

Issue 90, June 14, 2002

Community Consultation: The Boroondara Experiment

Who and How?

Have you wrestled with the twin problems of finding WHO in the community to consult and ensuring that they are well informed? Have you had difficulty knowing how to deal with community feedback, how to make decisions on it, how to integrate it?

CC and the Asset Management Strategy

If so, you will get value from this issue on the Value Management approach to Community Consultation by Boroondara Council. "There are obvious similarities between implementing an Asset Management Strategy and applying the Best Value Principles of community consultation, so we made them one and the same process", says Stephen Howe, Asset Manager, Boroondara.

Keys to Boroondara's success

The keys to their success are illustrated here and may be summarised as
Thorough preparation before approaching the community
Sound methodology for selecting, informing and working with the community
Paying community participants for their time (This is commonly done in commercial market research, but rarely with community consultation.)

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Community Consultation

Preparation

Step 1: Identifying service levels and costs

Boroondara's first step was to identify the service levels and costs as/where they currently existed and provide an analysis of their usefulness and any gaps. This was a major exercise, taking some 5 months to do across the 61 identified asset related services (the process used will be featured in the August edition of "Public Works Engineering" magazine), involving much gathering of data, discussions with managers and even education on what a "service level" or "quality outcomes" were.

Step 2: Determining consultation methodology

Boroondara chose the methodology and the template provided by the "Value Management" (AS/NZS 4183 -1994) approach was chosen and adapted. This is based around the use of workshops so a panel was recruited that would be used as an "informed customer reference group".

Step 3: Selecting the community panel

A representative panel, consisting of 30 members of the public, was recruited from across the city, chosen so as to demographically represent the municipalities' residents. The panel members were chosen from a randomly selected pool of eligible candidates with the aim of meeting quotas regarding location (3 from each ward), age, employment status, gender, ethnicity, income, marital status, disability and housing status (renting, owning).

Getting the message abroad. Invitations were placed on Councils website and in the local media for persons wishing to join the panel (or to make written submissions concerning Asset-related services if they did not get onto the panel or did not wish to), and also promoted by flyers prominently displayed at the Customer Service center foyers and in libraries, where other community notices are displayed. However, the majority was recruited via directly approaching persons present at shopping centers within each ward, including both shoppers and business owners.

Payment. In order to attract those persons traditionally unconcerned with community surveys or participation processes, it was decided that panel members (or if necessary, their employers) be reimbursed for their time, as occurs with commercial market research. Assistance was also offered with regard to transport, interpreters etc. and meals were provided.

An Informed Community Panel

Creating and working with

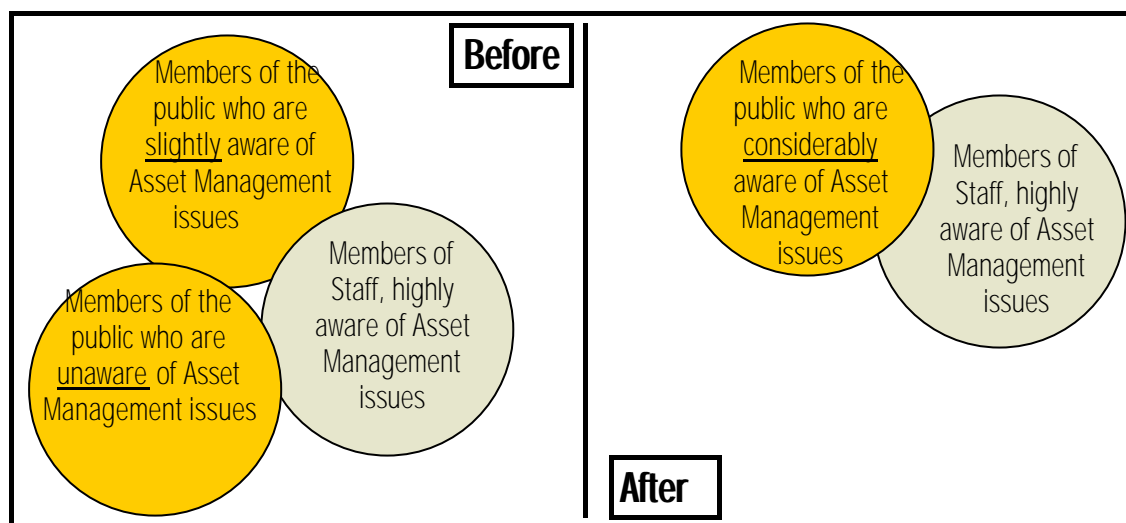


Figure 1: Effect of awareness raising on consultation

Value Management process

Once recruited, the panel was guided through six sessions

Session 1: Council's vision, and the role of Assets in achieving that vision; an examination of 'what characterises our City'; trends, demographics, the council's asset portfolio. Explanation of the process.

