

NAMS.AU - PRACTICAL RESOURCES FOR ASSET MANAGERS

Peter Way PSM pway@ipwea.org.au
Chair – NAMS.AU

Abstract

Reconstituted in 2004, the National Asset Management Strategy Group (NAMS.AU) of IPWEA has been actively pursuing the development of practical resources to help asset managers better tackle their task, be it at the strategic level or at the hands-on day to day application of asset management principles. Additionally, NAMS.AU has commenced a growing advocacy role to seek to influence all levels of government in moving towards implementation of best appropriate practice in the discharge of their asset management responsibilities.

This Paper highlights the many activities that now comprise the NAMS.AU Business Plan and gives practitioners an up to date picture of the issues we are facing now and into the future. The Paper draws on National and International practice in the asset management field to foster discussion on such issues as the debate about whether or not standards should be implemented in Australia to regulate our asset management practice.

Presentation of this Paper on the latest contemporary issues and the latest resources being made available through NAMS.AU will give delegates an excellent opportunity to provide their feedback on the direction being taken by NAMS.AU into the future, catering for the next generation.

Key Words: Asset Management Resources, Practical Tools, Advocacy, Strategic Direction, AM Guidelines.

Introduction

Much has happened since the IPWEA International Conference in Hobart 2003, where calls were made to reconstitute the NAMS.AU Group. The eighteenth Meeting of the Group took place in Melbourne earlier this year together with our Consultant Supporters – (Ten of the leading Consulting firms in Asset Management) and the scope of the Agenda highlighted how far we have come on the AM journey over the last 6 years. A journey still with a long way to go.

Today I want to share with you, a number of the achievements we feel we can claim through the work of NAMS.AU, activities we have currently underway and importantly, welcome any feedback from you as Delegates about shaping the future direction of our work.

So, let me begin by boldly claiming we now have an asset management ally at the very highest level in the land. None other than our esteemed Prime Minister, the Hon. Kevin Rudd, who in his address to the inaugural Australian Council of Local Governments in November 2008, stated:



"We must improve asset management and financial management. Councils that plan and manage their assets effectively are councils that can deliver value for money to their communities."

(Rudd, K., 2008)

What has been the driver for this "new awakening" about the importance of infrastructure asset management? Despite a high level of preaching by those of us charged with managing these assets, for a number of years now, there at last seems to be recognition at the political and community level that unless we invest appropriately in the infrastructure we already have, it will not be sustainable into the future. And of course, that is what AM is all about.

Sustainability

Fortuitously, a number of economic sustainability studies in recent years, culminating in the PricewaterhouseCoopers

Report for the Australian Local Government Association in 2006, highlighted to all concerned, the parlous state of many local governments due largely to their lack of adequate investment in the renewal of existing infrastructure which is showing the signs of ageing and deterioration. This situation is mirrored in other sectors with State authorities being in a similar position.

(Pricewaterhouse Coopers 2006)

All levels of government have now risen to the challenge and this is perhaps best demonstrated through the National Local Government and Planning Ministers Council (LGPMC) which reports to COAG and has endorsed a National Framework for:

- Assessing financial sustainability
- Financial planning and reporting
- Asset planning and management

(LGPMC, March 2007)

This is leading to legislation in most States now, requiring long term financial plans based on asset management plans and involving community consultation.

NAMS.AU recognised also the need to help in getting the message to our stakeholders, particularly the decision makers in local government, about how critical it is to understand the sustainability issues and be pro-active in managing it. The alternative of ignoring it, is really not an option! This resulted in our production, with financial support from some State LGA's, of the DVD "**Sustainable Communities-Critical Insights**" released in 2006 and now well used and received around Australia. Its message is still highly relevant, focussing on:

- Stewardship
- Asset management planning
- Financial planning



Advocacy Role for NAMS.AU

In recognition of the moves now afoot for government intervention with legislation mooted to require AM Plans and long term financial plans, NAMS.AU has stepped up its advocacy role to seek to steer legislation in what we believe to be the right direction. Two Policy statements have now been adopted. The first is aimed at ensuring that any legislation requiring the development of AM Plans is of a non-prescriptive nature requiring long term (ten year) financial plans based on sound infrastructure asset management plans.

