

nams.au update

Oct 2010

NATIONAL ASSET MANAGEMENT STRATEGY COMMITTEE
Institute of Public Works Engineering Australia

REPORT & DECISIONS

of meeting 22 October 2010

1. Australian Infrastructure Financial Management Guidelines

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

The July 2010 update of the Guidelines will shortly be available for guidelines holders as a pdf download from the Guidelines web site at www.ipwea.org.au/AIFMG. The Update No. 1 covers 134 pages and relates to the considerable changes to Australian Accounting and Auditing Standards since release of the Guidelines.

2. Asset Management Plan Preparation Training – NAMS.PLUS

251 Councils in Australia are now part of the NAMS.PLUS program. 2 x 2 day training workshops were completed in Aug-Oct 2010. The next are scheduled for Orana Region councils at Warren NSW in Nov/Dec. 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 and planning training rounds for 2011.

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

The AM4SRRC Practice Note is aimed at assisting small (< 5,000 population), rural or remote committee develop 'core' asset management plans. The practice note and templates, and 2 day training format, is currently being pilot tested with councils in Tas and WA. The Practice Note should be available late 2010.

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 draft is expected to be available for review by the steering committee in Nov 2010.

5. Building Condition Practice Note

Training courses for the Building Condition Practice are in progress. The course is held over 2 days. Six courses have been completed with two scheduled for Perth and Sydney on 16/17 and 25/26 Nov 2010. There has been a very strong demand for the workshops.

6. Stormwater Drainage Condition Practice Note

Drafting of this practice Note has commenced. It should be available in early 2011.

7. Asset Management Study Tour to New Zealand

The asset management study tour to New Zealand is being held this year in conjunction with the NZ NAMS Group Advanced Asset Management Forum in November. 25 participants and 6 accompanying persons are participating in the study tour which includes

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

8. 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. See <http://www.alloccasionsgroup.com/ipwea-conference-2011-callforpapers> for details.

9. Tertiary Education in Asset Management

The IPWEA / CPEE / University of Tasmania's graduate certificate in infrastructure asset management is well supported with over 50 unit enrolments. 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 unit 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

The University of Tasmania has approved a module based on the Australian Infrastructure Financial Management Guidelines to be added to the course which may facilitate expansion of the course to a Graduate Diploma level in the future.

10. 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 mid 2011.

11. 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 is representing IPWEA on the committee.

12. National Asset Management Assessment Model

Leon Patterson is finalising 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.

13. Annual Report 2009-10

The adopted NAMS.AU Annual Report 2009-10 is available from www.nams.au.com.

STATE REPORTS

14. 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 performance reporting. The Queensland State Government has published an 'Asset Management Advancement Program 2009/10'. The Department of Infrastructure & Planning's goal is for Councils to have AM Plans in place by the end of 2010.

The DIP has published *A guide to asset accounting*. This is available at www.dip.qld.au/resources/guideline/local-government/asset-accounting-guide.pdf.

South East Queensland Regional Asset Management Group

The group held a conference in Brisbane on 16 September attended by over 100 delegates. The conference topic was Asset Management Strategy. The core focus of the Group is to monitor and assist with the completion of asset management plans to meet the DIP deadline of 30 Dec 2010.

15. NSW State Report

Asset Revaluation to Fair Value

Councils in NSW were required to revalue roads, bridges, stormwater drainage, footpaths and kerb & gutter assets to fair value by 30 June 2010. The valuation processes are reviewed by external auditors. The revaluation is expected to increase asset values and depreciation by a considerable margin. One Shire reported a 100% increase in depreciation under fair value.

Australian Rural Road Group Inc.

This group was formed at the ALGA National Roads Congress held in Bunbury WA in October 2010. See <http://austwideruralroadsgroup.com/>.

An objective of the group is link productivity bases road funding to credible ten (10) year council Road Asset Management Plans and Long Term Financial Plans.

