a carpooling scheme and promotion campaign
    - providing walking, cycling and public transport opportunities
    - consider providing funding towards Nelson City Council's passenger transport.
- Recycling natural resources where possible though stabilisation of existing pavements as an alternative to 'digging out'.
- Ensuring minimal impact on the environment by the activity.
- Ensuring that the district's likely future transportation requirements are identified at an early stage and that they and the financial risks and shocks are competently managed over the long term without the Council having to resort to disruptive revenue or expenditure measures.

6 LEVEL OF SERVICE AND PERFORMANCE MEASURES

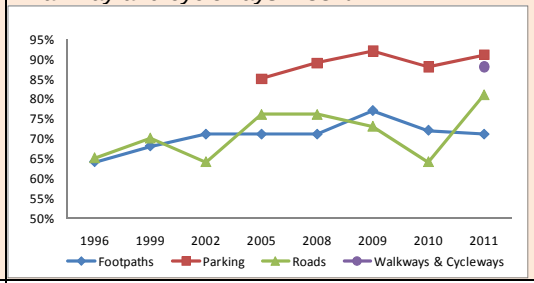
Table 6-1 summarises the levels of service and performance measures for the transportation activity. Development of the levels of service is discussed in detail in Appendix R. Shaded rows are the levels of service and performance measures to be included in the Long Term Plan.

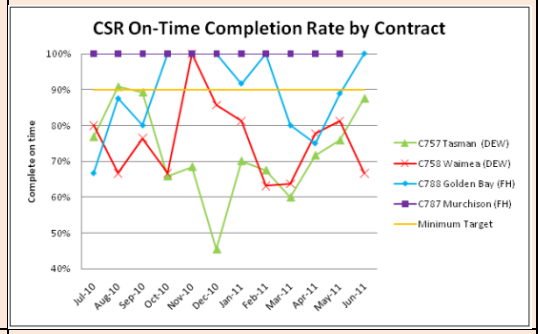
Table 6-1: Levels of Service

ID	Levels of Service (we provide)	Performance Measure (We will know we are meeting the level of service if…..)	Current Performance	Future Performance			Future Performance (targets) by Year 10 2021/22
				Year 1 2012/13	Year 2 2013/14	Year 3 2014/15	
Community Outcome: Our urban and rural environments are pleasant, safe and sustainably managed.							
1	**Our network of roads, bridges, footpaths, cycleways and carparks are safe, uncongested and maintained cost effectively.**	*Number of Customer Service Request complaints relating to the maintenance of footpaths.* *As measured through records held in Council's databases.*	**Actual = 61**	*<70*	*<80*	*<90*	*<60*
2		Council keeps its Condition Index (CI) for sealed roads at or below current levels. As measured and recorded through contracts.	**Actual = 2.1 CI** As reported by RAMM reports at the end of June.	2.1	2.1	2.0	2.0
3		Council keeps its Pavement Integrity Index (PII) at or below 3.7. As measured and recorded through contracts.	**Actual = 3.8**	3.7	3.7	3.7	3.7
4		Council's roads are maintained in accordance with the requirements in Council's road maintenance contracts. As measured through contract audits.	**Actual = 93%** 	>80%	>85%	>90%	>90%

ID	Levels of Service (we provide)	Performance Measure (We will know we are meeting the level of service if…..)	Current Performance	Future Performance			Future Performance (targets) by Year 10 2021/22
				Year 1	Year 2	Year 3	
				2012/13	2013/14	2014/15	
5		*There is a downward trend in the number of serious and fatal crashes (excludes state highways).* *As analysed by interrogating the NZTA Crash database system.*	*Actual = 3 Fatal and 18 Serious, increasing trend* 	*Downward trend in serious and fatal crashes*	*Downward trend in serious and fatal crashes*	*Downward trend in serious and fatal crashes*	*Downward trend in serious and fatal crashes*
6		The Crash rate in the Tasman district is lower than the National Average. As measured by the Tasman Nelson Marlborough Road Safety Report (produced annually).	**Actual = Lower than the national average** *Crashes per 100 million vehicle kilometres travelled* Urban: Tasman 35, All NZ 37; Rural: Tasman 22, All NZ 29	Lower than the national average	Lower than the national average	Lower than the national average	Lower than the national average
7		The average quality of the ride on sealed roads experienced by motorists is maintained at current levels. As measured by the Smooth Travel Exposure index (STE)[1].	**Actual = 96%** This information is taken from the NZTAs RAMM report and covers all roads urban/rural.	94%	94%	94%	94%
8		Critical Freight Routes are identified and restrictions reduced. As measured by the reduction of weight and speed posted bridges on.	**Actual** = Currently there are eight speed or weight restricted bridges remain on high productivity motor vehicle routes (restricted to high productivity motor vehicles only). Seven bridges are unknown due to lack of data.	8	7	7	5

[1] STE is a key national indicator of the effectiveness of road maintenance expenditure. It represents the proportion of travel undertaken each year on all sealed roads with acceptable surface roughness that provides comfortable travel conditions for passenger car users.

