Brightly

A Siemens Company

Understanding the State of Strategic Asset Management

Survey Report 2023

Contents

Foreword

Climate change, extreme weather events, inflation, skills shortages, population pressures, and ageing infrastructure are just some of the latest challenges facing asset management leaders. Sustainability, operational resilience, and doing more with less have become front and centre for governments and asset-intensive operators as they navigate the complexities of modern-day asset management — all while continuing to meet rising customer and community expectations in a cost-effective and efficient manner.

Now more than ever, there is the need to adopt a mindset and strategic operating framework that supports smarter working, evidence-based decision making, and optimised investment that balances service levels and risk while avoiding unnecessary costs. To better understand where asset managers are on that journey, Brightly is pleased to introduce our inaugural report on the current state of strategic asset management (SAM).

SAM is a framework that helps organisations get a clear understanding of both the current state of their assets and their predicted future performance under various alternative service level and investment scenarios.

With the help of asset inventory data and predictive analytics, asset managers can better identify the life cycle needs of their assets. They can also make better long-term risk and service level-based investment decisions. Instead of managing assets according to available budgets and guessing at their future needs, SAM shows the consequences of what their portfolio would look like in 5, 10, or 20+ years under different scenarios.

We'd like to extend our thanks to the more than 200 participants in this year's survey. They come from a wide range of asset management backgrounds, including all levels of government and many asset-intensive industries including defence, education, manufacturing, mining, oil and gas, transport, ports and utilities. Their input to this report has provided us with invaluable insight and will help guide our collective approach to enhancing the application of SAM and realising its benefits well into the future.

According to the survey, over 90% of asset management professionals are familiar with SAM in theory and recognise its value in optimising budgets and resources, especially when faced with funding cuts and skills shortages. However, the findings reveal there's more work to do in the practical implementation of SAM.

When we explore the fundamentals of asset management, such as its influence on service level and investment decisions, alignment with financial practices, and integration with policy and strategy, there are still noticeable blockers to SAM becoming embedded into everyday practices.

To understand what these blockers are and how asset-intensive organisations might address them, we explore the biggest challenges facing asset managers today and the top issues influencing their planning over the next 10 years. Throughout the report, we provide practical suggestions and examples to help asset managers identify how they can close the gap between the theoretical and tangible, allowing them to answer important questions, such as:

- How much funding does my organisation/team really need?
- What would our assets look like under different service and funding level strategies?
- Which assets need to be replaced, rehabilitated, or renewed over the next 20 years?
- Is it possible to reduce network degradation without any additional funding?
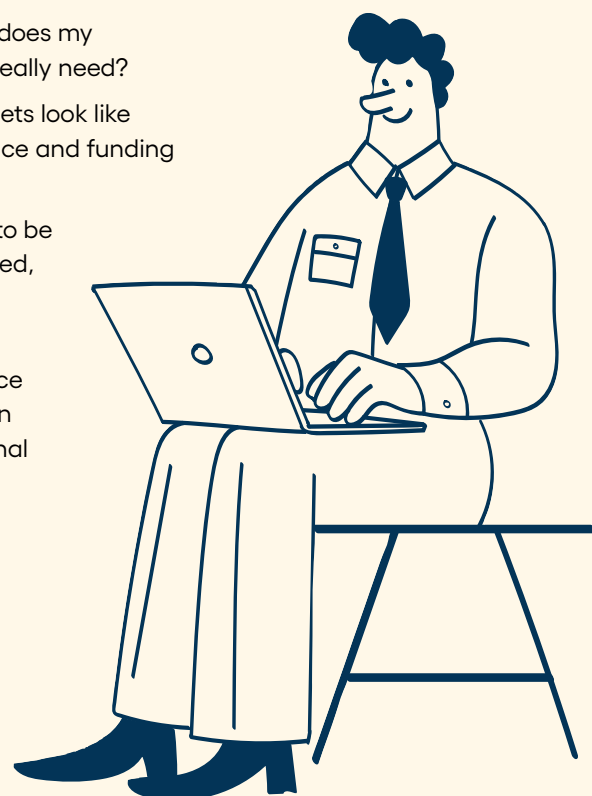
At a glance

In March 2023, Brightly, in conjunction with Council Magazine and Infrastructure Magazine, conducted its inaugural survey of asset managers to examine their familiarity with and views on SAM. We also looked at influences and impacts on the practice of SAM within their organisation.

