

17. Asset Information

Introduction

This piece is another that demonstrates integrated decision-making and deals with contents of the LTCCP with respect to:

- identification of assets
- identification of the additional asset capacity required
- asset condition, and
- describing how maintenance, renewal and replacement of assets will be done.

The asset information that is disclosed in the LTCCP is likely to be a small portion of the overall set of information required for day to day governance and management needs.

Why is asset information so important?

Your disclosure of this information provides the public with certainty that the levels of service signalled in the LTCCP will be sustained.

How does asset information relate to the legislation?

An LTCCP must identify the assets or group of assets required by the group of activities. In relation to those assets or group of assets:

- what additional asset capacity is estimated to be required for changes to demand, consumption of services and changes to service provision levels
- how the provision of additional asset capacity will be undertaken
- estimated costs of providing the additional capacity, splitting costs between demand changes and service level changes
- how the costs of providing the additional capacity will be met
- how the maintenance, renewal and replacement of assets will be undertaken, and
- how the costs of maintenance, renewal and replacement of assets will be met.

The legislation regarding assets would be described as 'what and how'. Perhaps it is best shown in a table

WHAT (NARRATIVE)	HOW (NARRATIVE)	HOW MUCH \$	HOW COSTS MET
Identify Assets	–	–	–
New Assets (additional capacity)	How additional capacity will be undertaken	Identify costs from - growth - levels of service	Identify funding source
Existing Assets	How maintenance, renewal and replacement is undertaken	Estimated expenses of maintaining service capacity of assets	Identify funding source

What did Parliament have in mind when they asked local authorities to describe how assets would be provided for? The answer lies in the annual plan/annual report requirements. The 'how' disclosure should be brief, but should

- identify the methods by which capacity will be provided, ie to meet requirements for additional capacity due to growth in the south, the council is planning to build a new pipeline, which will begin construction in 2007 and finish in 2009, and
- briefly describe strategies for maintenance, renewal and replacement of assets while referencing to the asset management plans.

What are the information sources for asset information?

DISCLOSURE	LIKELY INFORMATION SOURCES
Identifying assets	<ul style="list-style-type: none"> • Executive summary of Asset Management Plans • Previous LTCCP
Asset capacity/new assets	<ul style="list-style-type: none"> • Asset Management Plans • growth and demand information • Development Contribution data • Water and sanitary assessments
Existing assets (maintenance, renewals etc.)	<ul style="list-style-type: none"> • Asset Management Plans • Reserve Management Plans

Who should be involved in preparing asset information?

Activity managers and finance personnel should work together to prepare this information. The LTCCP project team should check this information to ensure that it aligns with performance management information. It would also be good practice for communications personnel to review for clarity of message and presentation.

When should the asset information be prepared?

This should not be as much a process of preparing information as summarising the information from asset/activity management plans. An asset management plan is only a snapshot in time of the activity; change occurs on a frequent basis.

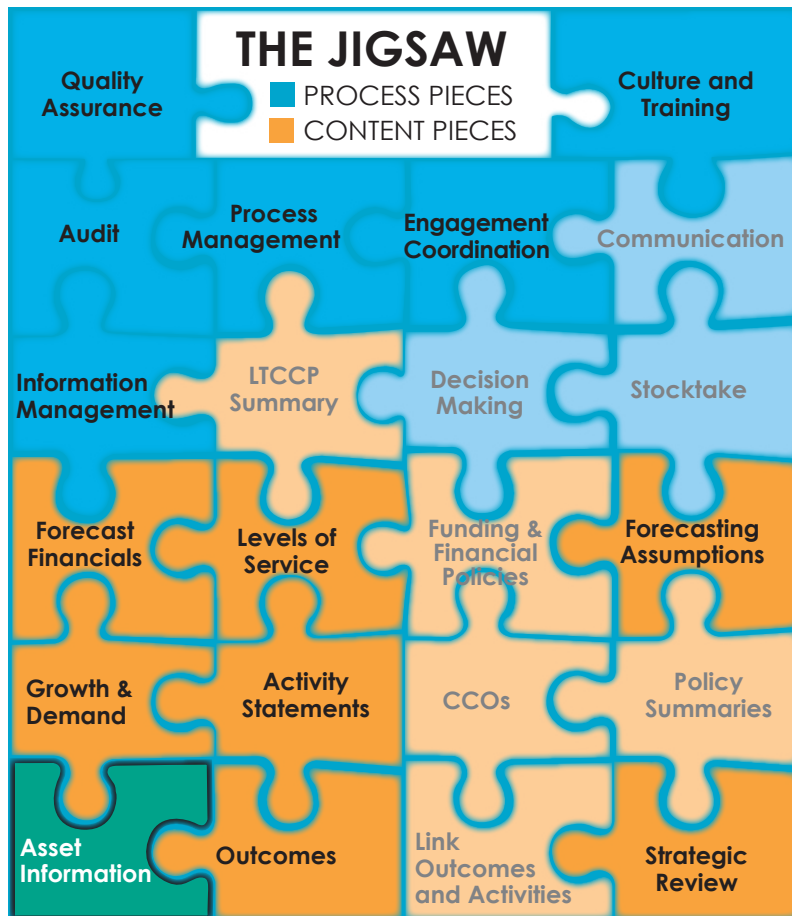
Where should asset information appear in the LTCCP?

Most asset information will appear in activity statements, after the rationale for service delivery.

How should asset information be presented?

Your asset information should be brief, understandable and relevant to the moderately informed reader, and consistent with your underpinning information.

What other processes are linked with the asset information?



What were the apparent weaknesses with asset information in 2006?

The implications that growth and changes in level of service were not clearly separated.

Some LTCCPs did not clearly identify assets.

Renewals were not clearly identified

Descriptions of lifecycle strategies were sometimes cut and paste from other documents, and not reassessed for relevance, clarity, or brevity.

The links to the annual plan/annual report requirements were not clear.

What good practice information is available?

NAMS, (2006), *International Infrastructural Asset Management Manual*, useful guidance regarding concise summarising of asset strategies, which is suitable for use in this part of the LTCCP.

Office of the Auditor-General, (2007), *Matters Arising from the 2006-16 Long-Term Council Community Plans* - discussion of the requirements in the annual plan and annual report regarding disclosures relating to assets.