ID	Levels of Service (we provide)	Performance Measure (We will know we are meeting the level of service if…..)	Current Performance	Future Performance			Future Performance (targets) by Year 10 2021/22
				Year 1	Year 2	Year 3	
				2012/13	2013/14	2014/15	
Community Outcome: Our infrastructure is safe, efficient and sustainably managed.							
9	**Our roads and footpaths are managed at a level that satisfies the community.**	*Residents are satisfied with the Council's roads and footpaths in the district.* *As measured through the annual residents survey.*	**Actual =** From Communitrak™ residents' survey undertaken in May/June 2011: *Footpaths =71%,* *Roads = 81%* *Parking = 91%* *Walkway and cycleways = 88%* 	*Footpaths =70%, Roads = 75% Parking = 85% Walkway and cycleways = 80%*	*Footpaths =65%, Roads = 70% Parking = 80% Walkway and cycleways = 80%*	*Footpaths =60%, Roads = 70% Parking = 75% Walkway and cycleways = 80%*	*Footpaths =60%, Roads = 70% Parking = 75% Walkway and cycleways = 80%*
10		Road maintenance and renewals expenditures are managed to within the range ± 2% of budgets.	**Actual = + 0.05%** Variance of + 0.05% across the subsidised maintenance, reseals and pavement rehabilitation budgets.	+/-2%	+/-2%	+/-2%	+/-2%

ID	Levels of Service (we provide)	Performance Measure (We will know we are meeting the level of service if…..)	Current Performance	Future Performance			Future Performance (targets) by Year 10 2021/22
				Year 1	Year 2	Year 3	
				2012/13	2013/14	2014/15	
11	**Faults in the transportation network are responded to and fixed promptly.**	*Customer Service Request complaints relating to the maintenance of roads, footpaths and related activities are completed on time in accordance with the requirements in Council's road maintenance contracts.* *As measured through contract audits.*	**Actual = 75.0%** of Customer Service Requests were completed within the specified timeframes. Tasman = 87.5% Waimea = 66.7% Golden Bay = 100% Murchison = 100% 	*>90%*	*>90%*	*>90%*	*>90%*
12	**Following emergency events our community is provided with a road network that is accessible.**	*All unplanned road closures are responded to as outlined in Council's Emergency Procedures Manual.* *As reported in the Contract Operations Report.*	**Actual** = *This is not currently being measured. An Emergency Procedures Manual for road closures is being developed in 2011/12.*	*100%*	*100%*	*100%*	*100%*

7 CHANGES MADE TO ACTIVITY OR SERVICE

Table 7-1 summarises the key changes for the management of the transportation activity since the 2009 Activity Management Plan.

Table 7-1: Key Changes

Key Change	Reason for Change
Council has developed a number of matrices for the prioritisation of capital and renewal works. These currently exist for new footpaths, footpath rehabilitation, walkway rehabilitation, carpark resurfacing, major projects, seal extensions, bridge renewals, slips, minor improvements, cycleways, street lighting, and clear zone upgrades.	The matrices have been developed to provide a transparent prioritisation tool for Council's projects. The matrices address the needs of the community over wants of the community.
Subsidies from the NZTA are becoming harder to secure for a number of activities in particular cycleways and seal extensions. Accordingly these activities are now shown as non subsidised works and have been deferred.	The NZTA is under increasing pressure to reduce expenditure due to the release of the latest Government Policy Statement (GPS) by the Ministry of Transport. In response the NZTAs Investment and Revenue Strategy has indicated a reduction in funding levels.
Pavement rehabilitation and associated improvements budgets have been reduced from previous years. Accordingly the maintenance and resurfacing budgets have been increased to allow for the expectation of increased deterioration.	In anticipation that fewer rehabilitation sites will be completed compared with previous years. A subsidy for pavement rehabilitation works is harder to secure due to the revised NZTA criteria.
Bridge renewals have historically been targeted at Class 1 weight or speed restricted bridges. Bridge renewals will now be targeted at High Productivity Motor Vehicle (HPMV) routes.	The NZTA has identified the establishment of High Productivity Motor Vehicle routes will assist economic development.
Council has deferred a number of the growth projects identified in the 2009 AMP beyond the 20 year horizon; only key routes have been retained.	The updated Growth Demand and Supply Model (GDSM or growth model) has indicated that the anticipated growth in the Coastal Tasman area is lower than expected in 2009.
The 2009 AMP included a number of shared use paths (maintained by Council's Parks and Reserves) which were identified for upgrade. These have been removed from the Transportation 2012 AMP.	These paths were included with the aim of receiving government subsidy for sealing of the existing pavements. Considering they are recreational paths they are not eligible for NZTA subsidy, and therefore have been removed as there is no longer a subsidy benefit to Council. These paths are currently funded and managed by Parks and Reserves.
The NZTA financial assistance rates (FARs) for the Regional Land Transport Planning and Studies work categories have been reduced.	The NZTA is under increasing pressure to reduce expenditure due to the release of the latest GPS by the Ministry of Transport.
The Regional Land Transport Strategy and included strategies (eg. cycling and walking) have been used to guide decision making and prioritisation matrices.	The Regional Land Transport Strategy – Connecting Tasman (RLTS) was updated in 2010.
Some Class 1 weight or speed restricted bridges which have little community value (ie. servicing one property) may now be divested where possible rather than upgrading, Council accept some of the remaining bridges will remain weight or speed restricted.	Council is under increasing pressure to provide value. The bridges of concern provide very little benefits to the community, and it is therefore questionable as to why Council owns them.

8 KEY PROJECTS

Table 8-1 details the key capital and renewal work programmed for years 2012 to 2022.