How much experience do you have in asset management?

In total, responses from 216 participants were collected from asset managers largely across Australia and with some around the world.

< 1 year 9.7%

1-5 years 19.0%

216 participants

5-10 years 18.1%

10-20 years 27.3%

> 20 years 25.9%
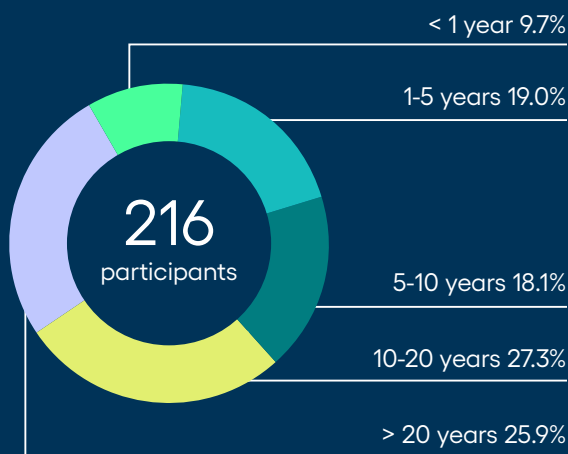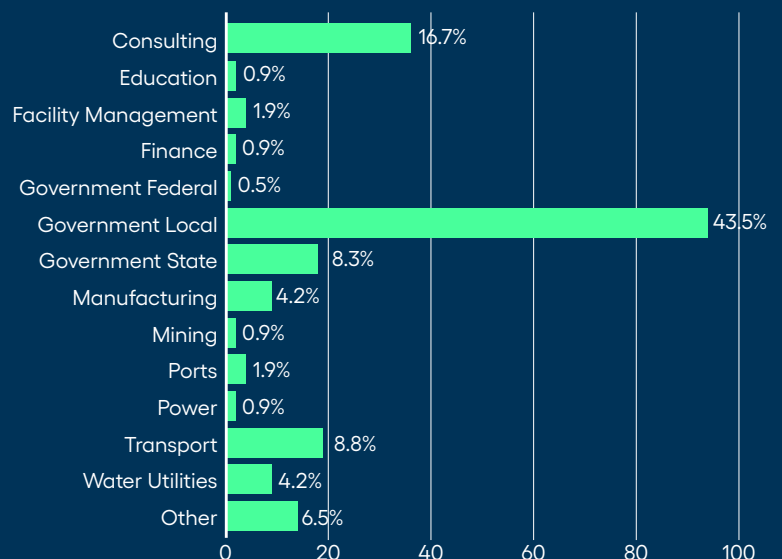
Geographic representation

Of the 216 participants, most were from the Australian states of Victoria, New South Wales, and Queensland. There was also representation from Western Australia, South Australia, Tasmania, Northern Territory, and the Australian Capital Territory. Around 8% of participants were responsible for multiple states, while 4% were internationally based.