The second Policy promotes the AM Framework from the International Infrastructure Management Manual (IIMM) and is aimed at promoting awareness amongst higher levels of government that this framework has been developed by the infrastructure management industry for that industry and is the result of many years of practical application. There is a high level of implementation already underway using the well tried model described in the IIMM.

For full detail of these Policies promoted through NAMS.AU go to the website at www.nams.au.com

NAMS.PLUS

The messages from the DVD are addressed in the highly successful NAMS.PLUS Program, developed out of a recognition that practitioners, whilst availing themselves of the IIMM which provides all of the principles and direction for writing AM Plans, lacked the ability to provide hands on guidance to actually develop the plans. This is where NAMS.PLUS steps in and provides a step by step structured program to writing asset management plans with *supporting tools, templates, online modelling and comprehensive guidelines.*

(IPWEA, 2007)

With more than 200 Councils across Australia now part of the Program, and more continuing to sign up, we are seeing great outcomes with core level plans being easily developed using the templates, but more

importantly, fostering long term financial plans as part of the process.

International Infrastructure Management Manual (IIMM)

Now widely accepted around the world as “The Bible” for infrastructure asset management, the IIMM 2006 with its many case studies and practical examples of good asset management practice, is a wonderful resource. Produced jointly by NAMS.AU and NAMS New Zealand with international contributors, it has been a boon to the AM process.

We are now embarking on an update of the Manual to ensure it maintains its currency and relevance in this rapidly changing world. Global economic crises aside, it will more fully address issues such as climate change, legislative drivers on AM standards, and updated case studies to reflect emerging trends in AM practice. The aim is to have the new revised document available in 2010. In recognition of trends towards calling up a “Standard” for AM and work by the Institute of Asset Management in the UK on PAS 55, it will also clarify the relationship between the two documents. There is a growing debate in Australia about the need for a Standard and NAMS.AU welcomes feedback on this point.

(Institute of Asset Management 2008)

Australian Infrastructure Financial Management Guidelines (AIFMG)

Published in June this year, we see the AIFMG as the next quantum leap forward after the IIMM, in providing a resource for AM practitioners, to demystify the financial jargon surrounding the financial management aspects of infrastructure asset management. Written by authors with experience in accounting, audit, valuation and engineering all working together, and here we must give credit to John Howard, and his principal co-authors John Comrie, and Jim Dixon, for an excellent job, in pulling together such a comprehensive document. The *Guidelines* provide asset management and financial management professionals with the tools to implement sustainable management and financial reporting of infrastructure.



AUSTRALIAN INFRASTRUCTURE FINANCIAL MANAGEMENT GUIDELINES



Version 1 – 2009

To order your copy, visit the website at www.nams.au.com

Practice Notes on Condition Assessment and Performance Monitoring

Early in its role, NAMS.AU recognised the need for some further tools and resources beyond those available in the IIMM, to help practitioners in the field, go about the task of carrying out regular condition assessments and associated performance monitoring of infrastructure assets under their control. Hence the idea of developing a series of Practice Notes to fill this void.

The first document produced is a generic overview of the principles involved in condition assessment and performance monitoring and risk management that are generally common to all classes of asset. This document is available for free by downloading from the NAMS.AU website at www.nams.au.com

It then leads into the various specific Practice Notes for particular asset classes. To date, we have produced Practice Notes for Footpath/Cycleways, Kerb and Channel(Gutter) and most recently released, Buildings. This latter one is very detailed and has drawn on experience from the NAMS Property Manual in New Zealand thanks to

input from SPM Consultants P/L who were principle authors of that document.

The next set of Practice Notes will be on Stormwater Drainage and we are gathering data for same in conjunction with CSIRO who have been doing some good deterioration modelling with a number of Victorian Councils.

