

nams.au update

July 2010

NATIONAL ASSET MANAGEMENT STRATEGY COMMITTEE Institute of Public Works Engineering Australia

REPORT & DECISIONS

of meeting 3 July 2010

1. Committee Membership

Paul Di Iulio, David Wolfenden, Harry Galea and Leon Patterson attended their first meeting of the committee. Paul was appointed by the National Board to replace John Truman. David and Harry are IPWEA Division representatives for NSW and Tasmania. Leon is the new IPWEA National Director Infrastructure Management.

2. Australian Infrastructure Financial Management Guidelines

The Australian Infrastructure Financial Management Guidelines are a joint project with IPWEA and the National Local Government Financial Management Forum with IPWEA providing project management services. The Guidelines have been well received with over 550 copies sold to date. Copies are available at www.ipwea.org.au/AIFMG.

NAMS.AU resolved to:

- advise of and promote the Guidelines to Auditors-General,
- develop and schedule a 2 day training program aimed at rollout in 2nd half of 2010 in metropolitan and regional locations.

There has been considerable change to Australian Accounting and Auditing Standards requiring the issue of Update 1 July 2010. This Update will be available to Guidelines owners from the Guidelines web site at www.ipwea.org.au/AIFMG.

3. Asset Management Plan Preparation Training – NAMS.PLUS

251 Councils in Australia are now part of the NAMS.PLUS program. 8 x 2+2 day training workshops were completed in May-June 2010. Feedback at the training workshops continues to be very positive. NAMS.AU is proceeding with an update to enhance the NAMS.PLUS templates and modelling capability.

The committee resolved to:

- investigate integration of the Building Condition Practice Note outputs with the NAMS.PLUS system,
- continue development of a long term financial plan practice note, and
- plan future NAMS.PLUS training courses in conjunction with National LG Reform Fund implementation.

4. Graduate Certificate in Infrastructure Asset Management

The IPWEA/Centre for Pavement Engineering Education (CPEE)/University of Tasmania's graduate certificate in infrastructure asset management is well supported. 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 Grad Cert. course has been supported by the Australian Government reducing the cost to just under \$1,000 for Australian resident students. A further 20% discount is available for up-front payment. Further details and to lodge enrolments for first Semester 2011, go to www.ipwea.org.au/GradCertIAM

NAMS.AU resolved to investigate:

- development of a Financial Management module covering valuation, depreciation and auditing of infrastructure for non-tax purposes using the resources of the Australian Infrastructure Financial Management guidelines,
- promotion of an article Grad Cert IAM Graduates through articles promoting achievements in the PWE Journal and naming and publicising at National IPWEA conferences.

5. Corporate and Business Plan 2020-11

The adopted Corporate and Business Plan is available from www.nams.au.com.

6. Consultants Supporters Roundtable

The sixth Consultant Supporters Roundtable was held on 2 July attended by 11 of the 12 Consultants Supporters Group members. NAMS.AU considered issues and suggestions made and resolved to:

- keep roundtable members aware of new NAMS.PLUS resources where practical,
- promote NAMS.AU resources to the wider public works industry,
- investigate including an AM Jobs Board on the IPWEA web site,
- investigate providing IPWEA documents in electronic format,
- continue to promote interest in AM planning through the long term financial planning process and continue with IIMM update and ISO deliberation,
- aim to ensure that any ISO Standard recognises the essential link between AM planning and financial management principles,
- follow up progress on ADAC implementation with software vendors,
- consider a possible future practice note on community engagement process

REPORTS

7. NAMS.PLUS Training 2010

An update of NAMS.PLUS is underway to review the templates, data input methodology, on-line modelling incorporating scenario modelling, e-book guidelines and delivery systems, improved on-line support (FAQs and guidelines) and training/support for the AMP improvement stage.

A one day intensive course was held for the consultant supporters group in November to update consultants on NAMS.PLUS and how they can assist organisations to write their own asset management plans. The names of the consultant supporters group members who undertook this course are available at the NAMS.PLUS website.

The training program for IPWEA NAMS.PLUS Asset Management comprises 2+2 day workshops staged 1-2 months apart and is planned to assist participants complete an asset management plan using the NAMS.PLUS templates, on-line modelling, training and e-book guidelines with help through AssetMatesPlus.

NAMS.PLUS compliments the existing asset management improvement programs and provides the tools and templates to actually write an asset management plan.