Session 2: Examination of services holistically in the context of related "ultimate service" groups – for example all stormwater drainage related services, looking at broad issues, trends, constraints, assumptions, incorporating photos of each service in action and annual amount spent per resident.

Session 3: Analysis of the services. This involved replicating the 'ultimate service' groups with their attendant issues, graphs, pictures and detailed information on very large posters and, after a plenary session to become familiar with the process on one 'ultimate service' group, breaking into small group work.

Session 4: A bus tour of the city to enable panel members to see a range of assets 'in the flesh' and discuss on site ideas and issues prior to the crucial judgement session.

Session 5: This gave the panel an opportunity to 'judge' the services, service levels and ideas presented to them.

Session 6: Review of session 5 and an opportunity to reconsider their ideas in the light of the total picture.

[More detail](#) on each of these sessions can be found in the Boroondara Community Consultation case study in the library at www.amqi.com

How it worked

Using knowledge of asset components

Logistics

Sessions were generally held at weekly intervals, with a two-week break between sessions five and six to allow time for compilation and analysis of the results of the judgements in session five, and any investigative research required.

Councillors were invited to attend sessions one and six as observers only, in order to understand the process and see the outcomes as they are developed. Staff from other departments throughout Council were also invited.

How did Boroondara cross reference attitudes and interests of their panel with council staff and councillors? Before and after checks? [See case study](#).

Analysis and Creativity

The **third session** combined the second (analysis) and third (creativity) phases of the VM process into one. This involved replicating the "ultimate service" groups, with their attendant issues, graphs, pictures and detailed information on component services **on very large posters**, and, after a plenary session to become familiar with the process on one "ultimate service" group, breaking into small group work.

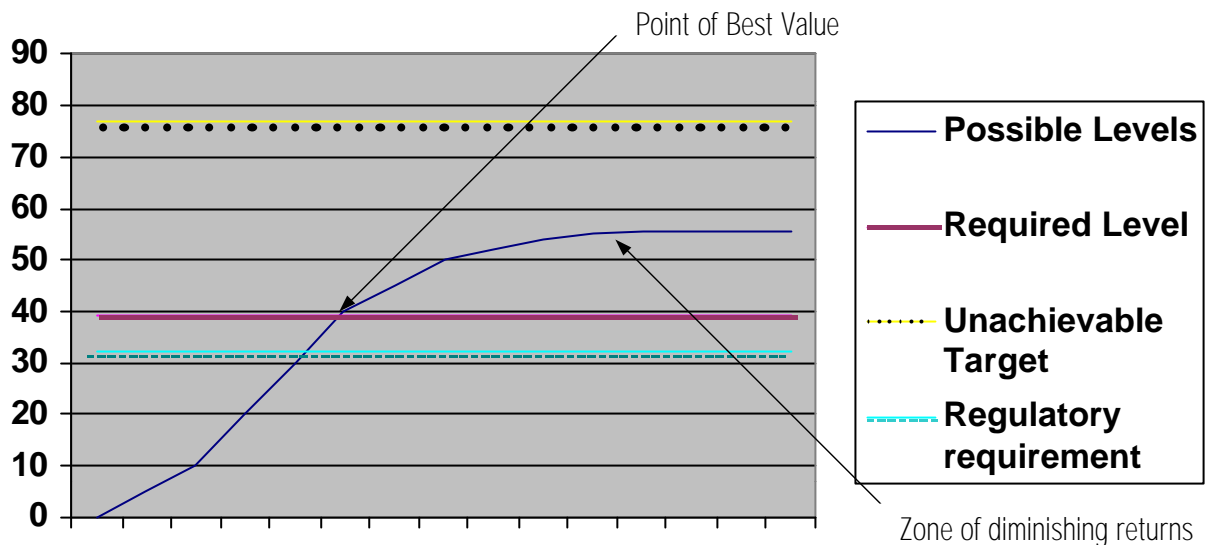
Each small group included a Council Manager, with the topics allocated to the tables so that the Manager who was most knowledgeable on the topic was part of the small group dealing with it, though occasional clarification questions would be asked "across tables". This session involved detailed discussions on services, whereby panel members became even more familiar with what it entailed, and (keeping in mind the assumptions, constraints and issues established the previous week) went through a creative analysis process, in which they:

