



**ISSUE 209  
FEBRUARY 12  
2007**

**For Practitioners, Policy Makers and Planners in Public Infrastructure**

### **The Practical Asset Manager**

In this issue we look at how strategic issues are affecting the practical operations of asset managers. In **“Road Condition Audits can do more”** we discuss how you can get far more use out of what is now for many a regular and heavy expense. (pp3-4)

**The population E-Serial is now up and live!** We are approaching councils that have had presentations by Prof Natalie Jackson to take part. Why not ask your CEO to encourage *your* councillors to ask their questions and make their comments. The more they understand about the population issues affecting your council, the better for you. And if the information comes from an independent source, and yet is aligned to your needs, so much the better. See it now and start asking questions at [www.acorninc.org](http://www.acorninc.org)

**“Community Asset Management begins at home”** See what the Devonport City Council are doing to get homeowners to cooperate in storm water management. (p8)

And we have the last part of our 3 part series on **Community Consultation** (pp5-6) plus **“A picture for your picture collection”** from the USA. (p7)

**Editor: Dr Penny Burns**  
**AMQ International**  
**PO Box 75 Salisbury South Australia 5108**  
**Telephone 61 (0) 8 8281 5795**  
**Email: [amqi@amqi.com](mailto:amqi@amqi.com)**  
**Website [www.amqi.com](http://www.amqi.com)**



## **Editorial:** **The Practical Asset Manager**

**More changes coming!** (why aren't you surprised?)

The life of a council asset manager is never dull, but it is set to get much more lively! Especially in New South Wales where draft legislation is setting to make councillors far more responsible and accountable for strategic planning (and harder for them to do micro management) than has been the case in the past. This will, in turn, mean that asset managers as well as other managers in council will need to be more strategic to inform their councils.

### **Data integration**

If an all-out brawl is not to break out, it will be necessary to co-ordinate the strategic information provided by planners, policy makers, engineers, client services and finance! A big ask, but not before time. And to make *this* possible, the other change that we are likely to see is the need to consider how data is collected and stored in organisations so that there is consistency between the figures used by each group.

### **Support for Strategic Decisions**

It will pay asset managers to spend time now thinking about the way that they need information to be collected in order to support the strategic decisions that council has to make. If you can show that this information is important not just to you in your operations work but to *them* in their responsibilities as councillors, you are more likely to have their support when it comes - as it will - to unifying information presentation.

### **Not only councils**

And if you are not in a council, and/or not in NSW, the same applies. You may have a little longer to hesitate, but if Directors become directly accountable for more than just the financial bottom line as has applied in the past, then this will affect you too.

To start you off, have a look at our article in this issue on how condition data can be used far more strategically than it typically is. The winner is the one who gets in first - when it comes to writing data specifications - think before you ink!

***Consider and Enjoy!***

***Penny Burns,  
Editor, Strategic Asset Management***

# More Value from Your Road Data

**Condition Audits support 'just-in-time' capital improvement works – and you can prove it!**



## **Worst First or Best First?**

When I was first involved in asset management, over 20 years ago, the discussion often was – what do I do first – the best bits (to stop them getting worse) or the worst bits? Those who chose 'worst first', found they could make little headway on improving their portfolio since just a few projects would absorb all of their budget and planning time. Those, on the other hand, who chose 'best first', also found their portfolio deteriorating.

**Just in Time.** After a bit of trial and error, they found real gains were made when they tackled anything *just before it moved into the next highest category of difficulty and expense*. This, of course required identifying when an asset problem was 'on the turn'. Easier said than done!

*Renew or replace just before asset moves from one severity level to another*

**Experience Counts** Experienced asset managers can often tell just by looking and if you are blessed with such staff, you can use their knowledge to build 'expert systems', their rules for when to take what action. Many councils have and regularly use such rules. Combined with *good audit information* on their portfolios, they can plan their capital improvement and renewal with confidence.

**What constitutes 'good audit information'?** If you collect your information *according to the cost of the treatment required to restore the asset to good functional working*, Grade A may then require just light cracksealing for example, not a costly procedure, whereas Grade C may require full reconstruction. Whether you are using 3 or 5 condition grades, if you assign the categories to reflect increasingly more costly forms of renewal, you have a very valuable tool.

