

nams.au update

May 2011

NATIONAL ASSET MANAGEMENT STRATEGY COMMITTEE
Institute of Public Works Engineering Australia

REPORT & DECISIONS

of meeting 14 May 2011

1. Australian Infrastructure Financial Management Guidelines

The Australian Infrastructure Financial Management Guidelines are a project of IPWEA working in association with the National Local Government Financial Management Forum. The Guidelines have been well received with over 600 copies purchased to date. Copies are available at www.ipwea.org.au/AIFMG.

Updates of the Guidelines are now available. Update No. 1 July 2010 covers 134 pages and covers the considerable changes to Australian Accounting and Auditing Standards since release of the Guidelines. Update 1 is available for purchase as a hard copy. Update 2 January 2011 covers 34 pages and is available as a pdf download from www.ipwea.org.au/AIFMG.

An *Infrastructure Financial Management* course based on the Guidelines was piloted in Adelaide in May 2011. Feedback was positive from the 30 attendees with several improvement areas identified for future courses. The 2011 *Infrastructure Financial Management* training program is included in Section 15 of this Update.

2. Asset Management Plan Preparation Training – NAMS.PLUS

257 Councils in Australia are now part of the NAMS.PLUS program. Feedback at the training workshops continues to be very positive. NAMS.AU is finalising the update to enhance the NAMS.PLUS templates and modelling capability based on the research and development of the Asset Management for Small, Rural or Remote Communities Practice Note. The 2011 NAMS.PLUS training program is included in Section 15 of this Update.

3. Asset Management for Small, Rural or Remote Communities – AM4SRRC

The AM4SRRC Practice Note was launched by the Australian Centre of Excellence for Local Governments in May 2011. It is a 'simpler' version of NAMS.PLUS aimed at assisting small (< 5,000 population), rural or remote committee develop 'core' asset management plans. ACELG will be making the Practice Note available free of charge to Australian councils under 5,000 population. Copies are also available at \$550 plus P&P from www.ipwea.org.au/AM4SRRC. A 2 day AM4SRRC training course is available to assist in writing AM Plans using the templates and modelling. AM4SRRC includes a maturity model to assess councils' maturity with the Local Government Sustainability Frameworks. See Section 15 for the 2011 AM4SRRC training program details.

4. Long Term Financial Plan Practice Note

The Long Term Financial Plan Practice note is to assist councils develop long term plans based on the Australian Infrastructure Financial Management Guidelines. A final draft is out for review with the aim of publishing of the Practice Note later in 2011.

5. Building Condition Practice Note

Training courses for the Building Condition Practice are in progress. The course is held over 2 days. The 2011 training program is included in Section 15 of this Update.

6. Stormwater Drainage Condition Practice Note

Drafting of this Practice Note is nearing completion. It should be available in 3rd quarter of 2011.

7. Practice Notes Program

Work has commenced on a Water and Sewerage Condition Assessment Practice Note. Future Practice Notes have been identified to cover:

- Parks Management
- Levels and Service
- Community Consultation
- Data Management
- Street Tree Management
- Marine and Waterways Structures

8. Asset Management Study Tour to New Zealand

A very successful asset management study tour to New Zealand was held in November 2010 attended by 25 participants and 6 accompanying persons. The tour included:

- Attendance at the NZ Advanced Asset Management Forum in Wellington
- Meeting with Audit NZ
- Visits to 5 councils near Wellington and Christchurch

The next study tour is planned for November 2012.

9. National Asset Management Competition (NAMie)

The National Asset Management Award is awarded at the biennial International Public Works Conference for the paper that best demonstrates the most significant contribution towards advancing AM within an organisation. The 2011 International Public Works Conference to be held in Canberra on 21-25 August 2011 will include awarding the third NAMie. The call for papers has closed.

10. Tertiary Education in Asset Management

The IPWEA / CPEE / University of Tasmania's graduate certificate in infrastructure asset management continues to be well supported with over 63 unit enrolments and 18 deferrals. The first graduates from the course in 2010 found the course very relevant to their positions (PWE Dec 2010/Jan 2011, p 14). The course requires the completion of four units, two compulsory units based on the International Infrastructure Management Manual and two electives from a suite of subjects offered by CPEE and Chifley University. The course has been supported by the Australian Government reducing the unit cost to just under \$1,000 for Australian resident students. A further 20% discount is available for up-front payment. For further details and to lodge enrolments for Semester 2 2011, go to www.ipwea.org.au/GradCertIAM

The University of Tasmania has approved upgrading of the Graduate Certificate to a Graduate Diploma qualification. The course will be offered at both levels. A Unit based on the AIFMG is expected to be available for Semester 2 2011.