Table 8-1: Significant Projects

Project Name	Description	Year 1 ($)	Year 2 ($)	Year 3 ($)	Years 4 to 10 ($)	Project Driver[2]
Sealed Road Resurfacing.	Resurfacing of sealed roads.	2,632,200	2,632,200	2,632,200	17,837,360	R
Drainage Renewals.	Renewal of drainage assets including kerb and channel, culverts, sumps and water tables.	1,443,817	1,453,817	1,464,017	10,551,376	R
Unsealed Road Metalling.	Routine metalling of unsealed roads to replace lost aggregate.	800,000	800,000	800,000	5,600,000	R
Pavement Rehabilitation.	Pavement rehabilitation of sites which meet NZTA funding criteria.	580,000	638,000	696,000	6,496,000	R
Bridge Renewals.	Sites yet to be determined, selection will be based on priority matrix, the NZTAs funding criteria, and high productivity motor vehicle routes.	500,000	500,000	500,000	3,500,000	R
Traffic Services Renewals.	Renewal of signs, edge marker posts and street lighting.	397,600	403,220	408,952	3,033,099	R
Structures Component Replacements.	Bridge component replacements.	300,000	300,000	300,000	2,100,000	R
Associated Improvements.	Seal widening associated with pavement rehabilitations.	205,800	218,000	230,000	2,261,400	R
Footpath Rehabilitation.	Footpath and walkway rehabilitation, sites identified in priority matrix.	131,000	131,000	131,000	917,000	R
Preventative Works.	Preventative projects based on geotechnical risk matrix.	100,000	130,000	210,000	985,000	R
Motueka Valley Construction – Narrow Bridge Realignment.	Replacement of Narrow Bridge with two lane bridge and realignment of approaches.	0	0	0	1,255,700	LoS/R
Minor Safety Improvements.	Minor improvements, sites identified in priority matrix.	1,063,638	1,082,727	1,102,919	7,904,768	LoS
Motueka Valley Construction – Motueka Valley Highway Widening.	Corner widening between College Street and Mytton Heights.	0	0	0	1,080,000	LoS
Richmond Construction – Wensley Road.	Route improvements from Oxford Street to Bateup Road.	0	0	0	1,211,500	G/LoS/R

[2] G = Growth, LoS = Levels of Service, R = Renewal

Project Name	Description	Year 1 ($)	Year 2 ($)	Year 3 ($)	Years 4 to 10 ($)	Project Driver[2]
Richmond Streetscape.	Streetscaping of CBD including Queen Street, Cambridge Street and McIndoe Place.	90,000	270,000	270,000	3,870,000	G/LoS
District Kerb and Channel.	New kerb and channel, priority driven from Minor Improvement Matrix.	80,000	80,000	80,000	840,000	G/LoS
Richmond Construction – Moutere Highway/Waimea West Road Intersection.	Intersection layout improvements.	0	31,300	191,400	641,500	G/LoS
Richmond Construction – Queen Street/Salisbury Road Intersection.	Construction of new intersection layout with traffic signals.	0	0	99,000	920,200	G/LoS
New Footpaths.	New footpath construction, priority driven by New Footpath Matrix.	0	0	0	2,366,000	G/LoS

Note:

1. See Appendix F for a full detailed list of new capital works projects driven by growth and / or an increase in level of service.
2. See Appendix I for a full detailed list of renewal projects.

9 MANAGEMENT OF THE ACTIVITY

9.1 Management

The Council developed the Connecting Tasman – Regional Land Transport Strategy (RLTS) in 2010. This document is used at a high level to guide the management of the transportation activity and outlines the key issues and direction for the transportation activity in accordance with current national strategies and policies. The structure of the strategy is diagrammatically represented below in Figure 9-1.

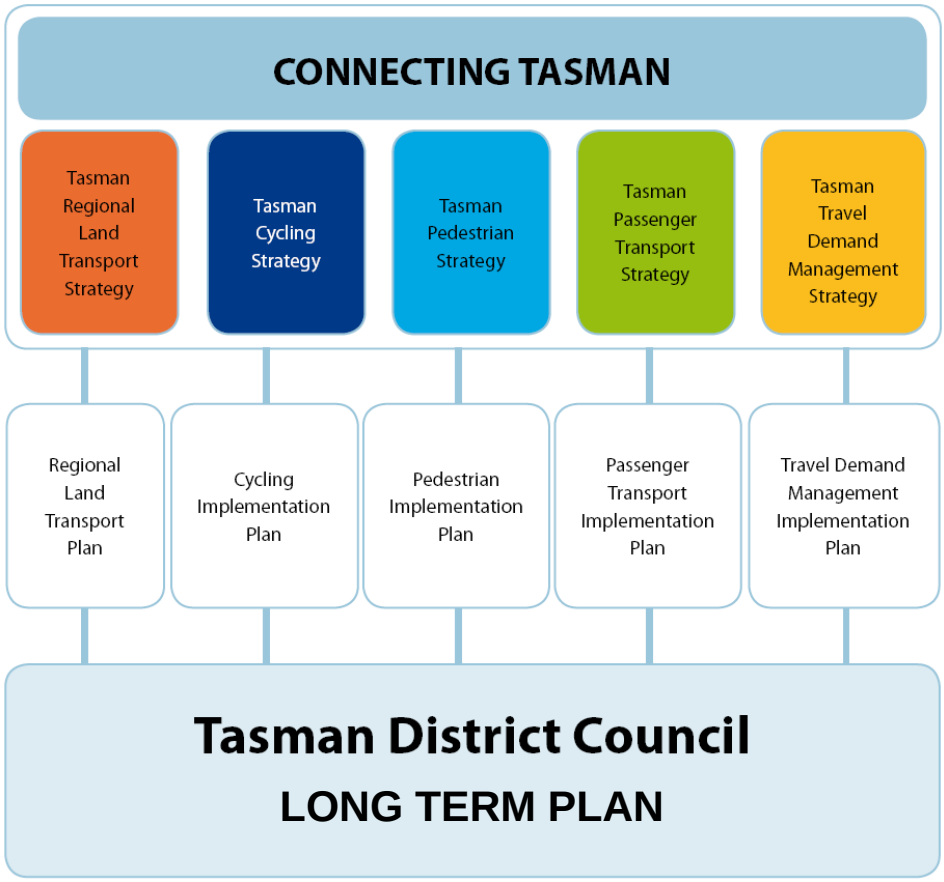


Figure 9-1: Connecting Tasman – Regional Land Transport Strategy Structure

The Council also utilises matrices to transparently prioritise the majority of the planned capital works in a way which addresses the needs of the community over the wants of the community.

