



ASSET MANAGEMENT PLANNING

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The water distribution system is
timeworn and rusting away

This is a quote from study of a water utility in China 2004

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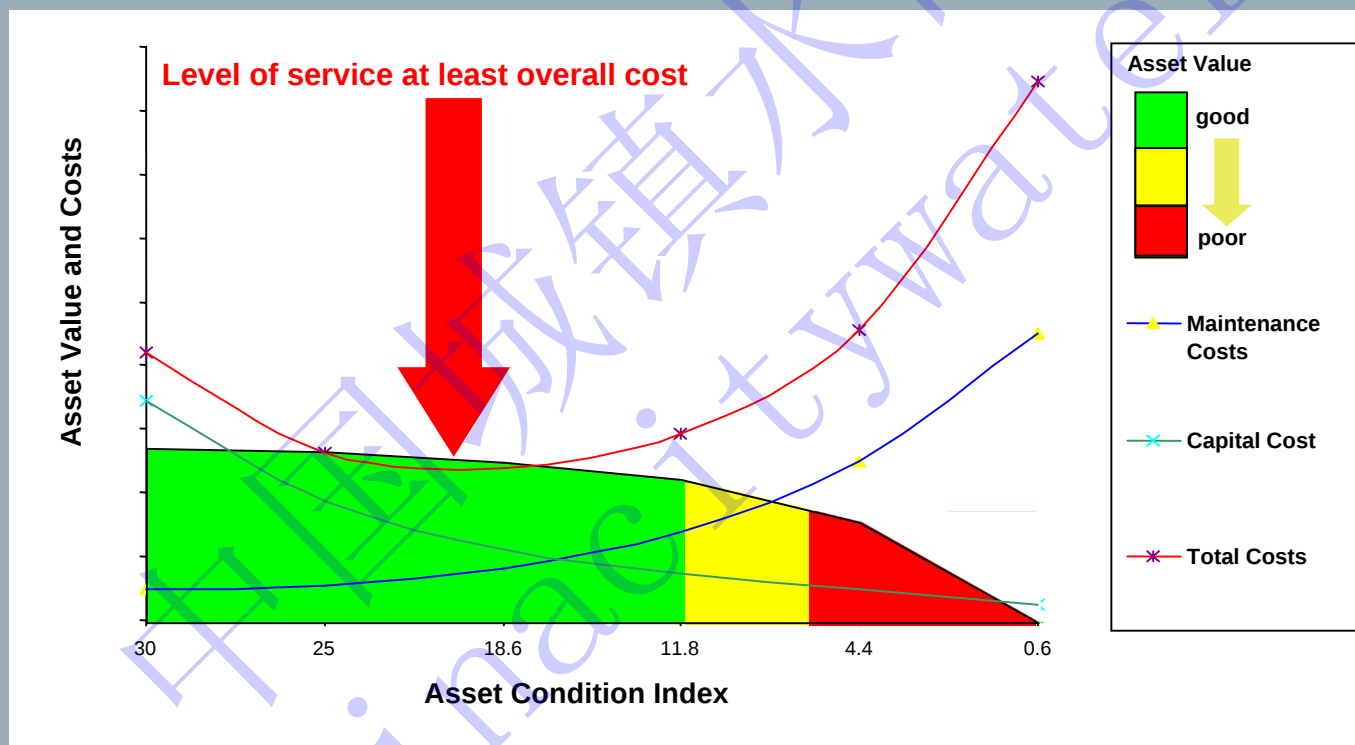
- What is it?
- Why is it important?
- Why do we need it in China?
- How is it done?

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What is it?

