



Business case development for renewal of critical assets

Background

The aim of this project is to provide documented best practice guidelines for development of business cases for critical assets. Criticality is part of risk management which in turn is one of the key activities linked to Optimised Life Cycle Decision Making. All best practices asset management guides (i.e. PAS55, IIMM, ISO 3100 and ISO55000) state that the goal of good asset management is to obtain the right balance between life cycle costs (LCC), risks and levels of services (LOS). Criticality influences the balance by the role it plays in the risk component of the decision making process.

The water industry uses a number of different approaches for developing business cases for asset renewal that justify expenditure and timeframes. This is especially relevant for renewal of critical assets where expenditure is required to prevent failure and there is rarely historical information that can be used to support the case. There has been previous work as part of the Asset Management Pressurised Pipeline Program to review the different approaches to management of risk on major water mains. This investigation was due to start in 2013 but a number of factors have resulted in the start date being moved to October 2014. WISER Analysis will deliver this project to participants in 2015.

Outcomes and benefits

Outcomes:

- If deemed appropriate, develop a common definition for 'critical assets'.
- Develop documentation of best practice examples for renewal of critical assets and how they link with capital prioritisation.
- Document a best practice decision making process.
- Document the existing decision support tools for renewal of critical assets.
- If existing tools do not meet requirements, create proposal for development of new decision support tools.

Benefits:

- Knowledge and experience shared between utilities.
- Improved relations and networking with water utilities.
- Application of industry supported definition of critical assets to identify critical assets.
- Application of best practice guideline to critical assets to support future regulatory submissions on investment in critical assets.
- Increased understanding of asset criticality with clear definitions and processes for such assets.
- Enables utilities to adopt consistent approach with defining critical assets and providing consistent framework for managing critical assets.

How to purchase

This subscription project was funded by participating WSAA Member utilities. Non-participating WSAA Members and those without WSAA membership will be required to purchase the project deliverable. The deliverable will only be made available to water utilities. Prices will be calculated according to a utility's number of connections.

Participating members can access this project via the [WSAA Member Portal](#). If you do not have access to the portal please contact web@wsaa.asn.au.

Further Information

Dr Jaimie Hicks

Customer Development Manager

E jaimie.hicks@wsaa.asn.au

P (03) 8605 7605

