

# Ingenium Northern South Island Branch Meeting

## Asset Management Topical Issues

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# Asset Management - Topical Issues

- High population increase in SDC
  - Requirement to keep ahead of demand
- Asset Managers three year programme - (wall-planner)
- 2006 AMP created a ongoing AM improvement programme
  - driven by demand not renewals
- Other topics are:
  - QA With Bruce Robertson, Assistant Auditor General
  - Asset Criticality to improve AM Outcomes
  - Appropriate practice within AM

# Utilities Managers three year programme

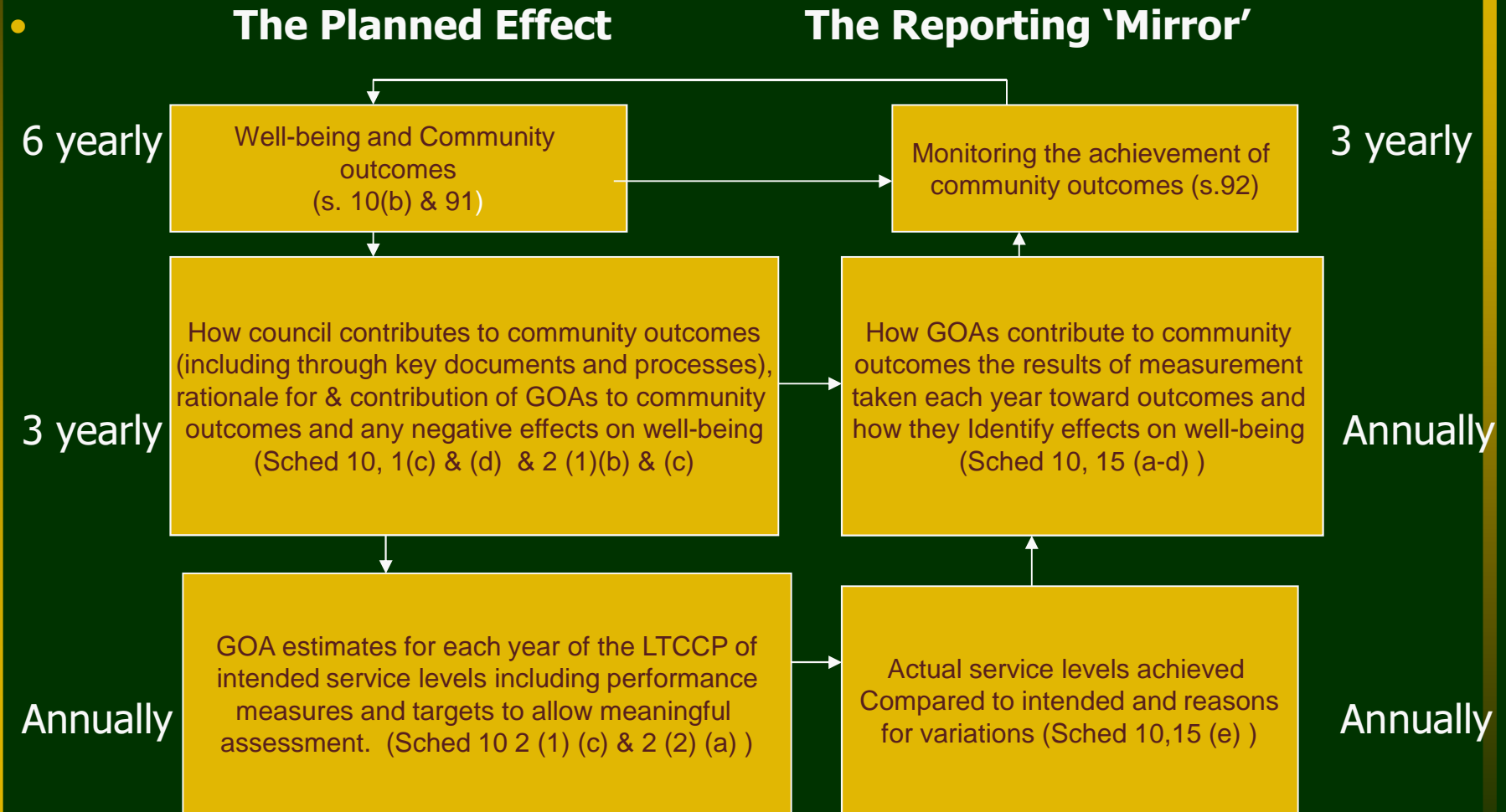
To give an overview and to enable long term planning within the utilities area