8. Infrastructure Condition Assessment Guidelines

The framework document and guidelines for Footpaths & Cycle Ways, Kerb and Gutter and Buildings and Property Condition Assessment Guidelines are available. The preamble and guidelines are available from the Practice Notes section of www.nams.au.com. The framework is free and individual sections are available for a fee to cover development costs.

The next condition assessment guidelines to be prepared will be for stormwater drainage. Anyone interested in contributing information or assisting with peer review is invited to contact Peter Way at pway@ipwea.org.au.

Peter Way asked for assistance from members to source photographs to illustrate condition of various drainage assets such as pits, inlet pits, lines channels, etc for the stormwater condition practice note. Photos can be sent to Peter at the above address.

9. IIMM Update

The Australian reference group for review and update of the International Infrastructure Management Manual was established in September 2009 and work on update has commenced. Peter Way is coordinating the Australian rewrite and case studies.

10. Asset Management Study Tour to New Zealand

The biennial AM study tour to New Zealand is being held in conjunction with the NZ Advanced AM Forum in Wellington in November. The tour includes meeting with Audit NZ, attendance at the Forum and visits to 5 councils. Cost is approx \$3,000 and includes accommodation and travel within New Zealand. Details are at http://www.ipwea.org.au/AM/Template.cfm?Section=Latest_News&CONTENTID=10839&TEMPLATE=/CM/ContentDisplay.cfm. To register interest, contact Lita Somogyi at lsomogyi@ipwea.org.au.

110. Electronic 'As Constructed' Drawings - ADAC

NAMS.AU has reached agreement with IPWEA Qld Division to make ADAC available nationally. A number of interstate councils have signed up for the program. The ADAC web site has been updated at www.adac.com.au.

12. NAMS.AU Newsletter

The Quarterly NAMS.NEWS has been published throughout 2009/10. The newsletter includes case studies provided by NAMS Consultant Supporters which attracted strong downloads. Past NAMS.NEWS case studies are available on the NAMS.AU website at www.nams.au.com.

13. NAMS.AU Promotion

The NAMS.AU information brochure has been updated and re-issued in July 2010. The brochure which spells out the various resources available through NAMS.AU is available at:

http://www.ipwea.org.au/Content/NavigationMenu/SIGS/AssetManagement/ObjectivesCommittee/IPWEA_NAMS_2010_Update.pdf

14. National AM Liaison

NAMS.AU continues in discussions to establish a national AM liaison and coordination mechanism among like minded organisations working in the asset management field.

15. AM Standard for Australia

NAMS.AU continues to participate in discussions convened by Standards Australia to review the need for an asset management standard for Australia with the possibility of PAS 55 being updated to an ISO Standard.

STATE REPORTS

16. Queensland State Report

Local Government Act Review and Performance Evaluation

The Queensland Local Government Act 1993 has been amended to require for integrated planning, community consultation, asset management plans, 10 year financial plans and annual performable reporting. The Queensland State Government has published an 'Asset Management Advancement Program 2009/10'. The DIP's goal is for Councils to have AM Plans in place by the end of 2010.

The Minister for Local Government has conducted five invited briefings on financial sustainability and asset management. The first briefings were for Mayors and elected members with staff excluded. Later briefings have included senior staff. The briefings included presentations by the DIP, Treasury, Qld Auditor-General's Department and AM consultants.

The South East Queensland Regional Asset Management Group has been re-established and delegates from numerous Councils came together on 9 June at Brisbane City Council to meet and discuss various asset management issues. Key discussion topics were the Status of SEQ Asset Management Plans progress as well as AM Policy development.

Meetings are planned each six weeks leading up until December 2010 to monitor and assist with AM Plan completion. It was agreed to organise a conference possibly during September to discuss Asset Management topics and issues with a greater Council audience.

17. 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.

Any applications to the NSW DLG for approval to increase rates above the statutory rate pegging limit for a period of more than 12 months (Section 508A applications) are contingent upon the completion by Council of Integrated Planning documents (summarized above). All NSW councils are required to have implemented the Integrated Planning and Reporting Framework by the year 2012/13.

From a presentation at the 2010 NSW State Roads Congress it is understood that if all requirements of the Integrated Planning and reporting framework are implemented including particularly community engagement in determining levels of service and the long term financial management plan, that the resulting funding requirement would be approved without the limit imposed by the NSW Minister's rate pegging determination.