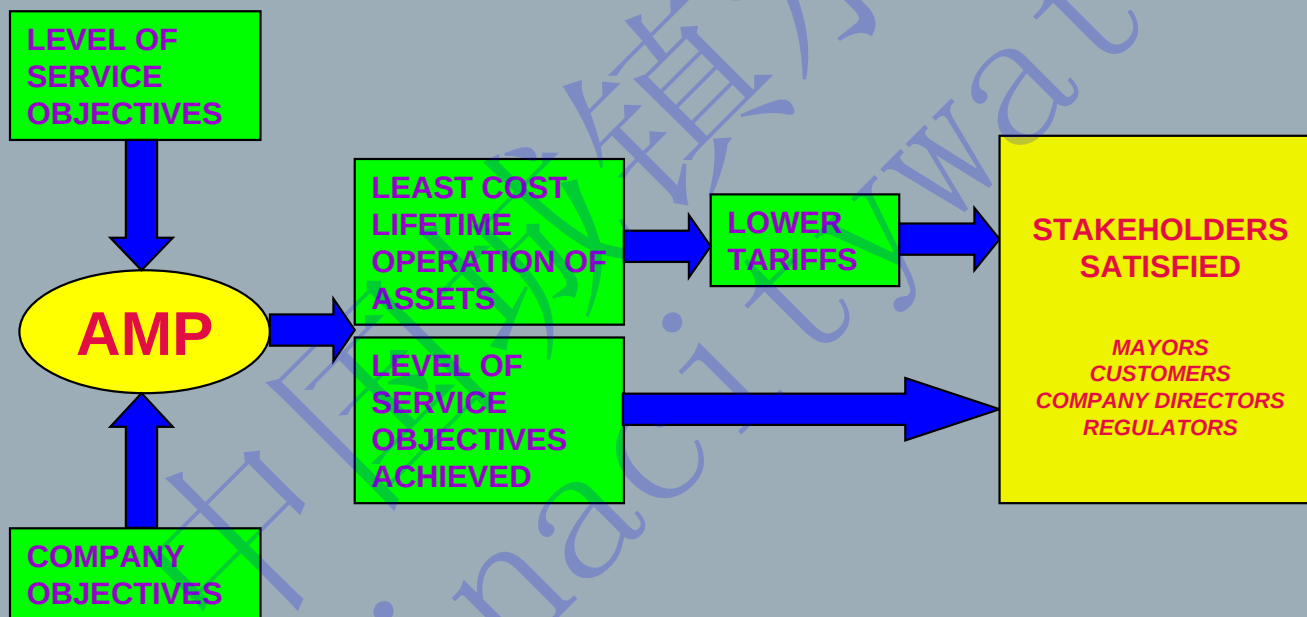


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Why is it important for everyone?



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Levels of Service

- The company exists to provide a service to customers
- Ownership models have little impact on AMP processes



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Levels of Service

- Can be statutory – like drinking water quality standards, wastewater discharge standards...
- Or customer satisfaction – like time it takes to answer complaints, low water pressure....
- Or internal - like number of times a pump breaks down...

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Company objectives

- Making the full cost of the business transparent
(A great help when negotiating tariff increases)
- Ensuring the business is sustainable over time
- Maximising the value and effectiveness of assets
(Achieving objectives at least cost)

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Another reason why we need it