		2006/07	2007/08	2008/09	2009/10
	Item	July	July	July	July
<b>STRATEGIC PLANNING - LTCCP</b>					
<b>LEGISLATION &amp; STRATEGIC</b>					
	<b>INFRASTRUCTURE MGMT</b>				
	<b>AMP - IMPROVEMENT PLAN</b>				
	<b>OPERATIONS</b>				
	<b>TRAINING</b>				
	<b>PROFESSIONAL DEVT</b>				

# Expanded view

		2006/07									
Item		July	August	September	October	November	December	January	February	March	April
<b>STRATEGIC PLANNING - LTCCP</b>											
LTCCP 2006-2016	LTCCP 2006-2016	LTCCP active									
Identify Community Outcomes	Identify Community Outcomes										
Community Outcomes Reporting - achievement	Report on progress made on achievement of Community Outcomes										
Community Outcomes Reporting - measurement	Report on the results of any measurement of achievement of Community Outcomes		Report								
Levels of service reporting	Provide a comparison between the actual levels of service provision of that group of activities and the intended levels of service provision		Report	Audit							
Levels of Service - Development and Consultation	Levels of Service - Development and Consultation		Review performance against KPIs								
Customer Surveys	Customer Satisfaction Surveys								Survey		Report
Report on significant acquisitions or replacements of assets (audited statement)	Describe any significant acquisitions or replacements of assets undertaken; a		Report	Audit							
Annual Report	Annual Report	Prepare Draft		Audit Draft	Publish Report						

# The feedback flow of performance in the LGA

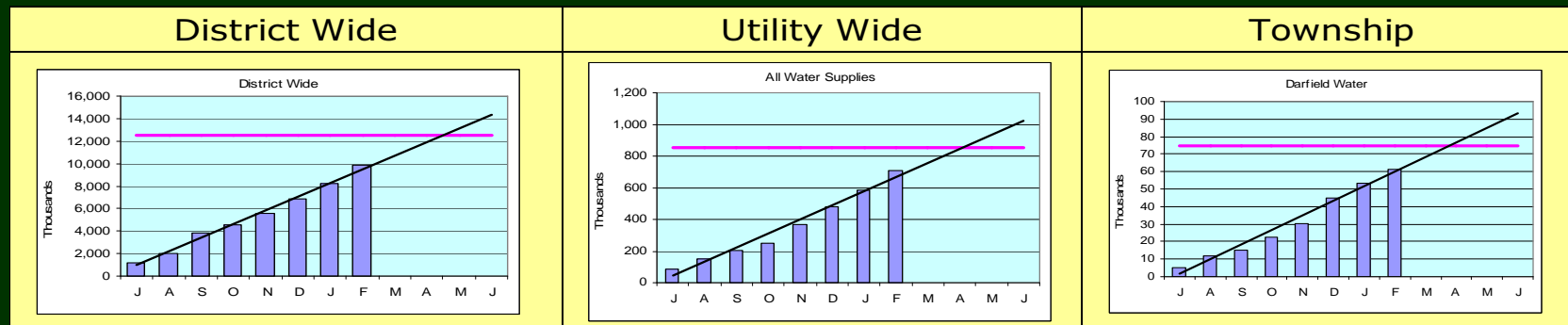


# AM Improvement Programme

## – Dashboard Reporting

- The monitoring the wellbeing of departments and utilities
  - usually requires reports to be generated on a weekly, monthly or annual basis
- Reports generally viewed in isolation
  - no trending or historical background
- Dashboard reporting
  - methodology to allow continuous monitoring of performance
  - Dashboard reporting works by linking a small graphics display program to a data warehouse
  - software allows “drilling down” that takes the user to an increased level of detail

# Electricity cost example



- The use of the drill down feature also enables a greater understanding of the detail
- Crystal reporting to be used to roll up the information from the data warehouse into formats that are readily understood i.e. "keeping it simple"