11. IIMM Update

Work is proceeding on the review and update of the International Infrastructure Management Manual with NAMS NZ. The update is planned to be available around 3rd quarter of 2011.

12. Asset Management Standard for Australia

IPWEA has accepted an invitation from Standards Australia to be represented on the Mirror Committee set up to address Australia's interest in the proposed development of an ISO Standard for asset management. Peter Way represents IPWEA on the committee.

The first meeting of the International Standards Organisation Project Committee (ISO PC251) was held in Melbourne from 28 Feb – 4 March. The plan is to develop 3 separate standards:

- ISO 55000 Asset management – Overview, principles and terminology
- ISO 5501 Asset management – Management systems – Requirements
- ISO 5502 Asset management – Management system – Guidelines on the application of ISO 5501

Working drafts of the Overview and requirements document is expected by June 2011 and the Application guidelines by August 2011. These are expected to call up the IIMM as a reference. Peter Way will be seeking input and comment from IPWEA members on the drafts to ensure the Australian position is appropriate to Australian needs. Contact Peter for further information.

13. National Asset Management Assessment Model

Leon Patterson has prepared a discussion paper on a national assessment method for the National Financial Sustainability Frameworks on behalf of the Australian Centre of Excellence for Local Government.

A National Assessment Forum in Melbourne held in May 2011 has the aim of having a single consisted methodology of reporting progress in implementing the National Frameworks to the Federal and State Governments.

14. Corporate and Business Plan 2011/12 – 1013/14

The adopted NAMS.AU Corporate and Business Plan is available from www.nams.org.au.

15. National Professional Development Program

The national professional development program is available from www.nams.org.au. Click on Upcoming AM Events to see the calendar.

16. Global Network of Asset Management Societies

NAMS.AU resolved to formally support the concept of a global network of asset management societies for municipal and public assets through the International Federation of Municipal Engineering (IFME).

A global network of asset management societies (gNAMS), with a particular focus on municipal and public works assets formed under the auspices of IFME will provide the opportunity for global sharing and exchange of information and experience in municipal engineering and public works.

STATE REPORTS

17. Queensland State Report

QLD State Government Requirements for AMPs

As a result of the Local Government Reform Fund and Commonwealth Government agreement, all Local Governments in Queensland are now required to develop core asset management plans for all infrastructure asset classes by 30 September 2011 (this is an extension of the previous deadline of December 2010).

The State Government has acknowledged that in many cases the first version of asset management plans will include a number of assumptions and be based on imperfect data, and that this is the start of an ongoing improvement process, where subsequent iterations of the asset management plans will drive improvements in the quality of the data and the forecasts.

Also the State Government has advised that the extent of asset management plan advancement should be determined by Local Governments on a cost/benefit basis, giving consideration to the following:

- scale, relative value/service potential and risk profile of the assets.
- requirements for informed investment decision making and budgeting processes.
- level of resources available and required to support the planning process.

Local Government Reform Fund

The status of the Local Government Reform Fund (LGRF) is as follows:

- \$2.695M of the LGRF has been approved for Queensland based on a joint submission by the State Government and the Local Government Association of Queensland (LGAQ).
- LGAQ are project managing the LGRF program for Queensland.
- CT management have been engaged as the default provider for the program, with Councils having the option to nominate an alternative provider.
- The 12 largest Councils are excluded from the program.
- A separate program as part of the LGRF funding is proposed for the 17 indigenous Councils.
- A number of Councils included in the program continue to use the NAMS.PLUS tools for the development of Asset Management Plans.
- The State Government Department of Infrastructure and Planning (now Department of Local Government and Planning) set up a steering committee for the program. The steering committee is chaired by the Department with other attendees including: LGAQ; Peter Way & IPWEAQ; Council representatives; and Queensland Treasury Corporation.

Impacts of Recent Flooding and Cyclones

A significant number of Councils in Queensland have been severely impacted by the effects of the major flooding and cyclones that have hit this wet season. The need to reallocate resources to disaster management and infrastructure restoration has resulted in delaying the progress of AM programs for many of these Councils.

ADAC (Asset Design & As Constructed) Product Update

Significant progress has been made in relation to the development and implementation of the IPWEAQ ADAC (Asset Design & As Constructed) Data Schema. ADAC has been developed as a collaborative initiative between Queensland Councils aiming to standardise the content and completeness of their contributed asset data and facilitate the collection and lodgement of detailed information on contributed civil infrastructure and associated assets provided to Councils.