9.2 Significant Effects

The significant negative and significant positive effects are listed below in Table 9-1 and Table 9-2 respectively.

Table 9-1: Significant Negative Effects

Effect	Council's Mitigation Measure
Vehicle use within the network produces noise. The level of noise generated generally depends on the speed of vehicles, and the type of road and tyre surface.	Council addresses noise generation using different surfacing materials such as chip seal or asphaltic concrete during the treatment selection for resurfacing programmes. In the urban areas, smaller size sealing chips or asphalt surfacing may be used to reduce noise. Asphalt is the most effective; however it is also the most expensive but does provide a longer surface life. Council can also reduce noise by encouraging 'slow street environments', implementing street calming and ensuring the hierarchy of roads is followed in accordance with the Council's Engineering Standards.
Council installs lighting in public areas and along roads to improve the safety and amenity of the area. This can have an adverse affect on neighbouring properties due to light spill. Upward light spill can adversely affect user groups by 'polluting' the night skies.	Council aims to reduce or prevent light spill through the use of shields or cut-off luminaries. It is also possible where upgrading light fittings to install units which have improved design and that target light on the road, minimising light spill (including upward waste light). Council has planned to develop a street lighting strategy in 2012/13 which will include mitigation measures.
Vehicle use of roads produces emissions which can effect air and water quality. Discharges from motor vehicles have the potential to diminish water quality in adjacent streams from run-off from roads. Air quality can be affected by dust generation from vehicles travelling on unsealed roads.	Compliance with vehicle emission standards is targeted at a national level with requirements for all vehicles to meet at warrant/certificate of inspection checks. Vehicle emissions are increased under times of acceleration and braking, Council can reduce the effect of this by the use of traffic engineering design which allows smooth flow of traffic on the main routes. Council has a seal extension matrix identifying potential sites for upgrade (subject to funding approval).
Increasing traffic volumes may result in congestion of urban arterial links.	Council has identified a number of capital projects such as intersection upgrades and the Richmond Ring Route to provide for future traffic flows.
Road users face potential crashes and associated injury or death.	The detrimental impact of crashes can be reduced through undertaking design of new roads and improvement to existing roads in accordance with best practice design. The Council undertakes works so that the effects of the crashes are minimised, eg. through the use of protective barriers, clear zones, recovery areas, signs, road marking and inspections and safety audits. Council also aims to prevent crashes by undertaking road and intersection alignment improvements, along with road safety education programmes.
The costs of providing the services.	Council uses competitive tendering processes to achieve best value for money for works it undertakes. It also uses priority matrices to prioritise funding allocations.
The provision of roads and transportation services has the potential to affect historic and wahi tapu sites.	Council undertakes consultation with affected parties prior to undertaking works. Council also maintains a record of known heritage sites.

Table 9-2: Significant Positive Effects

Effect	Description
Economic development.	Provision of an efficient road network allows for the movement of freight between key hubs and markets, therefore allowing economic growth and prosperity.
Safety and personal security.	Council aims to improve the safety of the transportation network for all modes of travel, for example this includes the implementation of the minor improvements programme and provision of lighting for pedestrians.
Access and mobility.	Council aims to provide a transport system that is integrated with land use planning, optimising access and mobility for all. Providing access also allows emergency services to access the majority of the community with ease.
Public health.	Council's management of the transport network encourages active modes of travel e.g. walkways and cycleways which can enhance people's health and well-being.
Environmental sustainability.	Council aims to achieve environmental sustainability whilst managing the transportation activity. This is generally managed by the resource consent process and the Tasman Resource Management Plan.
Economic efficiency.	Council's management of the transportation activity uses best practice and competitive tendering to provide value for money for the ratepayers and provides jobs for contractors.

9.3 Assumptions

Council has made a number of assumptions in preparing the Activity Management Plan. These are discussed in detail in Appendix Q. Table 9-3 lists the most significant assumptions and uncertainties that underline the approach taken for this activity.

Table 9-3: Major Assumptions

Assumption Type	Assumption	Discussion
Financial assumptions.	That all expenditure has been stated in 1 July 2011 dollar values and no allowance has been made for inflation.	The LTP will incorporate inflation factors. This could have a significant impact on the affordability of the plans if inflation is higher than allowed for, but Council is using the best information practically available from Business and Economic Research Limited (BERL). The bitumen cost index is subject to high fluctuations and is difficult to predict and manage.
Asset data knowledge.	That Council has adequate knowledge of the assets and their condition so that the planned renewal works will allow Council to meet the proposed levels of service.	There are several areas where Council needs to improve its knowledge and assessments but there is a low risk that the improved knowledge will cause a significant change to the level of expenditure required.
Growth forecasts.	That the district will grow as forecast in the Growth Demand and Supply Model (refer to Appendix F).	If the growth is very different it will have a moderate impact. If higher, Council may need to advance capital projects. If it is lower, Council may have to defer planned works.