Roads & Timber Bridges Benchmarking Survey in 2010

The NSW Roads & Transport Directorate is repeating the Roads & Timber Bridge Benchmarking Survey in 2010. The objective of the project is to provide a snapshot in 2010 of the current reported condition of Regional and Local Roads in NSW together with an estimate of the shortfall in funding. Also to make specific recommendations about rectification of any problems identified. This will be the third benchmarking Survey undertaken by the NSW Roads & Transport Directorate. Copies of the 2006 and 2008 Benchmarking reports are available from http://www.ipwea.org.au/AM/Template.cfm?Section=Asset_Benchmarking_Project&Template=/CM/HTMLDisplay.cfm&ContentID=11080.

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.

16. Victoria State Report

National Sustainability Frameworks

The National Sustainability Frameworks assessment is being rolled out in Victoria through the STEP program.

Demarcation Task Force

The shifting of responsibility for services from State to Local Government is being investigated by the Demarcation Task Force established by the MAV. A Technical Advisory Group has been established under the Task Force.

Public Lighting Charges

Public lighting charges are now declared to be a contestable electricity energy service. Councils may be able to reduce street lighting charges.

Building Condition Modelling Research

RMIT have received funding under the Australian Research Council to continue building condition modelling research.

Stormwater Drainage Condition Modelling Research

Victoria Institute of Technology are continuing research into stormwater drainage condition modelling.

IPWEA Vic State Conference

The 2011 IPWEA Vic State Conference is being run independently and concurrently with the MAV Asset Management Conference on 11/12 May 2011.

17. South Australia State Report

IPWEA (SA) Asset Management Interest Group (AMIG)

IPWEA (SA) and FMG (SA) are planning a joint workshop on asset and financial management in early 2011. AMIG is looking to identify the issues members consider most important, to help tailor the workshop and to ensure that the key issues of the asset management / financial sustainability process requiring further information are included. Feedback is currently being sought.

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 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; and
- Asset and Financial Management Technical Support.

Some elements of interest include:

- Subscribing all SA Councils to NAMS.PLUS and supporting IPWEA NAMS.PLUS training.
- LGA to work with IPWEA to finalise work already under way to develop small Council approaches under 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.

A number of meetings have occurred over the last quarter with representation from LGA (SA), The Office for State/Local Government Relations (SA), IPWEA (SA and National), FMG (SA) and the LG Auditors group to further develop and deliver the above mentioned proposals.

Climate change Impact assessment and adaptation project

A joint collaborative project with Uni SA, IPWEA (SA), MAV, WALGA and the LGA. This project involves development of tools that allow local governments to translate climate change impacts on assets into strategic and operational financial and asset management plans. The project will have five key stages:

1. Identify climate change scenarios;
2. Determine asset vulnerability;
3. Financial modelling;
4. Development of financial and asset management tools; and
5. Council trials.

2010 Buildings Asset Management Workshop

The workshop/training based on the IPWEA Practice Note 3 "Building Condition & Performance Assessment" was held in Adelaide on Wednesday 20th and Thursday 21st October, with 30 AM practitioners registered.

2010 LGA (SA) AGM Local Government Research and Development Scheme Expo

To be held on 28 October 2010 at the Adelaide Convention Centre, the expo run by LGA (SA), in conjunction with the LGA AGM, will provide IPWEA (SA) an opportunity to present information about the Australian Infrastructure Financial Management Guidelines (AIFMG) to Council CEOs and elected members via a short, focussed presentation. A static display promoting IPWEA's Asset Management Tools / Successes will also be setup on the day.

Sustainability – Using Recycled Aggregates in Road Building in South Australia Workshop/Seminar

IPWEA (SA) in partnership with Consult Australia (SA) put on a breakfast Workshop/Seminar to inform asset owners, designers and constructors on the current perspectives in the use of recycle aggregates. There remains a lack of shared understanding in the industry on the manufacture, application, degree of contamination and in-service performance of their use in road building. This breakfast briefing included speakers from the Department of Transport Energy and Infrastructure (SA), ARRB, the Environmental Protection Authority (EPA) and ResourceCo. The seminar provided valuable information sharing opportunities for the 100 guests.