Version 4 of the ADAC Schema was launched at the Brisbane Convention Centre on the 4th April to over 100 delegates including Council's, Water Authorities, developers, consulting engineers & surveyors and CAD software developers. Presentations were made to delegates from numerous South East QLD Councils implementing ADAC as well as CAD software developers who demonstrated a wide range of software products that comply with the ADAC version 4 data schema. It has been extremely encouraging to see many new Council's join the ADAC consortium that are now either in the process of implementing ADAC or planning to begin implementation with the support of the Consortium.

The development of ADAC version 4 compliant CAD products from major CAD software developers has also been a significant milestone. ADAC compliant CAD products are now available for Council staff, developers and consulting engineers & surveyors to implement and assist the provision of as constructed asset data in accordance with the ADAC version 4 format.

The ADAC consortium recently welcomed Paul Cymer of Moreton Bay Regional Council as the new ADAC Strategic Reference Group Chair. For more information on ADAC and the associated developments visit: <http://www.adac.com.au/>.

SEQ Regional Asset Management Group Activities

The Regional AM Group was reformed in 2010 and has been meeting regularly, with three meetings in the past six months. Recently the focus has been on the development of 'core' AMPs (to meet the State Government requirements) and the next steps for further advance asset management planning. Following on from the conference held by the group in September 2010, a second conference (tentatively September 2011) is being planned for Local Government staff.

FNQROC Regional Asset Management Group Activities

The Regional AM Group was formed in 2004 under the Far North Queensland Regional Group of Councils. Recent activities of the group include:

- Reviewed Regional Asset Management Strategy endorsed by FNQROC
- Regional Levels of Service Templates for roads & structures, open spaces (parks & sporting facilities) and buildings. These are currently being tested.
- A spatial system and methodology to develop asset management plans and levels of service for Natural Assets. This project has recently been expanded so that it can be implemented through councils planning schemes through a Regional Biodiversity Code and associated maps. This project has been named the Integrated Biodiversity Planning Framework and allows for adaptation based on community and elected member feedback on priorities.
- Commenced development of a unit rate methodology document that will allow all councils to share their expertise and knowledge to develop a robust resource for existing and new staff. It is also envisaged that this resource will support councils during audits to substantiate their figures.
- Over 35 staff from the region undertook NAMS.PLUS training which was assisted by a \$20,000 subsidy from the Roads Alliance.

18. NSW State Report

Integrated Planning and Reporting

Councils in NSW have either commenced or will soon commence the journey along the Integrated Planning and Reporting pathway.

The process is based upon extensive community engagement and requires the development of plans and reports. In order to support the Community Strategic Plan and Delivery Program, it is mandatory for NSW Council's to develop the following in accord with NSW Division of Local Government (DLG) requirements:-

1. Asset Management Policy
2. Asset Management Strategy
3. Asset Management Plans
4. Long Term Financial Plan.

The visionary Community Strategic Plan and the more focused four (4) year delivery program are to be reviewed and updated at the commencement of the term of every newly elected Council. The Council is required to report back to the community on achievements every year.

Many Councils in NSW are commencing this process for the first time this year, whilst some council's completed the first iteration prior to the commencement of the 2010/11 financial year and have already reported back to the community on achievements to date. All NSW councils are required to have implemented the Integrated Planning and Reporting Framework by the year 2012/13.

In terms of establishing the required standard for the development of Asset Management plans, it is noted that a performance standard in the employment contracts of some NSW council staff provides that *"Asset Management Plans are prepared in accordance with the national standards and conforming to requirements of Sections 4.01 to 4.10 of the DLG's "Promoting Better Practice Program"*

Australian Rural Road Group Inc.

This recently formed group (www.austwideruralroadsgroup.com) remains to be active and has facilitated the report "Going Nowhere: The Rural Road Crisis, its National Significance and Proposed Reforms". It is understood that this report has been well received by relevant parties.

Part of the thrust of the group is to link productivity based road funding to approved ten (10) year council Road Asset Management Plans and Long Term Financial Management Plans.

Reform of Australia's Urban Water Sector

Some NSW Councils have already responded or are currently working on preparing a response to the Productivity Commission inquiry into the case for microeconomic reform in Australia's urban water sector. Invitations are open to examine the draft report and make written submissions to the Productivity Commission until Wednesday, 18 May 2011.