**When experience is not available** What if you do not have staff now who can advise when an asset is about to move from being a simple repair job to a more expensive one? Simple. You find out - using condition data from successive audits. Select those assets that moved to a higher category over the two audits and examine the information you had on them at the first audit to see what clues this provides – what similarities can you observe? Is time since last treatment a factor? Climate? Etc. From this you can develop a trial set of rules and see how well you can predict the next audit results. Next audit, fine tune your rules. Yes, it will take about 4 audits but if you are doing them anyway, the only thing you need to do is to *ensure consistency - and keep the records*.

*If you lack staff experience to do this, use your condition audits - it will take 3-4 consistent audits*

## For many, condition data is an untapped mine of information



**Most of us do very little with the data we collect.** We need to think of data not simply as an expensive asset – but as an irreplaceable asset. If you throw away your old audit data, you can never recover it. Simply parking it somewhere is not effective either. Data that is not used becomes corrupted, or you upgrade your system and it becomes incompatible. *If you want to get the most out of your data history, you must use it.*

Data, use it  
or lose it!

**Keeping the Records** To compare audit results you will need a machine that can cope with twice the size of your audit database. This can be difficult where the size of the database is large and you may need to break it into segments so that comparisons can be made. The benefit is that, once you have developed your capital improvement/renewal rules, you can test how well they are operating by using your consistent audits to evaluate the overall condition of the portfolio over time.

**Video or Manual Data Collection?** There are technical issues to be considered here, such as the quality of the images, the IT requirements, the staff resourcing necessary, how to link to your existing mapping, when to do the work, where it will be stored, who will access it, what training is needed, etc. etc. *But strategically the issues come down to: consistency, reliability and usefulness.*

Ensuring Consistency over  
successive audits is important  
for identifying change points

**Tony Blefari** of Morefield Council is one who has looked into this question and come down on the side of manual assessment for roads for its flexibility and quality. Morefield Council has produced a detailed road assessment manual that gives clear pictorial and verbal descriptions of each road fault, its type, severity and scope. The manual also talks about the consequences of fault types in a way that enables assessors to appreciate the significance of correct recording.

**Consistent Audits enable comparison of portfolio condition over time - are you getting better or worse? Such audits can be used as a check on policy settings.**

**P.S.** On the issue of managing 'just in time' asset management, **Ashay Prabhu** ACEAM, has developed a computer game model that allows councillors to make decisions on road renewals subject to a given budget and to see whether their decisions make the portfolio better or worse. Initially, and untutored, they make decisions at random, often based on their perceptions of political issues rather than asset management ones, as you would expect. Almost invariably their portfolios rapidly deteriorate. Then they are shown which assets are 'on the turn' and it is not long before they are making better decisions and their portfolios turn up, this encourages them to make more such decisions for the results are self-reinforcing. A good learning model that Ashay uses with his clients. (Some of whom go on to win industry awards for their asset management!)



**Debra Hall**

## Community Consultation

### Part 3 of 3: Making it Work!

*In parts one and two, Debra Hall looked at community consultation from a historical perspective for the guidance of policy makers and planners.*

*Here she considers **practical implementation** - and asks a very practical question!*

Let's look at some marketing examples first – examples of people banding together to create virtual communities of interest, with other people who share their views. Sometimes it's literally that – a community of interest, be it bell ringing, macramé or Russian pop music, there's an internet site for you to get together with other like minds.

But increasingly consumers are using the internet to rate and compare everything from computers to airlines, to coffee machines. If you have a real gripe about something, just set up your own website to do it – and that has meant that marketers are no longer in control of what people know about them and their brands. On the internet, we can find sites like McSpotlight, highlighting things like the fact that many of America's favourite food brands are actually owned by a tobacco company, or the working conditions in factories making our favourite brands of sport shoe.

Here in New Zealand, we have some great examples of marketers reaching out and

involving their communities – like NZ Girl's 'worst boyfriend' competition. Probably under the radar for most at this conference, NZ Girl is a community of young women, an online magazine and so much more. Their 'worst boyfriend' competition captured the imagination, and participation, of their community in a big way. And it's the discussion forums on these types of websites that are really an active exchange of views and opinions.