- Discussed costs and fees – why are they the amount that they are?
- Examined current and proposed service levels for appropriateness and meaningfulness (including outcomes and their potential KPIs);
- Questioned whether the service should continue, who needed to deliver it, by what means;
- Questioned whether anything could be combined, simplified, added, subtracted, relocated or changed in some other way.

The resulting ideas and suggestions were written on the posters by the small groups, for later presentation, discussion and judgement by the wider panel during session five. This was a challenging experience, but was successfully carried out.

Community Consultation Outcomes

Towards Best Value Service Levels



Professional dedication

I sat in on Session 5, after the group had become familiar with the issues and had seen the assets on the ground. The group by this time had adopted a thoroughly professional and dedicated attitude; they asked insightful questions in a confident manner. Clearly they enjoyed their task and took it seriously. This was due to the attitude of the workshop leaders, Stephen Howe and Jeff Roorda. Each panel member was listened to in a considerate manner and made to feel valuable, as indeed they were.

Ideas related to service levels and improvements

The posters used in the "creative/analysis" session three featured a space for panel members to judge the ideas generated by the small group sessions and the relative importance of the services, all in one simple process. Service levels related to Quantity, Capacity, Aesthetics, Reliability, Safety, Responsiveness, Environmental impact, and Cost. Other ideas were submitted that were simply improvement ideas that would need investigation over time. The small groups focused on the service levels themselves, to make them more meaningful and amend them up or down in quality, taking account of the whole of group judgments and informed group knowledge of the constraints on Council and competing needs.)

Voting with feet and pencil

Each panel member wandered around the room, examining all of the ideas on the numerous posters and judged them to be either "a good idea" "a bad idea" "realistic" or "possible". At the same time, panel members were able to vote on or judge the relative importance (to them, personally) of the various asset-related services, also by placing a tick in boxes where the choices were "very important to me", "very unimportant to me", "I have no opinion" and "can't answer/don't understand". At the next and final session, there was a final opportunity for feedback, reflection and amendment in the light of the total picture.

More? Role of Councillors? Pre and post questionnaires? There is a lot more in the case study. See it in the library at www.amqi.com

Asset Specific Accounting

The benefits

Asset specific accounting

Asset specific accounting is where all costs/revenues are booked to a specific structural asset where possible. This includes maintenance, repairs, income, routine inspections etc. The alternative is to book costs only against groups of assets (say all bridges or all tunnels etc) which, whilst easier and enough to give strategic averages, is too coarse to provide the day-to-day information.

Advantage - identifying problem assets

The value of doing this is that it tells the asset manager and senior management the precise net cost of owning and operating each asset, which when gathered together then allows strategic decisions to be made. While most infrastructure assets cannot be disposed of if they are not making a profit nevertheless that choice does exist with many properties, land etc. It is also useful to be able to identify those assets that would benefit from management attention to increase their potential to earn revenue or reduce expenditure

Advantage – asset management plans

Asset accounting feeds real information on costs into unit cost databases that can be used to help plan future investment levels. The costs can also input into asset management plans. With asset specific accounting the costs can support both local and operational plans and be aggregated to support high level planning as well.

Alternative – cost allocation to asset classes

The alternative is to allocate operations and maintenance costs directly to broad asset classes such as 'transmission assets', 'treatment works', etc (i.e. instead to a specific treatment works), or to a particular water scheme (without identifying the nature of the asset within the scheme).

This month's research question: What is your practice?

Whatever industry you are in, what do you do? Do you feel that your accounting practice it is giving you the information that you need to manage by? Write to me at info@amqi.com If you wish not to be acknowledged, let me know, but please write anyway!