For the Regulators

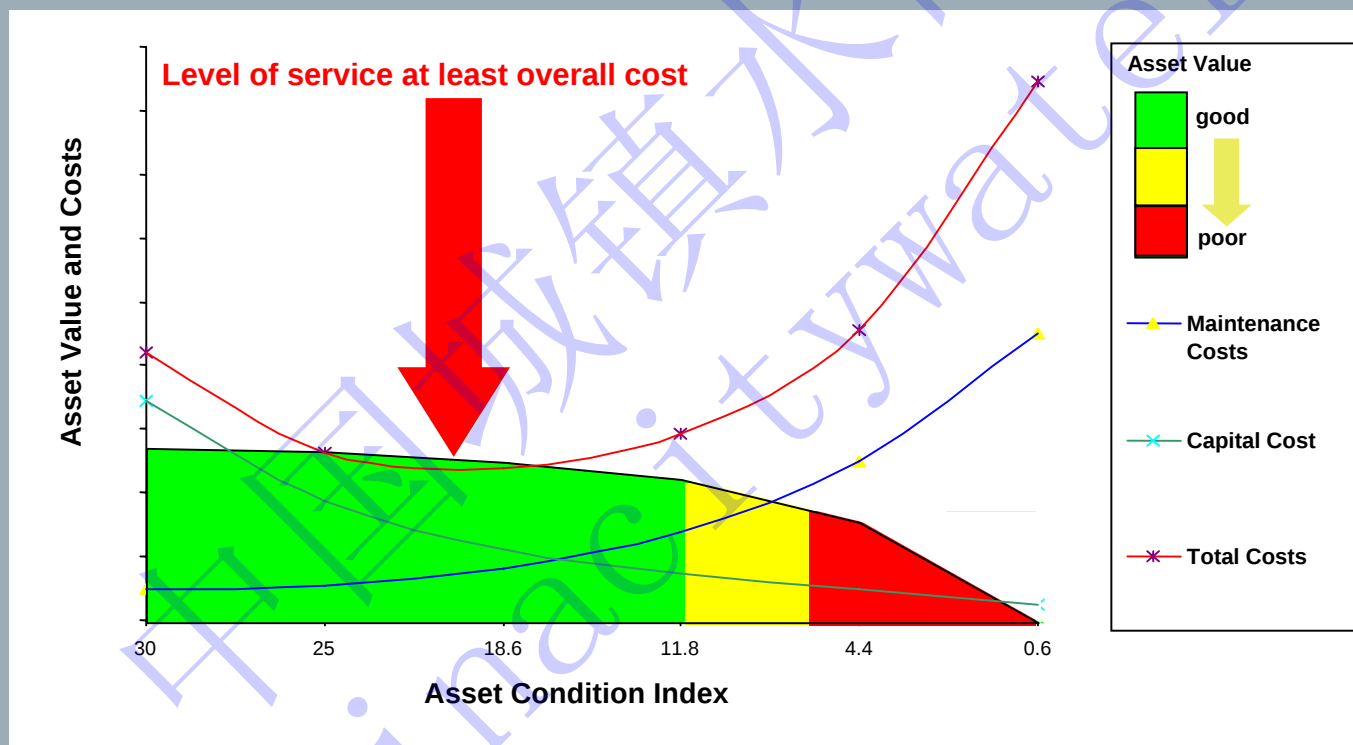
- Ensuring the cost to customers is fair and predictable
- Ensuring the company provides and maintains its assets to provide an agreed level of service over the long term

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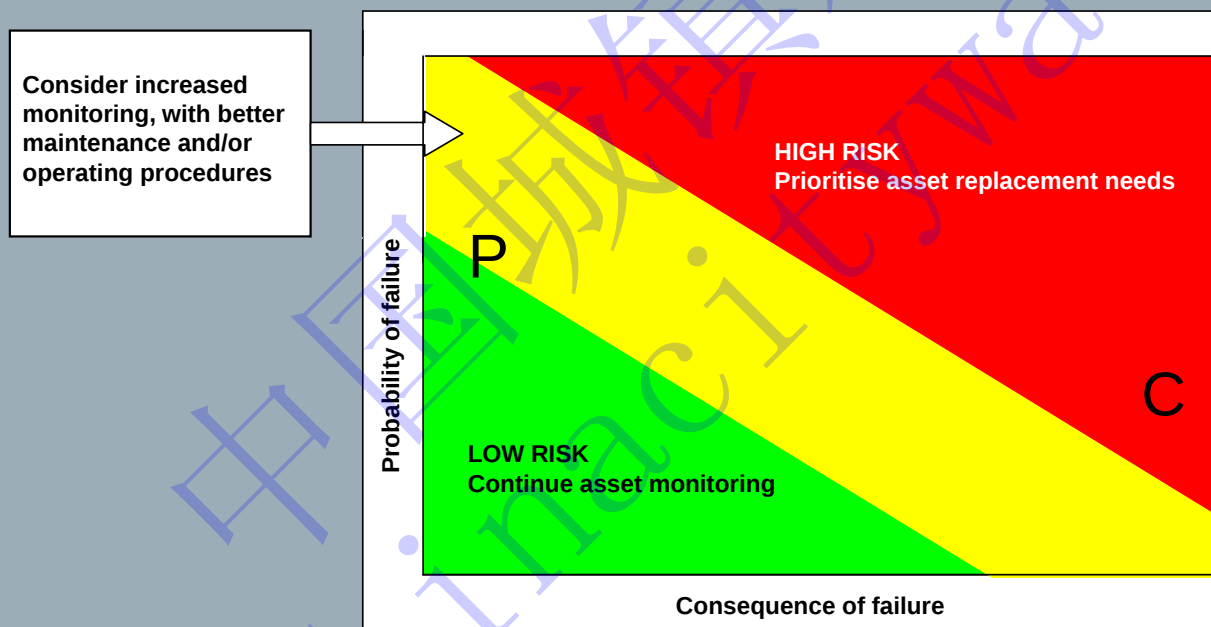
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Qualitative risk assessment decision-making



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Why do we need it in China?