NT 0.5%

QLD 20.4%

WA 10.2%

SA 3.2%

NSW 28.7%

VIC 29.2%

TAS 0.5%

ACT 0.5%
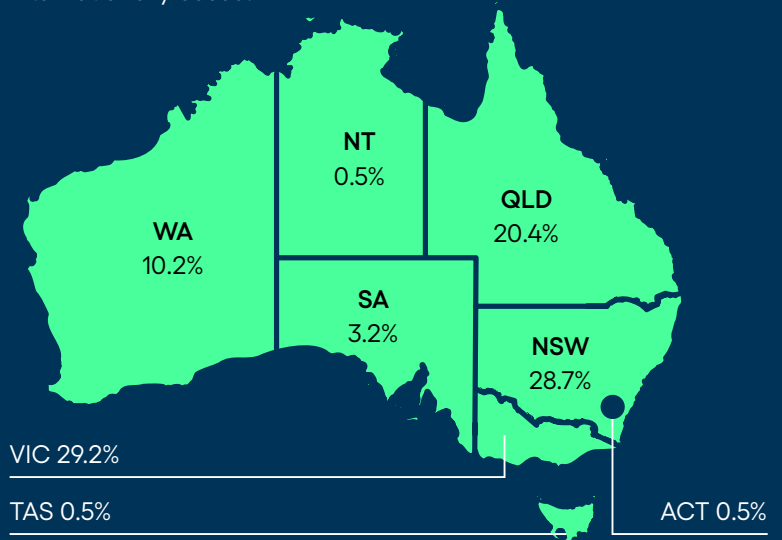
Industry representation

Participants spanned a broad range of industry sectors and all levels of government. With a complex portfolio of assets and facilities to manage, local government were the most highly represented in the survey at 44%, while almost one in five were contractors from asset management consulting firms.

Other participants were from asset-intensive industries such as mining, manufacturing, ports, and essential service industries such as water, energy, transport, education, and telecommunications.

Industry	%
Consulting	16.7%
Education	0.9%
Facility Management	1.9%
Finance	0.9%
Government Federal	0.5%
Government Local	43.5%
Government State	8.3%
Manufacturing	4.2%
Mining	0.9%
Ports	1.9%
Power	0.9%
Transport	8.8%
Water Utilities	4.2%
Other	6.5%

Key survey highlights

SAM fundamentals

91%
Familiarity
91% are familiar with the concept of SAM.
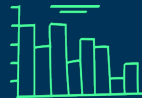
81%
Strategic direction
81% say that their asset management practices are guided by and in line with their asset management policy, strategy, and plans.

71%
Service plans
71% say that developed service plans guide and influence their asset management practices.

79%
Decision making
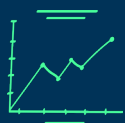79% say that SAM has an influence on their service level and investment decisions.

76%
System alignment
76% say that SAM is aligned with their financial systems and practices.

SAM decision-making maturity

77%
Risk
77% say that risk impacts and changes to risk profiles are always considered in future forecasts of service levels and funding requirement.

37%
Performance criteria
37% say that when considering an asset's performance, they often look beyond just the physical condition and assess factors such as function and capacity.

77%
Capital works alignment
77% say that their asset management identified requirements are aligned with their actual works packaging and programming outcomes.

68%
Sustainability/ESG
68% say sustainability and environmental, social, and governance (ESG) requirements are somewhat or significantly tied to their asset management practices.

Major SAM Challenges Right Now:

1. Funding constraints
2. Talent shortages
3. Data quality and reliability

Major Factors Impacting SAM Practices in the Next 10 Years:

1. ESG requirements
2. Asset resilience
3. Predictive analytics

SAM Fundamentals

Alignment of asset management practices with policy, strategy and plans

To what extent are your asset management practices guided by and in line with your asset management policy, and/or plans?

- Very well aligned 32.1%
- Somewhat aligned 49.2%
- Marginally/Not aligned 18.7%
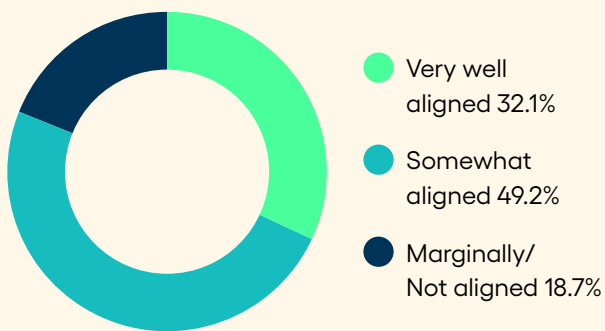
81.3%

More than 80% of respondents indicate that their asset management practices are guided by and in line with their asset management policy, strategy, and plans.