18. Western Australia State Report

Asset Management Forums

Recent forums included:

- Road Risk Assessment Project and LGIS on Insurance Risk -18 August 2010

- Bridges – What do MRWA do and what should Local Government do? - 21 July 2010

The following forums are currently being organised:

- A-SPEC and Landgate forum – 27 October or 3 November 2010
- MRWA – Proposed Reporting Centre Roman II – 24 November or 1 December 2010
- Asset Management from a Mining Perspective – 2 February 2011

IPWEA WA Asset Management Committee

The most recent meeting was held on Monday 16 August 2010 and included items relating to the following:

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

Roman II

The preparations for the release of the Roman II Programme are still proceeding well. Present statistics relating to the take up across the State are as follows:

- Council's that have signed agreements – 93 – (66%)
- Council's given firm commitment to enter agreement – 30 – (21%)
- Council's expected to commit – 10 – (7%)
- Council's given definite rejection – 2 – (1%)
- Council's not expected to commit – 6 – (4%)

Those Council's not expected to join Roman II have already invested in asset management policies procedures and other software. The go live date is expected to be February 2011. Prior to that date WALGA will be liaising with Council's to confirm how they wish the system to be used and individually set Roman II.

Local Government Reform Funding

Reform Funding has been issued to the Department of Local Government in Western Australia. Working groups have been established including one for strategic planning-asset management. The IPWEA together with LGMA and WALGA have been invited to nominate members to the working group for asset management.

The Department has identified *Improving local governments' approach to asset management* as an important part of the reform program. With this in mind, the Asset Management Working Group will assist local governments to improve asset management capacity through the identification of outcomes to meet core asset management standards; the development of an Asset Management Policy Framework; a set of Asset Management Guidelines for WA local governments and tools to assist local governments link asset management to long term financial planning and annual budgets through integrated strategic planning.

IPWEA (WA) is seeking to ensure that the IPWEA's documentation and extensive experience with improving asset management throughout Australia, is used as the basis for all planning and asset funding. This approach has now been generally accepted, however much detailed work is still required within the Working Group.

19. Tasmania State Report

Through the Local Government Association there is a project to reform Asset and Financial Management within Tasmanian Local Government - with the objectives:

- a) To improve the ability of Tasmania councils to plan and manage assets effectively and deliver value for money to their communities.
- b) To improve the ability of councils to clearly identify issues which may affect their long-term sustainability?
- c) To ensure that all Tasmania councils have achieved a minimum best practice standard in relation to strategic asset management and long-term financial planning.

An application was approved by the Federal Government early this year. The project has had significant delay as a consequence of the State and Federal elections although now an Implementation Plan has been agreed for the project. The next steps include circulation of the Implementation Plan to the Local Government Association of Tasmania, LGAT and Ministerial approval prior to release of funding. It is anticipated funding will be released late November.

Footnote: *In 2008 a survey of Tasmanian councils was undertaken in relation to asset management practices. 16 of 29 councils responded. It was found that:

- There is a great deal of variation in the level of activity, approaches, timeframes and resourcing of asset management planning across Tasmanian councils.
- It is clear that some councils are struggling and could potentially benefit from clear tools and guidelines.
- Resourcing is a critical issue, particularly for smaller councils, particular in relation to maintaining asset registers and monitoring the infrastructure backlog and renewals gap.
- This means there are likely key data gaps in relation to the development of asset management plans that are future looking.
- The variation in areas like asset valuation and costings means it is difficult to have good comparability between councils.

20. Next NAMS.AU Meeting: Consultants Supporters Roundtable Fri 13 May 2011 NAMS.AU Face to Face Meeting Sat 14 May 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.

NAMS.AU Committee

Chair

Peter Way, Qld, pway@ipwea.org.au

IPWEA National Board

Paul Di Iulio SA, pdiulio@campbelltown.sa.gov.au

State Delegates:

Angelo Catinari, SA, acatinari@wtcc.sa.gov.au

David Wolfenden, NSW, david.wolfenden@mpsc.nsw.gov.au

Thomas Kuen, Vic, Thomas.Kuen@melbournewater.com.au

Glyn Davies, WA, gdavies@armadale.wa.gov.au

Harry Galea, Tas, Harry.Galea@launceston.tas.gov.au

Andrew Llewellyn, Qld, ALLEWELLYN@goldcoast.qld.gov.au

IPWEA National Office:

Chris Champion, CEO, cchampion@ipwea.org.au

Leon Patterson National Director,

leonpatterson@ipwea.org.au

John Howard, Project Mgr, johnhoward.jra@bigpond.com