Assumption Type	Assumption	Discussion
Network capacity.	That Council's knowledge of network capacity is sufficient enough to accurately programme capital works.	If the network capacity is higher than assumed, Council may be able to defer works. The risk of this occurring is low and will have little significance. If the network capacity is lower than assumed, Council may be required to advance capital works projects to address congestion. The risk of this occurring is low; however the impact on expenditure would be significant.
Emergency funding.	That the level of funding in these budgets and held in Council's disaster fund reserves will be adequate to cover reinstatement following emergency events.	Funding levels are based on historic requirements. The risk of requiring additional funding is moderate and may have a moderate effect on planned works due to reprioritisation of funds. Note, this assumption may need to be revised once the costs of the December 2011 heavy rain event are known.
Timing of capital projects.	That capital projects will be undertaken when planned.	The risk of the timing of projects changing is high due to factors like resource consents, funding and land purchase. Council tries to mitigate these issues by undertaking the consultation, investigation and design phases sufficiently in advance of the construction phase. If delays are to occur, it could have significant effects on the level of service.
Funding of capital projects.	That the projects identified for subsidies will receive subsidy at the anticipated levels.	The risk of Council not receiving project subsidy is high due to the current NZTAs criteria. If subsidies are not secured it may have significant effect on the levels of service as projects may be deferred due to lack of funding.
Accuracy of capital project cost estimates	That the capital project cost estimates are sufficiently accurate enough to determine the required funding level.	The risk of large under estimation is low; however the importance is moderate as Council may not be able to afford the true cost of the projects. Council tries to reduce the risk by including a standard contingency based on the projects lifecycle.
Changes in legislation and policy, and financial assistance.	That there will be no major changes in legislation or policy.	The risk of major change is high due to the changing nature of the government and politics. If major changes occur it is likely to have an impact on the required expenditure. Council has not mitigated the effect of this.

The major capital projects and their potential uncertainties are listed in Appendix Q.

9.4 Risk Management

Council's risk management approach is described in detail in Appendix Q.

This approach includes risk management at an organisational level (Level 1). The treatment measures and outcomes of the organisational level risk management are included within the LTP.

At an asset group level (Level 2), Council has identified 17 high risks and planned mitigations measures to reduce these risks to 10 high risks. Council has planned controls for the remaining 10 high risks but even with the controls, they remain high. Council has decided to accept these risks. These are listed in Table 9-4.

Table 9-4: Significant Risks and Control Measures

Risk Description	Current Control	Proposed Control	Target Risk Level
Emergency Services: ineffective communication and planning of maintenance and renewal works impacts all emergency services.	Contract documents ensure that contractors inform emergency services of closures.	Review communication structure.	HIGH
Landowners: inadequate access agreements to access infrastructure (orphan bridges and access to culverts).	Ad-hoc co-ordination.	Divest assets.	HIGH
Earthquake (1:400): significant damage to bridges.	Implementation of Lifelines Bridges Report recommendations. Design standards. Seismic testing.	Seismic testing and strengthening. Review planning.	HIGH
Earthquake (1:400): significant damage to critical routes.	Lifelines Report has identified critical routes.	Review Civil Defence strategy.	HIGH
Earthquake (1:400): significant damage to retaining structures.	Design standards.	Develop contingency plan.	HIGH
Earthquake (1:400): significant damage to sealed roads.			HIGH
Extreme Weather (Rain): surface water impacts road safety.	Contractor response and resources. Road hierarchy. Maintenance programme.		HIGH
Contamination (Land): accident results in chemical spill on network.	Emergency services response. Response part of maintenance contracts.	Review response plans.	HIGH
Terrorism (Political): incident.	Monitor.		HIGH
Terrorism (Issue): incident.	Monitor.		HIGH

Council has also identified and assessed critical assets (Level 3), the physical risks to these assets and the measures in place to address the risks to the asset. This has led to a list of projects to mitigate the risks to acceptable levels. These include:

- an allowance for emergency funds
- a preventative maintenance programme, particularly in relation to drainage structures and retaining structures
- bridge seismic assessments upgrade programme
- detailed structural bridge assessments
- General Disaster Fund.

9.5 Improvement Plan

This Activity Management Plan document was subject to a peer review in its Draft format by Waugh Infrastructure Management Ltd in October 2011. The document was reviewed for compliance with the requirements of the LGA 2002. The findings and suggestions were assessed and prioritised by the asset management team and either implemented for the final version of the document or added to the Improvement Plan.

Development of the improvement plan is discussed in Appendix V. It includes a table (Table V-3) of planned improvements that are still to be implemented and information on how they have been budgeted. It is a snapshot of the improvement plan as at February 2012 and includes. It is intended that the Improvement Plan is continually updated and monitored as a live document.

Version 4 of this document and the Improvement Plan was then reviewed a final time by Waugh Infrastructure Management Ltd in May 2012. The report produced has been included in Appendix V along with key improvements that have been achieved since the 2009 AMP.

10 SUMMARY OF COST FOR ACTIVITY

The following figures have been generated from the Funding Impact Statement held in Appendix L and the Public Debt and Loan Servicing Cost information held in Appendix K. Further detail is held in Appendix E, F and I for operating and maintenance, new capital and renewal costs respectively. All of the following graphs include inflation.