AMP should be a pillar of modern Chinese water and wastewater companies

Some quotes from the NCWQS

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- There is a high ratio of administrative to technical staff – more than 30% in some cases
- There is a serious shortage of maintenance funds, manpower and equipment



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- Data on distribution systems is scarce
- The systems are old and neglected
- The statistical system is poorly developed – there are very few specialised statisticians – data is lost



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- 50% of the maintenance budget is allocated to compensation for sewer accidents

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How do we do it?

The AMP cycle: international best practice.

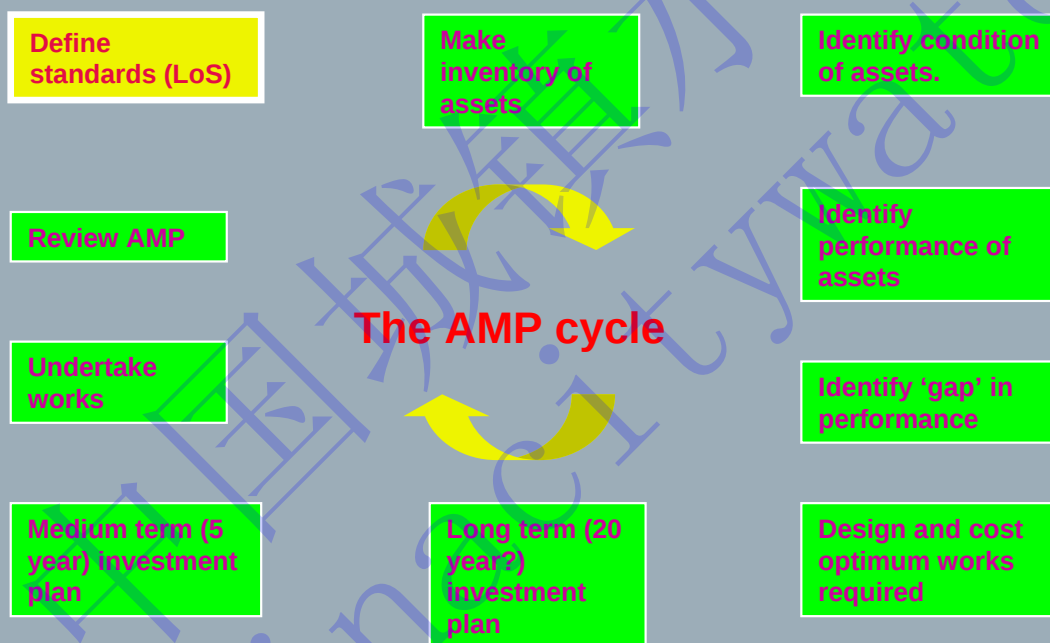
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How do we do it?