This reflects that conceptually and theoretically, plans and practices are aligned, which on one level is good news. However, we know challenges can arise when we look to convert great strategy and planning into real world investment decisions. The key to meeting this challenge often lies in the science and art of asset management story telling.

Over the past few years, we've seen a necessary shift in the conversation away from the pure technical challenges of managing assets, to how to best engage stakeholders and decision-makers. Asset management can be quite complex, and the challenge is to be able to simplify plans by presenting relevant headline indicators that make sense to everyone and engages them in a compelling story. It doesn't matter how many excellent technical documents you have — without proper stakeholder engagement, it's very difficult to achieve your asset management goals.

It really comes back to what matters — why is renewing or upgrading a particular asset by a certain timeframe important? Why does one investment strategy offer a better overall outcome than another? Asset managers must focus on stakeholder and customer priorities by providing evidence-based planning recommendations that address their real-world needs.

TIP: Focus on presenting a compelling asset management story that uses key headline indicators to directly address the "why".

Draw insights from your data and present this to decision-makers in a compelling way. Show them that it's not all smoke and mirrors, but that your recommendations are evidence-based, reliable, and address stakeholder requirements. Focus on the things the leadership team are interested in — don't get lost in the noise.

Be sure to clearly communicate indicators such as whole of life costs, funding requirements, service level outcomes, changes in risk profile, and funding gaps. Use scenario modelling to demonstrate the impact on these indicators under alternative strategies.

Create powerful and easily digestible visuals to show leaders the long-term impact of investment and service level strategies.

University of Adelaide

The University of Adelaide (UoA) needed a robust asset investment plan to manage its portfolio of more than 300 buildings, which vary significantly in age, complexity, and condition. Balancing the needs of these buildings and their associated risks against given funding was a significant challenge.

UoA partnered with Brightly to create a 25-year asset investment plan that included "what if?" scenarios to predict the deterioration of its buildings and condition states under various funding levels.
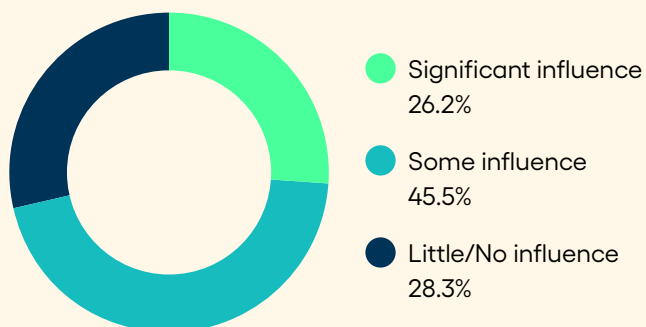
These scenarios allowed UoA to identify tipping points, beyond which risks to business continuity would be unacceptable.

Using visualisations to tell the story was a crucial part of communicating the predictive insights to key stakeholders.

Service planning influence on asset management practices

To what extent are developed service plans guiding and influencing your asset management?

- **Significant influence** 26.2%
- **Some influence** 45.5%
- **Little/No influence** 28.3%

28.3%

Almost a third of participants indicated that service planning had little to no influence on asset management practices in their organisation.

To ensure that asset management practices and recommendations are adequately aligned with needs of the business and/or community, it is imperative that we start from the position of assets existing to provide services. A common stumbling block for organisations is service planning being done in isolation from asset management planning.

At best, such situations rely on asset managers' informal awareness and consideration of service needs, while at worst it can result in asset planning and investment decision making being made contrary to service plans, or service planning not responding to financial sustainability and asset management constraints.

City of Melton

With an infrastructure asset portfolio valued at over $2.7 billion and a planned annual increase of $220 million through new builds, the City of Melton's Council was tasked with preserving current asset health and unlocking hidden capital within the current resources to meet future demands.