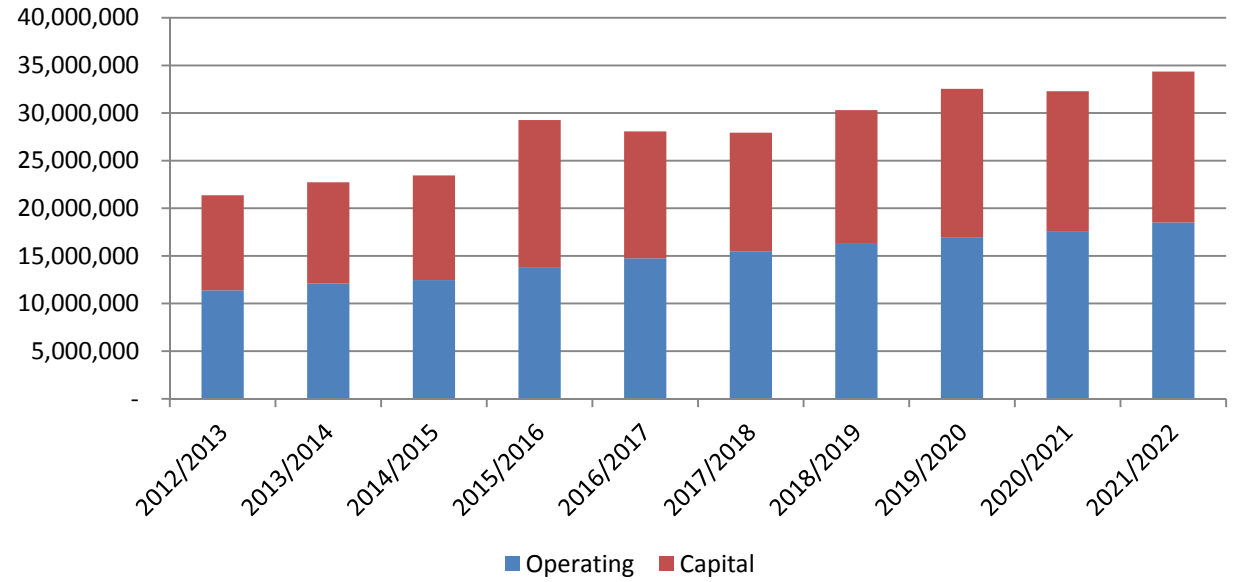


Figure 10-1: Total Expenditure

- 2015/2016 shows an increase in capital expenditure. This is due to the construction of three major intersection improvements and the Richmond Town Centre upgrade.
- Operating expenditure increases from $11.4 to $18.5 million over the 10 year period. This is due to inflation, increase loan servicing costs and network growth.

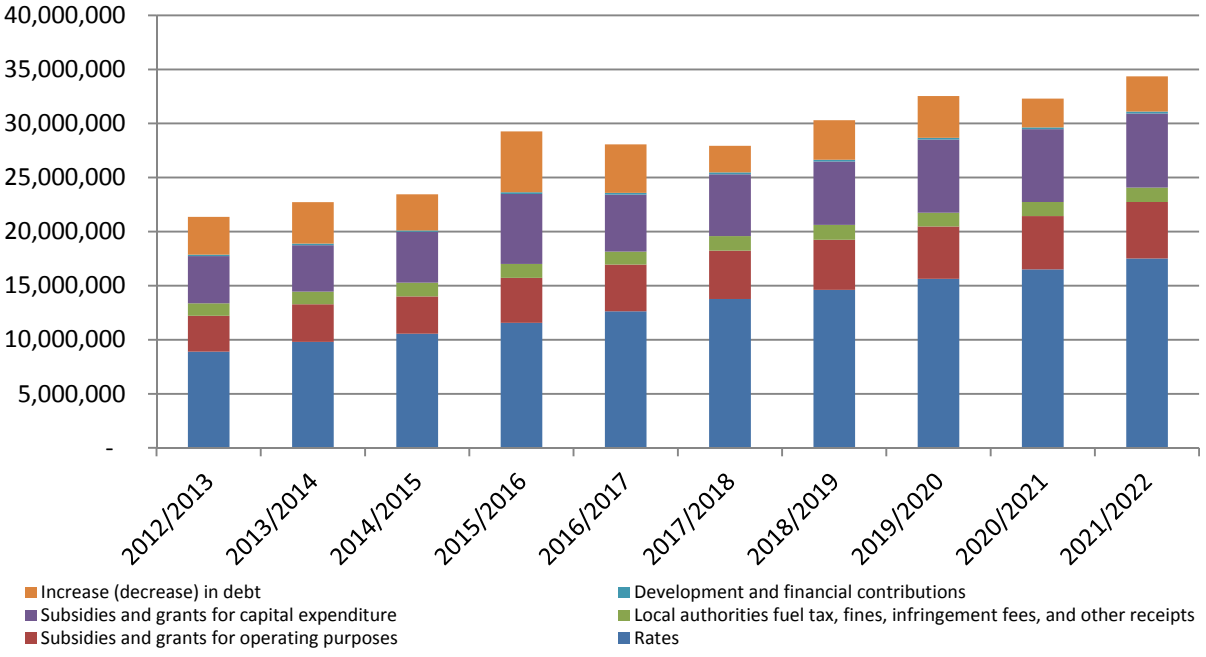


Figure 10-2: Total Income

- The income proposed for the next 10 years corresponds with the proposed expenditure in Figure 10-1.
- Rate increases account for the majority of the increase in income. Debt increases are in conjunction with major capital projects.