# Project Briefs for AM Improvement Items

- 45 Improvement items in 2006 Water and Wastewater Activity Plans
  - Required system that clearly details the requirements of each improvement item
  - Final document in word format to enable ease of use
  - Use of spreadsheet for entering all data
  - Merged from spreadsheet to word
  - Use of MS Project for progress tracking



## Key areas:

- Project Name
- Project Description
- Utility
- Funder
- Consultation requirements
- Project Manager
- Detailed Description
- Scope
- Strategic Objectives and Outcomes
- Key Results

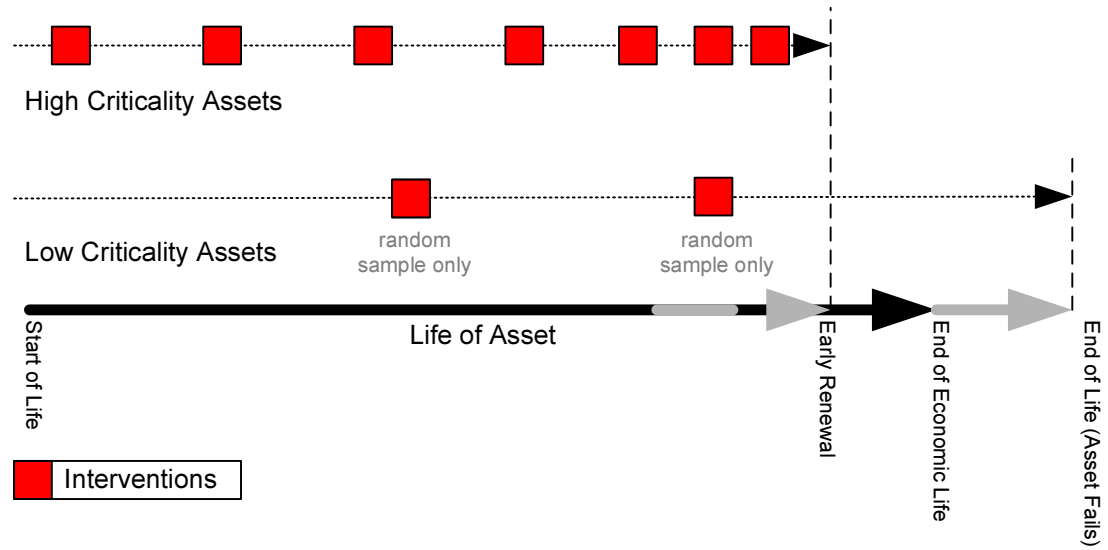
Project Name					
Project Description					
Utility				IP	
Originates from		Budget Year		Estimated Budget	
Funder		Approvals		Risk Sensitivity	
Consultation		Consultation Period		Carried Out By	
Project Manager					
Detailed Description					
Scope					
Strategic Objectives and Outcomes					
Key Results					
Competencies					
KPI Outcomes					
Completion Period (weeks)					
Community Consultation	Council/Committees Approvals	Proposal	Design	Construction	Handover
Reporting Requirements	Monthly				Completion of Project
Quality Standards					
Performance		Reporting		Personal	
Information provided by Client					
General					

# Assessing the Criticality of Assets

- Consequence = Asset Criticality
- Asset Criticality part of AM Improvement Plans
- Integrated risk management is one of 2 key gain areas OAG looking for in 2009

## Proactive Interventions

(Inspections, Preventative Maintenance)



# Assistant Auditor-General, Local Government

Presentation to Waugh Consultants Nov 2006

***Attitude:*** found it to be the biggest determinant in the success (or otherwise) of the LTCCP (or any other planning) process and decision-making

Attitude relates to all levels of the council ... *starting from the top*

- Priority
- Preparedness
- Short term vs strategic
- Compliance
- Team work

# *Knowledge*

- Data ***does not equal*** knowledge
- It generally requires
  - Conversion and interpretation
  - Maintenance
  - Collation and reporting
  - Integration either into or with other systems

## “Catch up” areas for 2009

- **Project managed updating** of basic asset information, including updating elected members
- Up-to-date data, converted to **knowledge**, for input to the LTCCP
- **Specified** levels of service
- **Linkages** with financial models and service performance frameworks

# Gain" areas for 2009

- Optimised decision-making
- Integrated risk management

And importantly ...