By developing a full understanding of the expected community service level, considering different alternatives and service level trade-offs, and optimising interventions in line with strategic asset management best practice, the council was able to unlock between $2.5 and $4 million per annum that could be targeted to meeting future demand and driving higher customer satisfaction.

Influence of asset management on service level and investment decisions

How much influence does asset management have in the service level and investment decisions of your organisation?

- Significant influence 38.0%
- Some influence 42.2%
- Little/No influence 19.8%
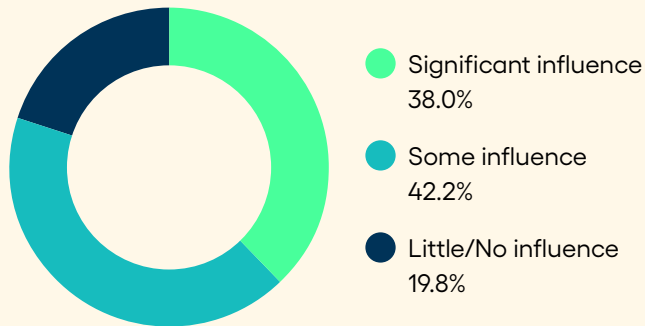
38.0%

Over a third of participants indicate that asset management has a significant influence on their service level and investment decisions.

This demonstrates that many are well on their journey of optimised line-of-sight decision making, that validates their service level choices, considers service level trade-offs where appropriate, and calibrates asset investment accordingly.

However, one fifth (19.8%) indicated that asset management has little or no influence on these decisions.

This finding represents the other side of the coin in potential disconnect between service and asset managers. While service planning sets the foundation and basis on which assets exist to provide the service, it is equally important that service plans take account of and respond to the real-world practicalities of asset and financial constraints.

Take, as a simple example, the management of a footpath network. The service planning team may develop an equitable access plan that doesn't adequately consider areas with site-specific constraints or the associated maintenance costs in responding to specified intervention levels. With all the best intention, the service plan is not practically achievable or financially sustainable.