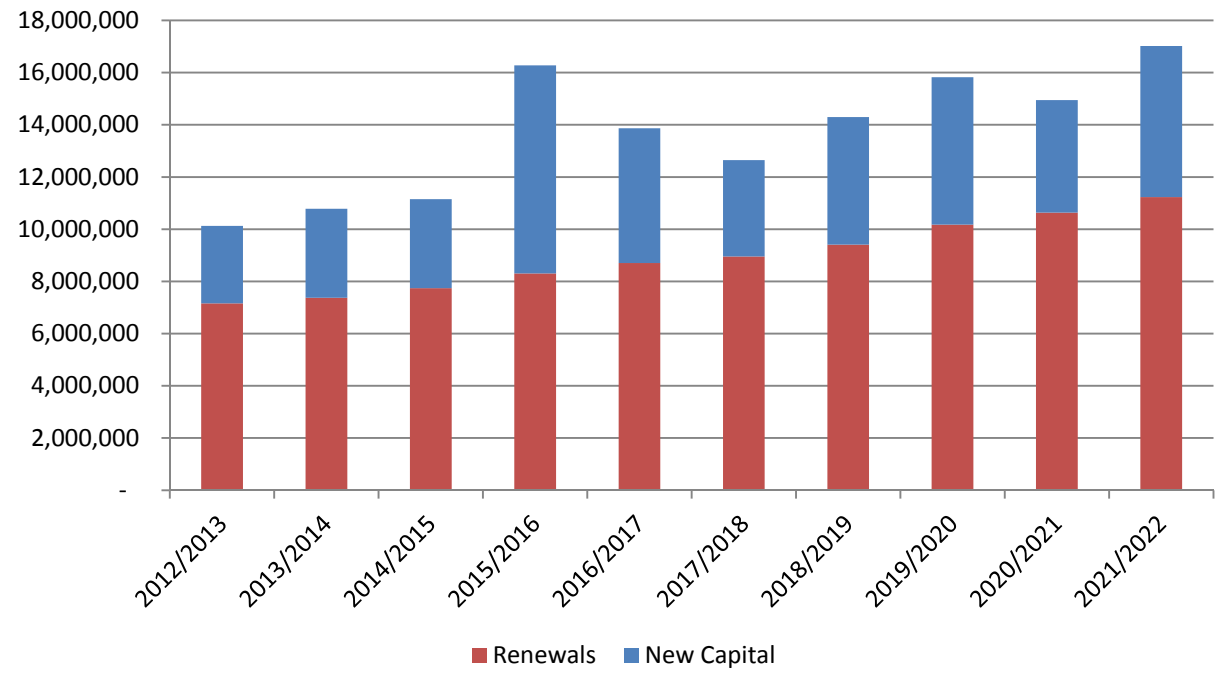


Figure 10-3: Capital Expenditure

- The peak in new capital expenditure in 2015/16 and 2016/17 is due to the construction of the Richmond Town Centre streetscaping upgrade and three major intersection improvements.

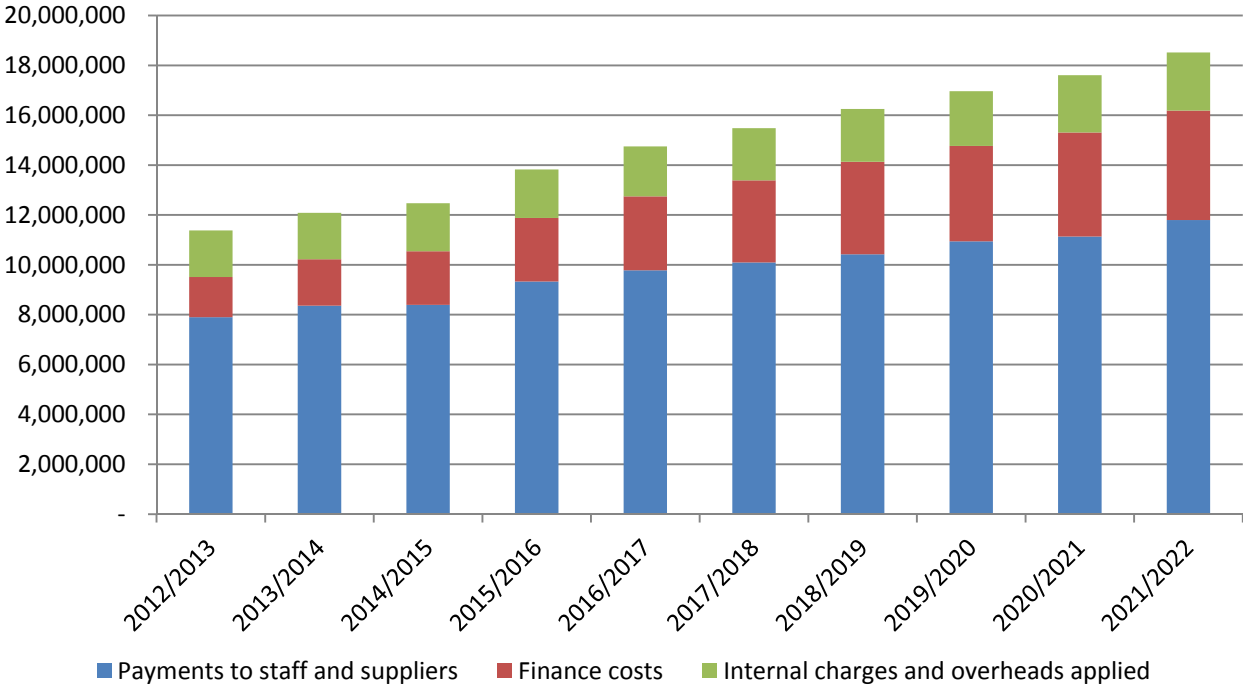


Figure 10-4: Operating Expenditure

- The Payments to Staff and Suppliers includes maintenance contract costs and professional service fees.
- Finance costs increase over the next 10 years due to an increase in the level of debt shown in Figure 10-5.