NAMS.PLUS Workshops

NAMS.PLUS workshops are on-going in NSW and these workshops are continuing to raise the awareness and impart the necessary skills to asset management practitioners.

Rate Pegging

All new applications for rate increases above the prescribed increase limits are now to be considered by the Independent Pricing and Regulatory Tribunal (IPART). This is a change from the present Ministerial approvals.

18. Victoria State Report

Conferences

IPWEA(Vic) and the Municipal Association of Victoria (MAV) ran a successful Asset Management and Public Works Engineering conference in May.

Copies of all presentations should be on the MAV website at www.mav.asn.au.

Interest has been registered on some of the speakers and this will form the basis for the agenda for some future Asset Management Technical Reference Group meetings.

Asset Management Technical Reference Group (AMTRG)

The AMTRG last met in March. This was a joint meeting with the Local Government Professionals Buildings Special Interest Group and was hosted by the Municipal Association of Victoria. The meeting included presentations from RMIT (Royal Melbourne Institute of Technology) on the sustainable management of community buildings and their teaching of asset management to their undergraduate students.

Road Management Act (RMA)

VicRoads is conducting a formal review of the Road Management Act 2004. The review will primarily focus on operational issues. A consultation forum has been held with a range of key stakeholder groups for the purpose of:

- identifying issues that have been experienced by road authorities in implementing the many road management functions of the RMA; and
- focusing clearly on opportunities that can best and most effectively deliver road management improvements through amendments to the RMA.

The outcomes of this consultation, together with other stakeholder consultations, will enable VicRoads to develop a range of possible proposals to amend the RMA. These proposals will then be the subject to further consultation with the Infrastructure Reference Panel.

National Asset and Financial Management Frameworks

New National Asset and Financial Management Frameworks have been developed by the Federal Government and represent a ground breaking initiative that will see all three levels of Government (Federal, State and Local) working together to pursue common goals.

It is expected that these new initiatives in asset and financial management will impact significantly on the Victorian Local Government sector even though they have been designed to improve the financial sustainability and overall reporting and performance monitoring of assets across all levels of Government.

It is proposed that these new Frameworks will be introduced into the MAV Step Program.

The delay in the release of the Frameworks is causing some concern and frustration. There is also a view that the State Government may introduce legislation to mandate reporting under the Framework.

Infrastructure Demarcation Issues

There is an increasing view that a growing number of State Government Departments and agencies appear to be trying to divest themselves of responsibilities for assets and their ongoing maintenance, and that the assumption seems to be that Local Government will 'pick up the tab'. This applies to a range of infrastructure assets including off road bike paths, shared paths, railway assets, culverts, rail crossings and roadside vegetation etc.

To manage these occurrences in a more strategic manner, the MAV has indicated that it will establish a 'Demarcation Task Force' supported by a Technical Advisory Group, that could establish a sector-wide (i.e. local government) position and hopefully prevent individual Councils from needing to confront these issues on an ongoing and/or ad-hoc basis.

Bus Stop Maintenance Agreements:

Dialogue continues between Councils, the MAV and the Department of Transport on the maintenance of bus stops. There is a general view that the provision of public transport services and assets is a responsibility of the State Government. An agreement between two levels of government should not result in an unintended or unfunded transfer of costs.

Rail Safety Agreements:

The aim is to provide for safe and well managed infrastructure at rail-road crossings. The process and the agreements are intended to clarify demarcation and cost/funding issues.

Public Lighting Charges

The Australian Energy Regulator is undertaking a review of public lighting operation, maintenance and renewal charges. The Regulator's draft determination will be released for comment later this year. The initial proposals from the privately owned electricity distribution business are for a significant increase in charges.

It is of some concern that newer energy efficient lights, such as compact fluorescents, are not part of the review and will still be open to "negotiation" between road authorities and the distribution businesses. Councils are encouraged to make a submission regarding the draft determination when it is released. The determination should be finalised by December 2010.

19. South Australia State Report

IPWEA (SA) Asset Management Interest Group (AMIG)

AM half day Workshop held to bringing attendees up to date on some of the key issues affecting AM in SA and to detail the tools and frameworks available to successfully manage the evolving AM landscape. The involvement and presentations of IPWEA National (Chris Champion), LGASA (Bill Furse) and several Local Council AM practitioners ensured the day a resounding success.