However, an integrated planning approach that ensures service, asset, and financial requirements are considered together would result in a service plan and investment program that realises the overall intent in an achievable and sustainable manner.
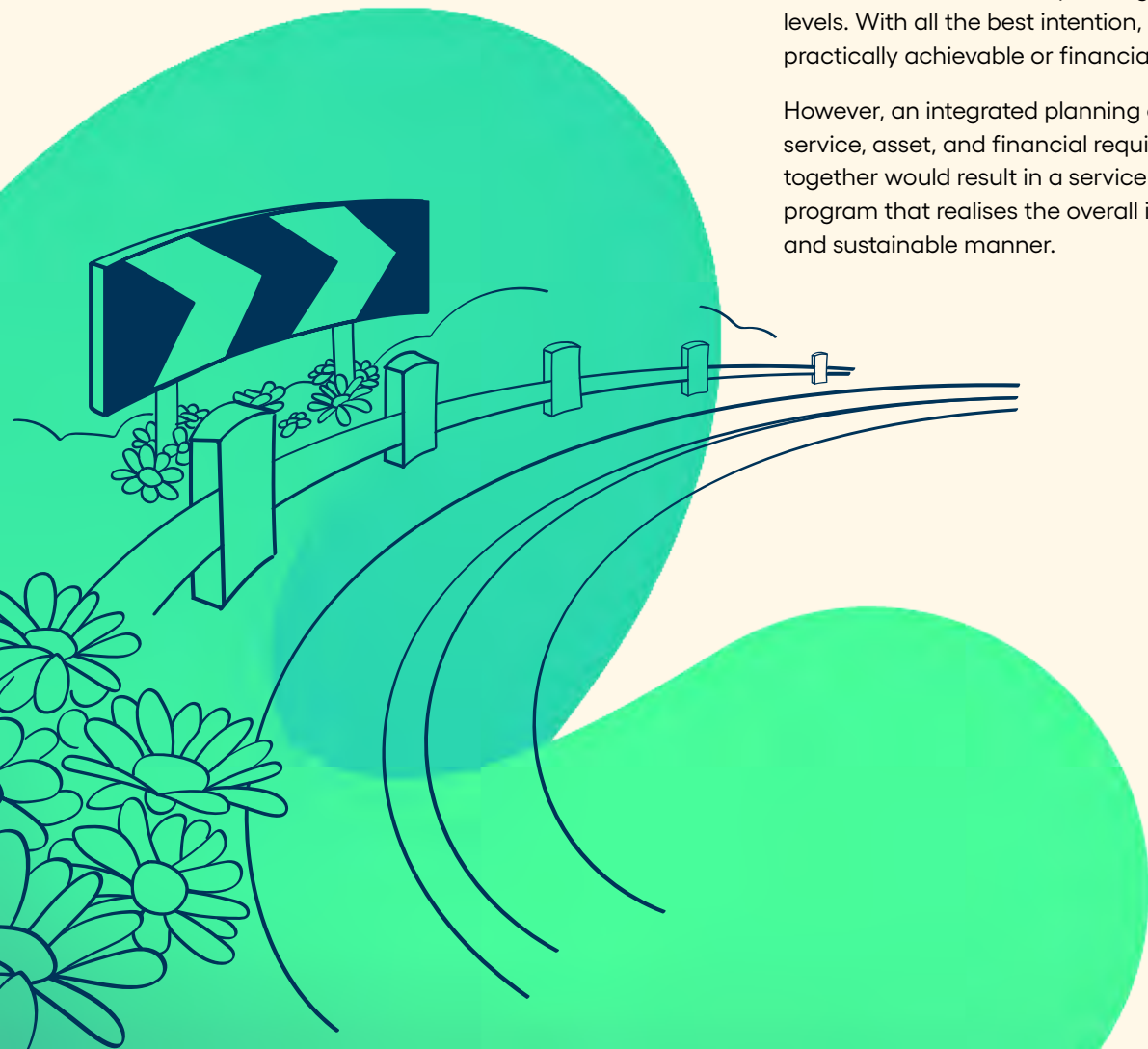
Transport Canberra and City Services

Transport Canberra and City Services (TCCS) is responsible for managing roads, footpaths, cycle paths, and public transport in Canberra. Six TCCS communities had petitioned for new or upgrades to playgrounds over a two-year period. A key driver was 45% of playgrounds being over 15 years old and so not providing quality relative to the community expectations. New playgrounds are costly to build to current design standards and TCCS had limited playground renewal budgets. The asset strategy conversation had to be less about funding options and more about sustainable service provision.

TCCS research data showed age and condition were not the main drivers for playground utilisation. Community perceptions of play spaces within a playground as "modern" were key. Taking this service-centric approach, TCCS set a target for 75% of play spaces to be "modern" by 2028. With this as context, asset management scenarios were developed to show the future impact of different decisions over time, enabling optimisation of asset investments and maximising customer service outcomes.

Alignment of asset management and financial systems/practices

How well aligned are your asset management and financial systems/practices?

- Very well aligned
  24.1%
- Somewhat aligned
  52.4%
- Marginally/Not aligned
  23.5%
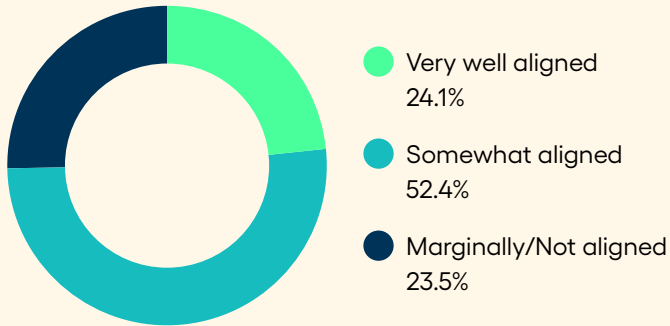
24.1%

Only a quarter (24.1%) indicated that SAM is very well aligned with their financial systems and practices while the same number (23.5%) indicated marginal or no alignment.