The scope of the Productivity Commission's inquiry includes the provision of water, waste water, recycled water and stormwater services in cities, towns and regional centres / villages.

The Productivity Commission's draft report advises that *"This inquiry will assist COAG to advance urban water reforms in Australia by identifying pathways to achieve*

improved resource efficiency through reforms in arrangements that govern the urban water sector”.

The proposed aggregation of existing water entities is a key concern for many NSW local government authorities that currently operate water and sewer schemes.

19. Victoria State Report

Recent Events

- IPWEA Vic Public Works Conference: is being run independently and concurrently with the MAV Asset Management Conference on 11/12 May 2011.
- Flood Forum: 15/16 March 2011 in Echuca, with Engineers Australia. This event shared issues and learnings from the rural flooding of January/February.
- Flood Forum: 24 March 2011 in Melbourne. This event shared issues and learnings from the Melbourne flooding.

National Sustainability Frameworks

The first assessment of councils under the National Asset Management and Financial Planning Assessment Framework has been completed. The principle is that all Councils would be expected to attain at least a “Core” level of maturity as a minimum standard.

Road Management Act (RMA)

A review of the RMA is ongoing, with a panel representing stakeholders. An MAV panel of councils has circulated a survey to councils with questions on the performance of the Utilities and their contractors/agents with works in road reserves measured against the RMA guidelines and associated Codes of Practice.

Aus-Spec AM Survey

An Aus-spec Asset Management Benchmark Survey 2011 has been circulated to Councils. The purpose is to assist councils to determine priority actions for asset management by measuring key performance indicators.

Public Lighting Charges

The Australian Energy Regulator’s (AER) review of public lighting charges continues. The initial draft decision was released in July 2010 and appeared to be reasonably favourable to customer interests compared to the ambit claims of the electricity distributors. The Street Light Group of councils made submissions to both the initial call for submissions and on the draft determination. However, the latest outcomes are not as attractive.

Building Condition Modelling Research (ARC Linkage Project)

RMIT continue their research on the modelling of community building condition and deterioration. A workshop, attended by partners, was held on 2 May and involved:

- Deterioration curves derived for main building elements based on condition data;
- Decision making, parameters and methods;
- Focus group to finalise decision parameters; and
- Preview of the building management software tool.

Funding for this project ends in August 2012. Opportunities for future collaborations are being considered.

Upcoming Events

Clearwater “Hot Topic” Forum in June will be focussing on the importance of including WSUD data into your asset registers/management systems. Thomas Kuen will be presenting on behalf of IPWEA.

20. South Australia State Report

Climate Change Project under way

The joint LGA/UniSA/IPWEA SA National Climate Change Adaptation and Response Fund (NCARF) asset management project has commenced. A stakeholder meeting late in 2010 helped set boundaries and detailed directions for the project.

The project, with a total budget of approx \$600,000, comprises a research component looking into potential impacts from climate change on public infrastructure, and will identify likely climate change scenarios, the impacts they are expected to have on infrastructure, and will develop responses and adaptation measures to integrate into asset management frameworks – ideally in conjunction with the NAMS asset management framework.

IPWEA SA has a role on the technical panel and project management committee as well as facilitating interaction of the academic research group with AM practitioners so there will be plenty of opportunity for IPWEA members to contribute to the project.

Infrastructure Financial Management

An Infrastructure Financial Management workshop was held in Adelaide on 11 & 12 May 2011 based on the IPWEA Australian Infrastructure Financial Management Guidelines.

Local Government Reform

The IPWEA Asset Management for Small Communities project was actively trialled with a session for a number of small rural councils in SA late in 2010. This system provides a “cut back” version of the NAMS.PLUS system, tailored to the smaller resource base and capability of small communities, whilst still delivering robust asset management plans.

Feedback from the session suggested that the AM for Small Communities program will help fill a significant gap in AM implementation.

2011 Excellence Awards

The 2011 Excellence Awards and Annual Dinner will be held on 27 May 2011. The awards will showcase excellence in public works, with four award categories including road safety, asset management, public works project < \$500,000 and public works project >\$500,000.

This year, Maloney Field Services, our sponsors of the asset management award, are expecting to see submissions which demonstrate just how far along the asset management journey Local Government has come. Whilst there have been some significant innovations and developments across the asset management framework, there are still interesting times ahead, as Local Government forges towards financial sustainability. Recognition of advances made, and of the development of the linkages between asset management and financial sustainability should provide for some worthy award nominees for 2011!