Local Government Reform Fund – LGA (SA)

IPWEA at both State and National levels is continuing its collaborative involvement with LGA (SA) on this exciting and opportune project.

The Prime Minister announcement of the \$25 million Local Government Reform Fund guidelines provides welcome endorsement for the directions that SA Local Government had been pursuing and presented an opportunity to take the financial sustainability reforms to the next level.

The LGA worked closely with the Office for State/Local Government Relations to frame an extensive 'Improving SA Councils' Asset and Financial Management Practices' proposal, submitted by the Department of Planning and Local Government.

The Proposal comprises six components covering:

- Asset and Financial Management Council Audit;
- Workforce Planning;
- Climate Change Adaptation;
- Building Regional Collaboration Capacity;
- Data Management;
- Asset and Financial Management Technical Support.

Some elements of interest include:

- Moving all SA Councils across to NAMS.PLUS (I believe that this has happened already) and promoting the IPWEA NAMS.PLUS training.
- LGA to work with IPWEA to finalise work already under way to develop small Council approaches under NAMS.PLUS (son of NAMS.PLUS).
- Promote the use of the Australian Infrastructure Financial Management Guidelines by SA Councils – supporting IPWEA training etc. All SA Councils have been provided with a copy of AIFMG.
- Assist Councils to integrate the planning processes for I&s and LTFPs and other FS review and reform activities within their organisations.

- Provide assistance to Councils in assessing the impacts of demographic change on I&s and LTFPs.

2010 NAMS.PLUS TRAINING

The Training held in Adelaide during May/June was successfully attended by over 25 AM practitioners.

LGMA (SA) – 2010 Leadership Excellence Awards

At the recent Annual LGMA (SA) Awards ceremony, 2 local IPWEA members from the City of West Torrens were successful in receiving an award within the Excellence in Asset Management category for their Asset Management Plan "Transportation for the Next generation – 2025".

Engineer's Australia Report Card

The SA Report Card was released last week.

20. Western Australia State Report

WAAMI Programme

There are currently 85 Councils that have started the program, expressed an interest (either individually or as part of a region) or scheduled a first visit in the program. Of these there are 10 local governments that are not active or have withdrawn from the program.

There is still a reasonable level of confusion regarding the relationship between WAAMI and NAMS.PLUS and a recent AM seminar on NAMS.PLUS was held to assist in clarifying this.

Asset Management Forums

The Asset Management Forums continue to be very popular. We often 'sell out' at around 30-40 people depending on the venue.

Recent forums included:

- NAMS.PLUS 19 May 2010
- The New Roman (Roman 2) 4 June 2010

The following forums are currently being organized:

- Road Risk Assessment Project & LGIS on Insurance Risk mid August 2010
- Bridges - What do MRWA do and what should Local Government do? mid July

IPWEA WA Asset Management Committee

The most recent meeting was held on 19 April 2010 in preparation for this meeting.

Agenda items included;

- International Standards for Asset Management
- Asset Management Forums
- Roman II and Governance Arrangements
- IPWEA WA Executive Committee – Asset Management Portfolio

WA Local Government Reform Funding

The State was successful in its submission but the money has been allocated to the Department of Local Government. They are currently finalising details of a State AM Framework which will align with the draft National Framework.

Roman II

WALGA has bulk purchased the ROMAN II product from the ARRB Group on behalf of all WA Local Governments, the Department of Environment and Conservation and consultants servicing Local Government. Those organisations will be able to access and use the software licenses and other services through a "Subscription Agreement".

The bulk purchase arrangement means that the software licenses and support services are being purchased at a substantial discount rate, and that the costs and risks of establishing the new system are being largely carried by WALGA. WALGA has estimated the collective cost saving to the Local Government sector of this approach to be around \$130 million.

In addition the cost of the initial purchase of the software licenses, software development and customisation, initial establishment and transition of all participating Local Governments to the new system is being met by the State Government (Main Roads) through the State Road Funds to Local Government agreement. The State Government is also contributing to the ongoing annual support of the software and services through the same agreement.

The replacement for Roman will be rolled out from February 2010. The package includes access to RAMM, dTIMS, training and support. Annual Local Government subscription fees, including research and development levy (but excluding GST), are expected to range from \$4,365 (smallest Shire) to \$19,542 (largest City) based on WALGA's best estimate of participation.