So how are local government organisations responding to what is a growing medium for community voice? The first thing we've noticed is that they're taking their surveying online, some with greater success than others. Remembering that you still need to drive people to your website, **it's no good just putting up a survey, or a discussion forum, unless you send people there to participate.**

Here's a great example from the ARC – full page ads in a wide range of community and other newspapers, on the high interest topic of Auckland's traffic, no doubt got a fair amount of response. The headline – "Indicate which way you'd like Auckland's traffic to go" was in fact a bit misleading, as the questions were only about public transport (the ARC having no mandate to deal with the roads!) I was certainly disappointed. However, the survey itself was a balance of information (quite a lot to read) and questions that did try to take into account people's willingness to pay for the additional public transport services being considered.

Also noted recently are attempts by some councils to encourage online discussions of the issues, like the Christchurch City Council Discussion forum that can be found at [www.forums.ccc.govt.nz](http://www.forums.ccc.govt.nz), a forum for informal discussions rather than for making submissions. And at [www.ccc.govt.nz/haveyoursay](http://www.ccc.govt.nz/haveyoursay) you can look at current, upcoming and closed consultations, and literally have your say about the issues in your community.

## More examples

At [council.tauranga.govt.nz/tenyearplan](http://council.tauranga.govt.nz/tenyearplan) the community is invited into a discussion on the council's LTCCP, with a great opportunity to pose questions and get them answered by council officials. The task should not be underestimated – the questions themselves range from the technical to the confrontational, and obviously all must be answered in a way that's suitable for public consumption!

These are council initiated discussions, which do not appear very active, but what about communities taking things into their own hands. In fact, it is these community generated sites that seem to have somewhat more traffic and discussion on them (albeit still clearly from a small number of interested parties).

Take [www.bdcentral.co.nz](http://www.bdcentral.co.nz), where Bob Dey encourages discussion on his property report and other related topics, generating discussion about town planning issues at least in the Auckland region. Regular contributors will get used to the other participants quite quickly, but the range of views seems quite wide even if the numbers are still quite small.

So are we seeing a genuine shift in power, back into the hands of the internet connected public? Do we envisage a time when council meetings will be webcast, or podcast, and everyone who's online at the time will get to vote? And if so, what is the role of the elected councillors?

The reality is that, just as they found in Ancient Greece, the general public do not have the time or the will to participate fully in running their community – and are generally quite happy to let others get on with the job, so long as the outcomes make sense to them.

There will always be dissenters, and these have an increasing ability to capture the media and community voice. As Auckland City Council discovered over the issue of the

Queen St trees, no amount of consultation can prevent a brouhaha developing over actions that seem to make little sense to the media and the public.

**I believe that the pendulum has swung far too far to the side of consultation – leading to unrealistic public expectations.**

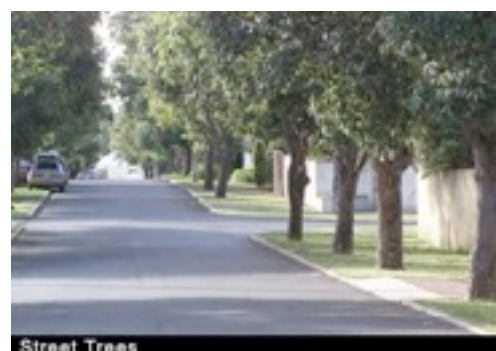
Not the least of these is the idea that the final outcome will reflect the views of the majority – when in fact, consultation means simply that you've listened, not that you intend to do what the community says they want.

Most importantly, while we're asking about willingness to pay for more public transport, or whatever, **perhaps we should start asking about people's willingness to pay for being consulted – since this too is expenditure of public money.**

**Perhaps if people were given the choice of the council doing another residents' satisfaction survey, or planting a few more trees down their street, they'd choose not to be consulted after all!**



**OR?**



# Here's one for your picture collection



## **Consequences of Ageing Pipes and Sewers in the USA**

The New York Times, February 8, 2007 ran an article on ageing pipes and sewers across the USA, beginning “After a sinkhole swallowed a sewer-repair truck here on the day after Christmas, the truck’s crew crawled to safety, muddy and mystified. Last summer in Irving, Tex., a 2-year-old boy disappeared near a sinkhole. One theory was that he was kidnapped. Another was that he was lost in the sewer system that had broken open and caused the collapse. In December, firefighters in Brooklyn rescued a grandmother carrying groceries who fell into a hole that opened beneath her on a sidewalk.”

