

An Inside look at how 3 government organisations are

IMPROVING ASSET MANAGEMENT MATURITY



**PUBLIC SECTOR
ASSET**

MANAGEMENT 2017



Effective asset management has long been a focus for government organisations in order to ensure the sustainable delivery of vital services to the community.

But as Australia's population continues to soar, local, state and federal government organisations are faced with new pressures to managing a growing and ageing asset base. Fiscal restraints, out-dated assets and disparate asset data-sets are just some of the challenges facing asset managers in the Australian public sector.

What's more, while new technology has enabled an increased quality of asset validation, data management has consequently become a corresponding asset that must be catalogued and protected.

So what steps are local, state and government entities taking to overcome these challenges to implement long-term asset management standards that are easy to use? And, more importantly, how will these standards create cost efficiencies and improve delivery of services to the public now and in the years to come?

Ahead of the **2nd Annual Public Sector Asset Management Summit 2017**, we take a look how three different government organisations are approaching asset management.



SUTHERLAND SHIRE COUNCIL

Sutherland Shire Council delivers a diverse range of services to a population of over 226,000 residents. It controls an asset portfolio worth more than \$2.1 billion and is currently in the process of implementing an asset management framework policy aligned with ISO 55001.

The focus and purpose of the policy is to deliver value for money to the community and is run by the council's asset planning team, asset managers and service managers.

Integrating asset management with organisational risk management

ISince early 2016 the Risk and Audit team have been working closely with the asset management team to identify activities both functions perform that have very similar outcomes. Both then share the load of making those activities happen.

“In our asset management framework policy we require risk to be considered in the decision making. So we look at the risks of taking a course of action, or not taking it. At the strategic level we have also identified asset management as an organisational risk.



This is because in the absence of long-term strategies there is always a risk that a focus on the short-term means we will lose sight of the bigger picture. It is important to consider the long-term effects of asset management and the risks associated,” says **Clare Scanlon, Asset Management System Coordinator, and Sutherland Shire Council.**

While identifying the risks associated with asset management is a focus for Sutherland shire council, so too is giving asset managers ownership of the entire lifecycle.

“The most important thing we have done when it comes to improving asset lifecycle strategies is giving asset managers ownership from the planning of assets, right through to the disposal.

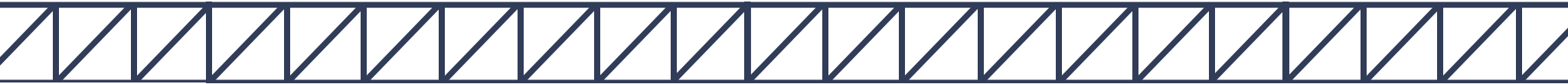
Currently our asset managers are very focused on the operations of assets, but they also have to deal with the consequences of the decisions made during the planning phase. So it’s important that we consider the whole asset lifecycle and empower our asset managers to have a say in all stages, not just when the asset is handed over to them,” says Clare.

DEPARTMENT OF DEFENCE AUSTRALIA

The Department of Defence’s new submarine project isn’t just an impressive endeavour on an operations scale; it also aims to embrace an asset management culture to deliver an improved level of through life support. This requires an ongoing evolution of the existing support system for future submarines, and top-down support from management.

Ensuring asset maintainability, reliability and availability through stakeholder collaboration

Over the past few months, the Defence Force has begun moving towards a new capability lifecycle approach that focuses on enduring programs rather than one off capability insertion projects.



One of these programs is submarines and looks at the overall lifecycle of existing submarines, new submarines that are being built and future submarines that will follow on in future generations.

With the first submarine expected to be delivered in the early 2030s, CAPT. David Eccleston, Director Support System Future Submarine Program, Department of Defence, Australia, says that the collaboration between the asset management team and submarine designers has been critical to the project's success to date. This collaboration in the early stages of the Program are essential in ensuring that Supportability is designed into the systems being delivered.

"The Submarine Program is one of a group of new projects that is being delivered under the new integrated approach that focus on a lifecycle asset management approach. Previously, the predecessor to the Capability Acquisition and Sustainment Group, the Defence Materiel Organisation, used to focus on delivering a Materiel System, which was comprised of the Mission System (eg submarine, ship, tank etc) along with a some support components such as upgraded facilities and equipment. The Navy would then be responsible for injecting a range of inputs (known as FIC or fundamental inputs to capability) these include such things as trained personnel, facilities, command and management and supplies. These FICs would then transition the Materiel System into a complete capability.