21. Tasmania State Report

General Matters on Asset Management

The LGAT had its annual Local Government Conference from May 12 to 14 with the theme 'Up Up Up, A focus on Excellence and Innovation' which, as a partner of the Conference IPWEA Tasmania had a dedicated technical stream with two sessions:

- asset management on the micro scale being 'Thinking Outside the Square – Innovative Partnering Models for Local Roads Maintenance' presented by Tim Gardner (Managing Director of the Stornoway Group) and Chris Cartledge (General Manager, Stornoway Maintenance). This session was attended by slightly less than one third of the total number of (250) delegates at the Conference and seemed to appeal to many smaller Councils,
- a broader sustainability platform presented by Assoc. Prof. Dr. Carol Boyle on 'Planning for Sustainable Infrastructure'. This session was more popular with a good cross section of elected members and technical personnel.

Bitumen Surfacing – Tender Preparation and Contract Admin Tool Kit

The State Executive had agreed to prepare this kit because many Councils directly adopted the specifications codes and practices of the State Government which are often not appropriate for residential streets

State Municipal Standards

These are under review of a sub-committee of the State Executive

NAMS.PLUS training

The NAMS.PLUS training workshop held in Launceston late May and June attracting 18 people.

Engineer's Australia Infrastructure Report Card for Tasmania

This showed that local roads have deteriorated since the State's previous report card in 2005. Stormwater remained the same and there was some improvement in potable water and sewerage. The Report Card noted that Tasmania is experiencing a shortage of engineers and is likely to have limited funds for infrastructure.

22. Other Reports

Austrroads Assets Task Force - Report of last meeting

NTC National Heavy Vehicle Regulator Project

This aims to consolidate heavy vehicle laws and legislation. The project includes the forming of expert independent panels to resolve minor issues / differences between states.

Austrroads Test Methods Project AT1484

Review of Standard Methods for Measuring Road Condition – discussion paper has been distributed for comment.

National Pavement Management System User Group

Liam Terris (RTA NSW) will now manage this group. The Traffic Speed Deflectograph (TSD) machine was available for inspection and a presentation was given by David Pratt. The TSD Appears to be much more efficient for collecting data when compared to the FWD;

Telecommunications in Road Reserves Group

Update was provided by David Shatford and Warren Fox

- Representatives from the Austrroads TiRR group meet with Mike Kaiser (NBN Co.) and gave an overview of the role and purpose under the TiRR banner;
- The development of strong and close working relationships with carriers under the Communications Alliance banner continues. There were issues discussed with respect to corridor access on the NBN proposal. A follow up meeting with key personnel in NBN Co. on design and construction issues is proposed;
- Since the federal government announced the NBN project, it has been the main focus of the TiRR group. Contractors have reported that the network is 93% fibre optic cable, 3% wireless and 4% satellite; and
- Representatives from TiRR met with DBC&DE and they were not aware of the Guidelines the TiRR had written previously and were very interested in the documents.

Asset Valuation Group

Update was provided by Andrew Golding:

- This group has not met for over a year. It would be useful to re-energise this group in 2010;
- Another round of benchmarking (process and application) would be of benefit as the last round was completed in 2008. Some changes have taken place since then;
- Assessment of where each SRA stands with respect to Part 8 (Asset Valuation and Audit) of the Austrroads Guide to Asset Management – would like to each SRA to have a go at the 8 performance measures that are listed in the Guide; and
- Would like to follow up with a workshop to discuss the outcomes of that exercise.

Project AT1613 – Interpretation of TSD Data

Presentation by David Pratt highlighting:

- The progress of the current 3 deliverables (Literature review – complete, Test plan etc – part complete, 'Should we purchase one?' – ongoing);
- Difficulties getting approvals on the vehicle because of the left hand drive configuration;
- Some data is already available and some will be available later. Delays on survey data are approximately 4 weeks (Aus – Denmark – Aus). Trial data is a little quicker;
- The TSD operational speed is 40 to 80 km/h. There will be gaps in the data when the vehicle is unable to operate in that range;
- Primary objective of project – 'Can we get repeatable results?' The comparison of TSD with other equipment is not in the scope of AT1613.

23. Next NAMS.AU Meeting: Face to Face Meeting – Friday 22 October 2010.

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.

NAMS.AU Committee

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