Following those, the aim is to produce a Practice Note on Water and Wastewater infrastructure and again we are in discussion with a number of parties working with WERF and the Water Research Foundation in the United States on a set of condition assessment protocols and tools. Our aim is to produce a simple version suitable for use by typical smaller water authorities in Australia.

Graduate Certificate in Infrastructure Asset Management

In line with the NAMS.AU objectives, we were pleased to launch earlier this year, the newly developed tertiary University course being the Graduate Certificate in Infrastructure Asset Management. IPWEA, the Centre for Pavement Engineering Education (CPEE) and the University of Tasmania have combined to offer this four unit course consisting of two core compulsory units from the IIMM and two units selected from a list of elective units. It is studied entirely by distance education and will provide graduates with the knowledge and skills to fill positions in this specialist field. For more information go to www.ipwea.org.au/GradCertIAM

Be among the first to study an exciting new program!

Graduate Certificate in Infrastructure Asset Management

Study Period 2, 2009 (Jun-Nov)

Accredited by the University of Tasmania, this new program has been jointly developed by the Institute of Public Works Engineering Australia (IPWEA) and CPEE to meet the need for enhanced technical skills in the field of public works Infrastructure Asset Management.

It will provide today's Infrastructure Asset Management Specialist with the opportunity to expand their skills and knowledge, and gain recognition with a University postgraduate award.

The course has as core units:

- Asset Management Fundamentals
- Asset Management Practices*

The range of electives includes:

- Project Evaluation
- Engineering Risk Management
- Financial Management

*For selection in Semester 1, 2009

Like to know more?
Go to -
www.ipwea.org.au/GradCertIAM

Logos for CP (Centre for Pavement Engineering Education) and UTAS (University of Tasmania) are present.

Asset Design & As Constructed

Another project being supported through NAMS.AU is the Asset Design & As

Constructed (ADAC) system initiated by a number of Councils in South East Queensland. We see a benefit in promoting this "system" nationally in the interests of consistency and supporting a process for the electronic lodgement of as constructed data, that has been tried and improved over a number of years now, involving Councils and Developers and Consultants all working together in one of the most rapidly urbanising parts of Australia. Other States are now realising the benefits of this process and showing strong interest. For more information go to www.adac.com.au

Other Resources

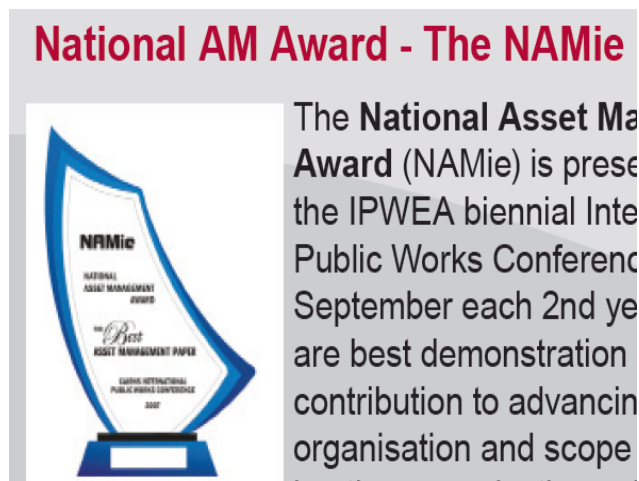
NAMS.AU have embraced web based technology and our website at www.nams.au.com has numerous links as well as access to many of the resources, highlighted in the foregoing Paper. Of particular note is our AssetMates discussion Forum. Well used by our many participants around the world, it is free to register and provides a fantastic opportunity to get feedback on any AM related issues you care to address.

Also worth noting, is our Quarterly Newsletter that features case studies supplied by our Consultant Supporters and the latest news and developing issues on the AM front.