Do you have a research question?

Send it to me, and if it is one that would interest other readers, I will do my best to find the answer.

Penny Burns (Editor)
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Asset Specific Accounting

who does it?

Reader inquiry:

A SAM reader writes that he is under pressure from his accounting section to move away from asset specific accounting to a system that the accountant sees as simpler, namely allocating costs to broad asset classes. 'What is happening elsewhere?' he asks.

Water industry moving towards Asset Specific Accounting

The larger water authorities are moving towards more asset specific accounting for two main reasons:

- Requirements of the Environmental Protection Agencies
- Identification for increased reliability and cost reduction

Paul Belz, Brisbane Water, makes a distinction between passive assets, such as pipes, which are still accounted for as a class, and active (electrical/mechanical) assets, which are accounted for as specific assets. He explains that the drivers (EPA and reliability/cost issues) are more applicable to the active assets.

Paul Van der Wal at the Western Australian Water Corporation reports that they are moving towards an asset condition assessment system based on functional locational assets, e.g.. a pumping station at Albany. WAWA manages 300 township water schemes as well as Perth. The system is hierarchical and allows aggregation at the level of water scheme, e.g. all Albany township water assets.

Andy Moir from Gold Coast Water is implementing the Hansen System. The ratepayer database is well advanced and effort is now on the asset database; work orders and costs are being allocated to individual asset. Again the system is hierarchical, aggregating to 13 high level water zones.

Melbourne Water manages the headworks for the Victorian water authorities. John de Grazia, Melbourne Water reports that they allocate costs to a 'cost centre' where the cost centres can be project specific or a generic type of action such as inspections of all sewerage pipes. These cost centres are then aggregated into management and organisational units that reflect broad classes of assets such as 'civil assts' 'mechanical-electrical assets' etc. Similarly Power and Water in the Northern Territory allocate operations and maintenance costs directly to broad asset classes such as 'storage' and 'reticulation'. These systems have been in operation for some time. Detailed information for operations is held in the maintenance management/ works systems.

Ken Diehm, NQ Water in Cairns, reports by class but doesn't see this as a problem since the asset managers can keep finer detail and aggregate it for posting to the general ledger.

Summary

Movement is clearly TOWARDS more asset specific accounting, driven by EPA and reliability/cost issues. Where it is not currently used (mostly the smaller agencies) managers rely on the works system.

IT—Predictive Intelligence

the way of the future

Move beyond simply automating data collection and storage

Ian Grayson, reporting in The Australian IT, 18/6/02, quotes Art Cooke, (president SAS International) at a Paris technology conference, as saying 'It is no longer good enough to look to IT to cut costs and increase efficiency. While these things are important, the next challenge is to use IT resources to generate real intelligence that can be put to use in a practical way' He was speaking about CRM or customer relations management.

Relevant to Asset information systems?
You bet! Consider these conference findings

Gains come from predicting DEMAND_(rather than supply)

Private sector gains come from analysing demand. ("we can now predict when customers are likely to be receptive to a new product or when they may be considering moving to a competitor") In other words, it is about predicting change points, not continuance of the status quo.

Demand for physical assets comes from the needs of renewal and demand for new. However, we can't simply assume that because an asset is ageing that there is a demand for its renewal: it may be old and greatly needed, or simply old, obsolete and useless. *To tell the difference requires community demand data that is often not collected.*

IT change requires structural change

A survey of 200 European companies found poor internal systems and a reluctance to pool information resources (reduced benefits from CRM systems) Of the companies surveyed 79% admitted the need to restructure at least part of their organisation to allow a CRM project to succeed.

A survey of infrastructure agencies would probably show similar results for AIS. Another finding was the need to be absolutely clear on what the system is intended to achieve. In Asset Management, we are now hearing serious murmurings from agencies that have spent heavily on AIS and are now wondering what they got out of it.

The way in which sections relate to each other, the way that they share, or pool, information (or do not!), even the decision-making structure may need to change to get full benefit from your system. (cf [SAM 85, page 260](#))

Asset information that is driven from the need to support the Asset Management Strategy (driven from the top) delivers better results than information or data generated from below that doesn't go anywhere.