In the USA, the budget for renewal must be voted in by the community and the concern there is that the community does not recognise the need for renewal of assets which it cannot see. Stephen Albee, EPA, observed that age and neglect could prove as fatal to a system as a catastrophic natural event or a terrorist attack. “You can lose that system all at once because of terrorism, - but you can lose it over time by just not taking care of it.”

The American Water Works Association has begun an advertising campaign. One advertisement, placed in spots from bus shelters in Miami to newspapers in Anchorage, features a picture of a faucet with the words, “Do you know how often you turn me on?” Another ad in the works will focus directly on problems with water mains, and include the phrase, “Don’t let me break down in front of you.” The aim, they say, is to personalise infrastructure and raise the level of debate.

# Better Community Asset Practice Starts at Home

## But residents have to know how!

Waste recycling is a good example of better practices being introduced into the home when people know how! This email from Marcus Lee illustrates how Devonport City Council is educating its ratepayers on better separation of stormwater from sewer flows. It is worth looking at these weblinks which do a good job of illustrating the 'what not to do' (see pictures)

Greetings Penny,

Just a note to let you know that the Devonport City Council now have a new section on our web site about the Built Environment. For your reference the link is:

<http://cms.dcc.tas.gov.au/Internet/Environment/BuiltEnvironment/>

This complements the EYE SPY pages on the built environment (<http://cms.dcc.tas.gov.au/Internet/Environment/Youth/BuiltEnvironment.htm>) that you kindly reviewed for us some time ago.

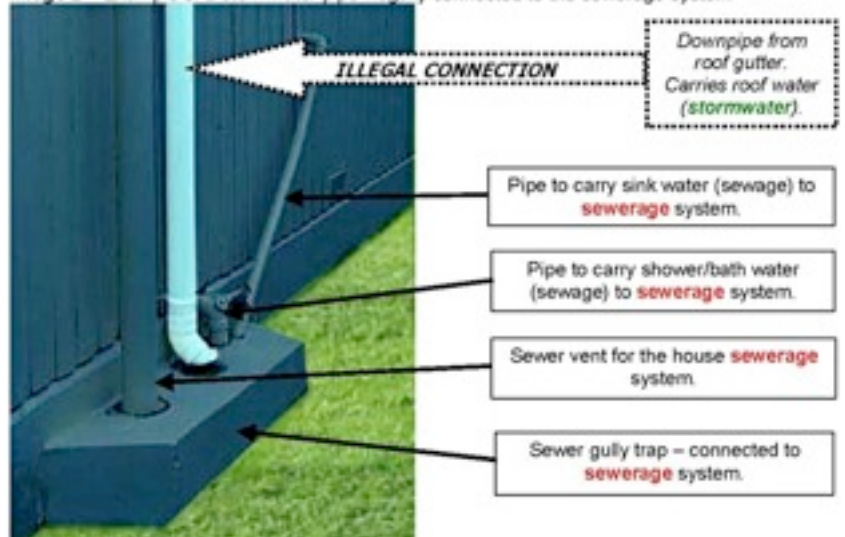
We have also been running a series in 3 parts on the differences between sewerage and stormwater in the monthly Council publication that is sent out to residents to keep them informed about what Council is doing. Our aim is to help people understand our built environment better.

I often see my neighbours sweeping leaves and other debris down stormwater pits as if they were garbage bins. I can't criticise, though, because until I starting working in Asset Management I was very ignorant about the built environment.

Here's a little story to prove it.

When I was about 16, I worked at a service station and after cleaning a carburettor with petrol one day I proceeded to walk out to the road and was just about to tip the dirty petrol down the stormwater pit when the boss yelled out and stopped me. I too must have thought that these assets were large disposal units.)

Image 2 – Example of a stormwater pipe illegally connected to the sewerage system



After working in Asset Management for 10 years now I can assure you that I'm reformed and would never think of doing something like that again. But can we blame those who do, if they have not been taught about the built environment. This brings us back to the question - how do we teach users of our assets to use them properly? How do we make our information interesting so that people want to read it?

Regards,  
 Marcus Lee, Assets Officer  
 Devonport City Council

Image 1 – Example of a stormwater pipe illegally connected to the sewerage system