21. Western Australia State Report

Asset Management Forums

Recent Forums included:

- 21 July 2010 - Bridges and MRWA Road Bridge Responsibilities
- 18 August 2010 - Road Risk Management & Liability and Road and Path Risk Inspections, the City of Armadale Experience
- 1 December 2010 - GIS
- 4 February 2011 - What Can We Learn from Asset Management in the Resource Sector

The following forums are currently being organised:

- MRWA - Iris/Web Information Forum - date to be advised.
- Roman II - Implementation Forum - date to be advised.
- South West Group Half Day Forum - 20 July 2011
- General Asset Management Discussion Forum - date to be advised.

Roman II

Roman II is a road asset management software and support system which has been bulk purchased by the Western Australian Local Government Association on behalf of the 141 Western Australian Local Governments. It also includes modifications to the State Transport Authority database system to accept data updates and share them with other State agencies.

Roman II will be going live in May 2011. 129 (91%) councils have signed agreements for Roman II and a further 4 (3%) have given a firm commitment to do so. enter agreement -
Councils not participating -

8 (6%) councils not expected to join ROMAN II as they have already invested in asset management policies, procedures and other software.

IPWEA - WA State Conference

Ross Moody made a presentation to the Annual General Meeting, held on the first morning of the Conference, that highlighted present NAMS activities and intentions for the near future.

Glyn Davies gave a presentation during the main Conference titled "The Past, The Present, and The Future of Asset Management", which provided an overview of planned national and international developments affecting asset management within local government. It was strongly emphasised that, despite the planned introduction of an international standard and also State requirements linked to the Local Government Reform process, all demands would be adequately addressed if asset managers used NAMS.AU products such as "IIMM" and the "AIFMG".

Local Government Reform Process - WA

The Asset Management Working Group within the WA Local Government Reform Process have almost finalised a framework document which will indicate asset management expectations of a council for a core level of maturity. The framework will align closely with the proposed national framework assessment model.

In addition to the framework, a set of guidelines has been substantially completed and these are aimed at assisting councils in complying with the framework.

The Department of Local Government's Project Manager for the process has confirmed that WA will not be reinventing the wheel, but will be basing its

requirements and procedures on well documented processes defined in the IIMM and AIFMG. The requirements will include a top down integrated planning approach which will be based on linking asset management to strategic plans and long term financial plans. The Working Group has also endorsed the use of the sustainability indices from the AIFMG.

It is expected that the present framework and guidelines will be implemented and available by mid-year.

22. Tasmania State Report

Local Government Financial and Asset Reform Project

The basic aim of this project is to develop and implement frameworks for long-term financial and asset management planning by June next year.

The project is a partnership between the Local Government Association of Tasmania and the Federal and State Governments involving all Tasmanian councils. The project will produce:

- A long-term financial planning template for adoption and use;
- Long-term financial plans in place in all Tasmanian councils;
- A State Policy for asset management in Local Government;
- Asset management plans in all Tasmanian councils for the major asset classes; and
- Guidelines and resources for council staff and elected members

The project is managed by the Local Government Association of Tasmania and overseen by a Steering Committee with representatives from:

- Brighton Council;
- Waratah-Wynyard and Circular Head Councils;
- Launceston City Council;
- Local Government Division of the Department of Premier and Cabinet; and the
- Local Government Association of Tasmania

23. IPWEA NSW Roads & Transport Directorate

Roads & Transport Directorate activities

- Publication of Pavement and seal design information sheets
- The implications of the 4th power rule to the assessment of Higher Mass Limits Vehicles on local roads.
- NSW Local Roads Construction Cost Forecasts
- Optimum life of bitumen seals and asphalt surfaces for NSW Opportunities to lower the life cycle cost of bitumen and asphalt (Combined)
- Crushed glass in road pavements project
- Road Access Issues – physical road constructed outside the legal road reserve.
- Improved Route Assessment Guidelines for HML applications on local roads.
- Intelligent transport options available to obtain greater benefit from existing infrastructure
- Land Matters Manual in conjunction with Water Directorate
- Road Condition Assessment Guidelines

24. Next NAMS.AU Meeting: NAMS.AU Face to Face Meeting Fri 18 Nov 2011.

NAMS Australia is an initiative of the IPWEA National Asset Management Strategy [NAMS] Committee. NAMS.AU seeks to provide national leadership and advocacy in the sustainable management of public works infrastructure, community assets and services.

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