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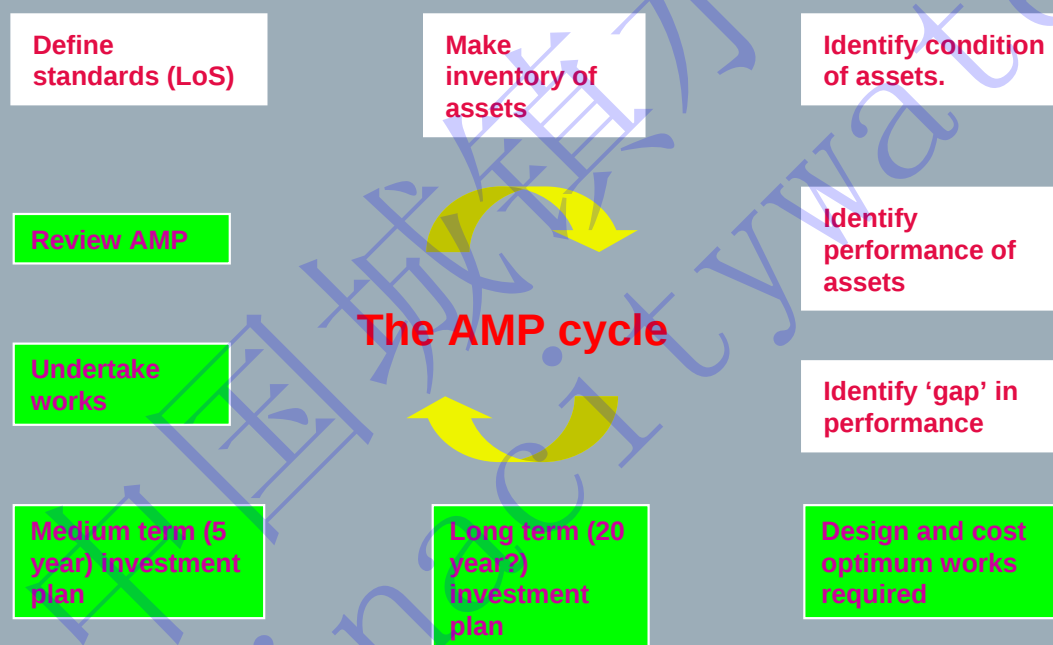


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How do we do it?

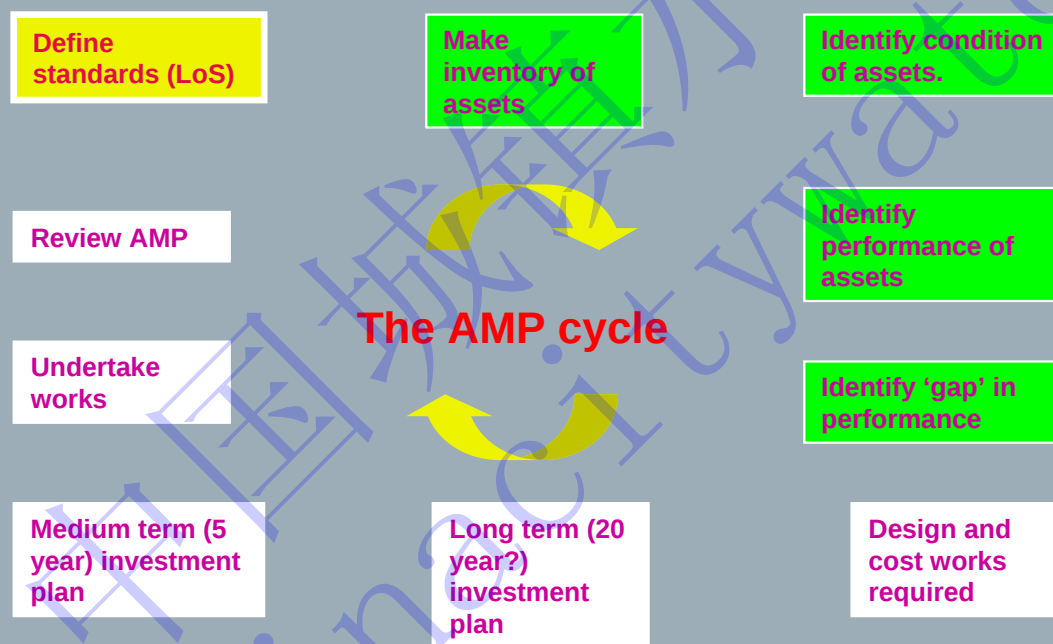


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How do we do it?



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Inventory of assets

- An accurate asset register is the basis of good asset management
- What, where, condition, performance – increasingly sophisticated methods are being used to measure or estimate condition, performance and residual life of assets

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Performance of assets

- Identifying the 'gap', identifying the options for fixing it and the costs, and measuring the improvement brought by the selected fix **is the core function of AMP**

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Three really important things

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Three really important things

Number 1 – Get the most accurate **data** available

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Three really important things

Number 2 – Make the **data** more accurate each
year

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Three really important things

Number 3 – Train yourself and your staff to use
the **data**

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