Now we utilise a very integrated approach where the Navy and the Capability Acquisition work together, as an integrated project team, to identify requirements and deliver a complete capability, inclusive of all FICs, rather than just a range of assets. These two organisations then work to sustain the capability through an ongoing upkeep, update and upgrade process."

The program utilises a range of tools to develop and deliver the outputs, including traditional ILS tools to conduct the necessary analysis to inform decision making and trade offs, such as Logistic Support Analysis, Life Cycle Costing, and RAM (reliability, availability and maintainability) analysis.

When it comes to lifecycle costing, David says an important step is understanding which option will be the most reliable and easiest to maintain.



BENDIGO CITY COUNCIL

Between 2010 and 2015 Bendigo experienced several significant storm events that revealed substandard parts of the drainage network. The circumstances that led to this included: poor development practices of the past; interference with storm water infrastructure; insufficient & differing design standards, and inadequate maintenance.

To address these challenges, the City of Greater Bendigo is currently in the process of renewing and upgrading its storm water assets. They are also collecting data and undertaking condition assessments, while implementing improved long-term asset management practices to ensure challenges of the past are not perpetuated through new development.

Assessing, improving and upgrading assets to expand capacity

When Bendigo experienced three significant storm events between 2010 and 2015, the shortcomings of the storm water drainage network was exposed as well as a lack of resilience of these assets to major storm events.

With these events producing in excess of 500 complaints from the community and \$40 million required upgrade works as part of the Capital Works Program, the Council has begun work to identify ways to improve assets to improve their resilience to storms in the future.

“Some deficiencies were purely maintenance related and we have addressed those as they emerged. Other issues were some assets being at the end of service life, ageing assets and insufficient capacity which required capital investment.



We prioritise our renewals on a cost-benefit approach and use factors like the age and condition of assets, their existing capacity, potential damage to buildings and property, safety risks, ongoing maintenance costs, connectivity with other parts of the network and overall alignment with strategy,” says **Mark Atkinson, Coordinator of Infrastructure Development at City of Greater Bendigo.**

According to Mark, data has also played an important role in improving storm water asset maintenance. With data coming from a number of sources such as design and construction plans from new and old storm water assets, video footage in storm water lines and data from renewal and upgrade works, Mark and his team are able to collate this data to inform the city’s storm water asset register.

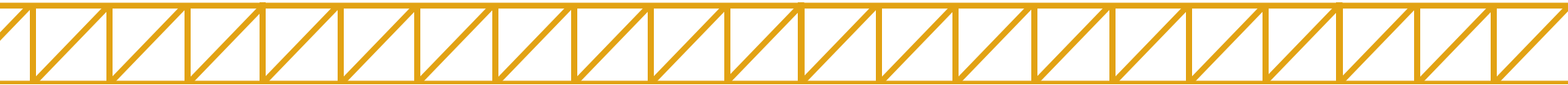
“The vast majority of the city’s storm water assets are mapped geographically, but like any data sets there are gaps. We are trying to be as diligent as well can in capturing everything that is happening out there,” he says.

Focusing on gaps has also been a broader focus of Bendigo’s asset Management plan. Mark explains:

“The Asset management plan involved a gap analysis of our whole management approach and identified a number of areas that needed to be addressed. One of these was the overland flow path studies and the recommendations from these studies have started to inform the Capital Works program.

Some of the major work has started and when it is complete we will see substantial improvements to our network and give the community some good relief from flooding.

While our system is not perfect, we are seeing the benefits start to roll-out in line with our asset management plan. We know the areas we need to focus on and in the meantime we’re bringing vulnerable parts of the network up to standard.”



INTERESTED IN LEARNING MORE?

Join Mark Atkinson, CAPT. David Eccleston and Clare Scanlon at **Public Sector Asset Management 2017** taking place 18-20 July in Sydney.

For more information

visit <https://publicsectorassetmanagement.iqpc.com.au> or call +61 2 9229 1000 or email enquire@iqpc.com.au



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