- Engineers *in the tent* as leaders



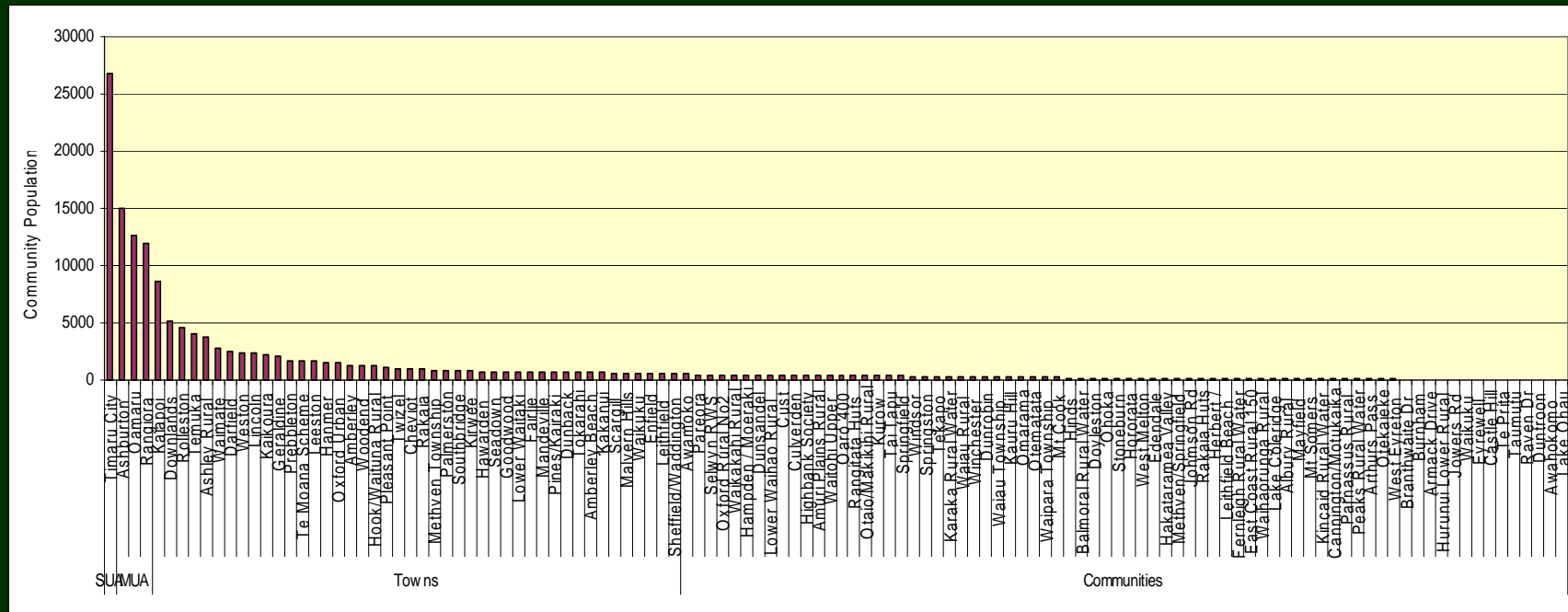
# Appropriate Practice for Asset Management

- To ensure that :
  - Description of assets
  - Levels of service
  - Managing growth, risk management
  - Lifecycle decision making
  - Financial forecasts
  - Asset management processes

Be fit for their current anticipated purpose

The level of appropriate practice will adjust depending on the community size

# Communities population is an excellent basis to ascertain the level of appropriate practice



# Appropriate Practice Matrix

		<i>Christchurch</i>	<i>Timaru</i>	<i>Asburton, Oamaru &amp; Rangiora</i>	<i>Kaiapoi to Leithfield 500 TO 9999</i>	<i>Less than 500</i>	
<b>Section Requirements</b>		Main Urban Areas	Secondary Urban Areas	Minor Urban Areas	Towns	Communities	
Description of Assets	1.1	Adequate Description	10	10	10	10	10
	1.2	Remaining useful life	10	10	10	10	10
	1.3	Financial Description	10	10	10	10	10
	1.4	Reliable Physical inventory	10	10	10	10	
	1.5	Physical attributes (Material, age, location)	10	10	10	10	
	1.6	Systematic monitoring of condition	10	10	10		
	1.7	Systematic measurement performance	10	10			