

Report 07.804
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Committee Finance, Evaluation & Risk
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Asset Management Systems

1. Purpose

To update the Committee on the principles of Greater Wellington Regional Council's (GWRC) asset management.

2. Significance of the decision

The matters for decision in this report do not trigger the significance policy of the Council or otherwise trigger section 76(3) (b) of the Local Government Act 2002.

3. Background

GWRC has total assets as at 30 June 2007 of \$700 million. A number of these assets are the subject of asset management plans (AMPs)

Specifically GWRC has AMPs for:

- Water supply assets
- Flood protection assets
- Parks
- Public transport assets, rail rolling stock etc.

In those particular areas they form the basis of preparation of GWRC's Long Term Council Community Plan (LTCCP) every 3 years.

The Local Government Act requires GWRC to formalise their asset management activities and to manage its assets in an effective manner. The AMP provides the strategies for GWRC to manage the assets under its care and/or ownership.

As part of their LTCCP process Audit New Zealand review our AMPs based on the following criteria:

- Define timeframes (lifecycle)
- Describe the assets (physical and financial)
- Include financial information (ten years +)
- Recognise the decline in service potential
- State assumptions and confidence levels
- Outline an improvement programme
- Be prepared by qualified people
- Be a firm commitment of the organisation
- Be regularly reviewed.

In respect of the 2006-16 LTCCP the auditors were critical of the Water Supply AMP specifically in the timing of its preparation. They were of the view that the AMP and LTCCP should be prepared at the same time. GWRC takes the view that the AMPs are an ongoing work in progress. They are continually reviewed and updated, such that at any time they are current.

4. Comment

Each of the Divisions has prepared a brief overview of the principles underlying their AMPs and how they are evaluated (refer **Attachments 1-4**).

AMPs have been in place for a number of years in respect of Parks, Water and Flood Protection. Public Transport have only just commenced owning infrastructure assets, previously they were not permitted to own transport infrastructure. They have recently developed their AMP with the assistance of consultants. In respect of rail rolling stock the AMPs will be largely based on the manufacturer's requirements.

GWRC has also been investigating putting one asset management system across the Council. At this stage the most likely choice is SAP which is used by GWRC as our financial system and for human resources.

5. Communication

No communication is necessary.

6. Recommendations

That the Committee:

- 1. Receives the report.*
- 2. Notes the content of the report.*

Report prepared by:

Report approved by:

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Attachment 1: Water Supply AMP overview

Attachment 2: Parks AMP overview

Attachment 3: Flood Protection AMP overview

Attachment 4: Public Transport AMP overview