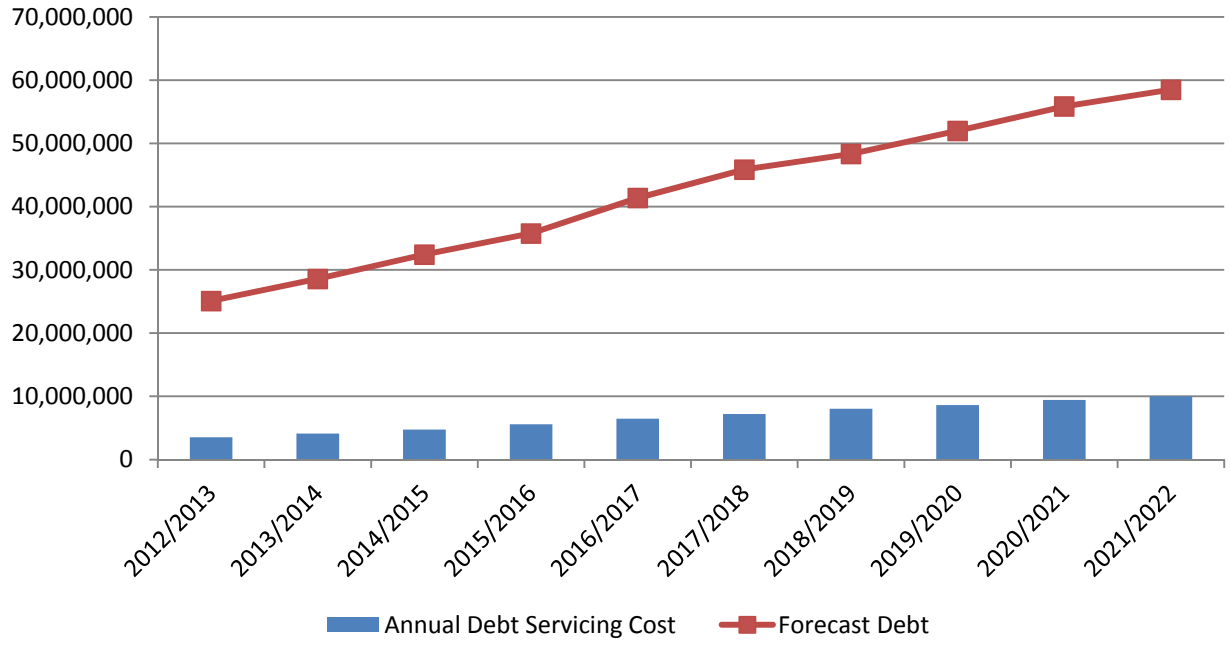


Figure 10-5: Debt

- Council's debt associated with the Transportation activity is forecast to increase from $25 to $58 million over the next 10 years. This will also increase the debt servicing costs as shown.

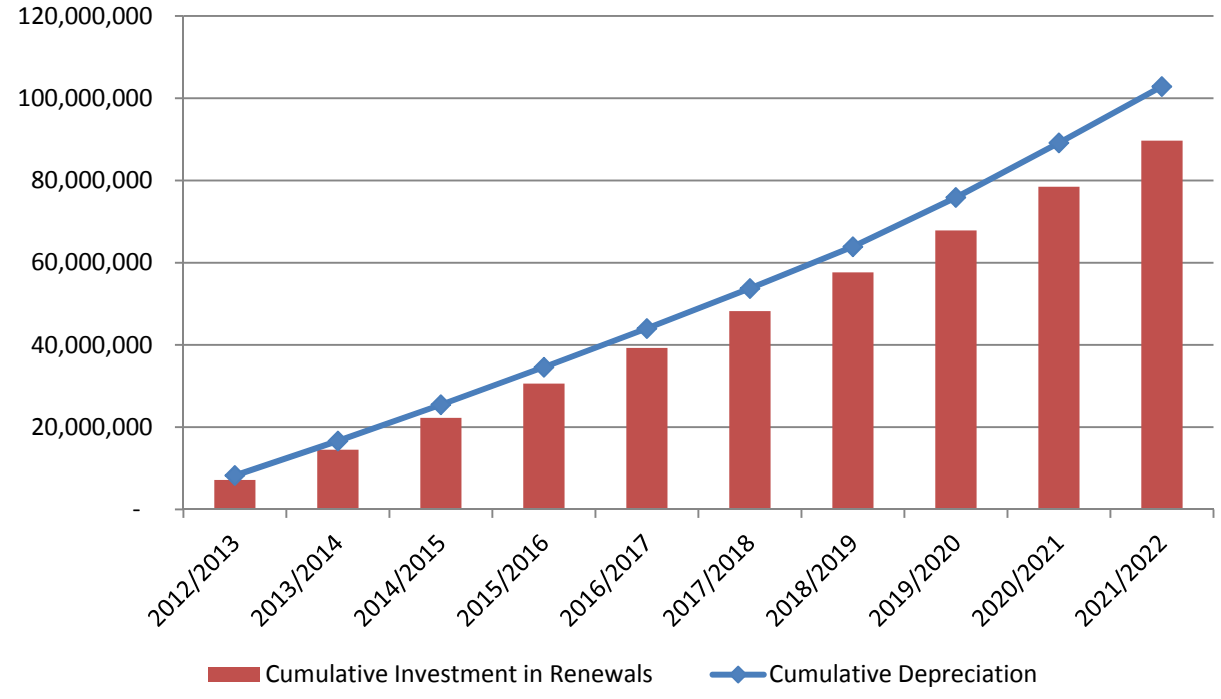


Figure 10-6: Investment in Renewals

- The investment in renewals appears to be adequate for the next 10 years. There is a slight divergence apparent however Council has mitigation measures in place to manage deferred renewals such as condition rating and dTIMS modelling. This is discussed in further detail in Appendix I.