In addition, we continue to run various Study Tours such as the annual International Tour which takes in the APWA Congress in the US and then goes on to Europe with commonly, AM benefits. Every two years, a Tour to New Zealand has coincided with the Ingenium Conference as well as visiting a number of leading Councils in the vicinity of the Conference to hear first hand about the latest developments in AM in New Zealand. We of course also maintain a close relationship with our sister organisation NAMS NZ as we continue to work together on developing tools and resources for the benefit of our mutual membership.

Finally, we must acknowledge that Conferences such as the IPWEA International Public Works conference, held every two years at a major centre around Australia, provides another important

opportunity to further advance the AM story, share new developments and ideas and so strengthen our collective store of knowledge on this topic. The number of AM related Papers at this Conference is testimony to that. Remember also we will be lauding the best of these Papers at Conference end by announcing the NAMie Award for the Paper that best demonstrates the most significant contribution towards advancing AM within an organisation.



Conclusion

AM is often described as a “never ending journey” of continuous improvement and we feel that the work of NAMS.AU is similar. There will always be scope to improve the way we tackle the multitude of tasks that make up the AM process. Practitioners will always be looking for new and better resources to assist them in their tasks, particularly as we improve our practices over time.

There have been enormous strides taken in recent years, with recognition growing at all levels of government and in the community, of the immutable need to follow good AM practice. We, as AM Professionals, need to rise to the challenge of being able to offer that service, effectively and efficiently. There is also growing realisation that AM is not something that can be left to some back room technicians but must instead involve a “whole of organisation” approach with multi-disciplinary experience engaged and committed to the process.

We feel that our documents such as the IIMM and the newly released AIFMG greatly assist in achieving these objectives. There has been much debate about what role legislation should play in driving AM process and we are comfortable with the approach now being taken around the States, where an “aspirational” approach is evident. This prescribes an outcome and leaves it up to the industry to develop the best way of achieving that outcome.

The other growing issue of AM Standards is increasingly being discussed, based on the PAS 55 development in the UK. Our concern has been that for many in the local government sector, imposition of a standard might divert already stretched resources into complying with requirements that are of a lower priority than simply developing a “core” level AM plan. For the larger commercialised infrastructure businesses, AM standards are recognised as a necessary and desirable requirement. We need to tread warily however in ensuring any standards introduced, are applied appropriately with due recognition of the risks being managed, the capability of the asset managers and resources available to them.

NAMS.AU welcomes feedback and debate on all of these issues to assist us in setting our direction as we proceed to develop further tools and resources for the benefit of all practitioners in the infrastructure AM field.

References

- 1) Local Government Planning Ministers Council 2007, Fifth Meeting – 26 th March 2007. www.lgpmcouncil.gov.au
- 2) Institute of Asset Management UK 2008 “PAS 55 – 1 and 2” British Standards Institution.
- 3) IPWEA - NAMS.AU 2007. NAMS.PLUS Training package. www.nams.au.com
- 4) Pricewaterhouse Coopers 2006 “National Financial Sustainability Study of Local Government” Commissioned by Australian Local Government Association
- 5) Rudd, K (2008) Opening Address to the Australian Council of Local Government http://www.pm.gov.au/media/Speech/2008/speech_0618.cfm

Author Biography – Peter Way PSM

pway@ipwea.org.au

31 Barrenjoey Dr., Kingsholme Qld 4208

Having “semi-retired” from Logan City Council after over 30 years in local government engineering, Peter Way is now devoting his time to advancing asset management on the national front in his role as Chair of the Institute of Public Works Engineering Australia’s National Asset Management Strategy Group (NAMS.AU). Peter also represents IPWEA on the Queensland Government Reference Group for Sustainability and Reporting involved in drafting the Regulations that will support the new LG Act in Queensland. He has also been the principal author of the study material based on the IIMM for the new Graduate Certificate Course in Infrastructure Asset Management recently launched through the University of Tasmania. His presentation to this Conference focuses on the resources being developed through the work of NAMS.AU and its relevance in the global scene of infrastructure asset management.