These findings highlight that there is a need to ensure financial management is understood and acted upon. As with service planning, it is vital that asset management both informs and responds to long-term financial planning requirements and constraints.

Failure to do so may result in escalating life cycle costs, unavoidable reductions in service levels, premature failure of assets, increasing risk profiles, and financial instability of the organisation.

TIP: Establish organisational systems, processes, and reporting that bring your service managers, asset managers, and finance professionals together in planning and decision making.

It is imperative that service planners, asset managers, and finance professionals are coordinated in their contributions to asset investment and service level decisions. A powerful way to facilitate this coordination is by bringing service level options, asset interventions, and financial constraints into a single platform for life cycle scenario analysis.

By doing so, alternate investment options and service level trade-offs can be directly considered in the context of future service-level impacts, risk mitigation, financial sustainability, and deferred generational costs.

The result is a transparent and integrated service, asset, and financial planning process that can identify opportunities for unlocking hidden capital, mitigating risk, and providing services in an achievable and financially sustainable manner. A unified asset management story can be told.

The Town of Walkerville

Walkerville is one of the most affluent suburbs in South Australia, with its community taking pride in the quality and availability of the area's infrastructure and services. As such, the community has high expectations of the level of service the council provides.

To fund future projects, the council recognised it only had a few options to consider: 1) raise rates, which would not be popular with the community; 2) borrow money from the government, which has to be paid back and is not sustainable over the long term; 3) reduce services, which is not always possible; or 4) extend the life of its existing assets by optimising future spend. It was this fourth option that council wanted to explore.

With the help of Brightly's software, the council was able to unlock and reinvest $300,000 a year from the road budget towards major strategic projects. The additional funding allowed the council to begin the once-in-a-generation opportunity to deliver the upgrade of community facilities and showcase the town as a key inner-city precinct, leading to many positive flow-on effects for Walkerville.

SAM Decision-Making Maturity

Consideration of risk in service level and funding requirements

How often are risk impacts and changes to risk profiles being considered in your future forecasts of service levels and funding requirements?

- Always considered 41.7%
- Occasionally considered 35.3%
- Rarely/Never considered 23.0%
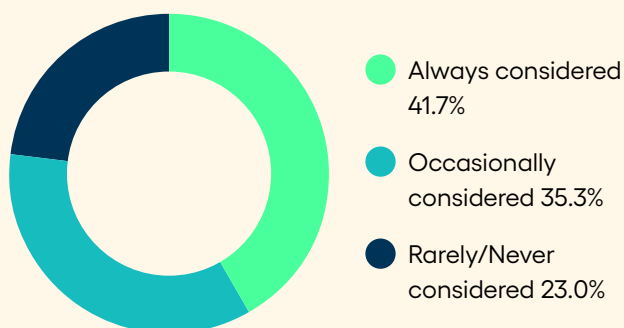
41.7%

A little under half of respondents indicated that risk impacts and changes to risk profiles are always considered in future forecasts of service levels and funding requirements. However, almost a quarter (23.0%) indicated this is rarely or never considered.

We all know that risk is a fundamental consideration in good asset management practices. At an operational level, this is generally embodied within maintenance standards and intervention levels. However, it is surprising how often risk is not considered in strategic decision making and investment planning. An almost exclusive focus on common indicators like physical condition only tells part of the story. The reality is that not all assets are created equal when it comes to the potential risks they may pose.

Let's once again consider the simple example of a footpath network. A poor condition footpath in a quiet suburban cul-de-sac poses a very different risk level than a heavily utilised footpath in a hospital precinct, based on volume and type of users alone. So, when making decisions on setting service levels and determining when and in what to invest, it is crucial that asset-related risks be considered.

TIP: Consider the impact on current and future risk profiles when making service level and investment decisions.

This can start with a consideration of asset criticality and its related consequence of failure (CoF). These can be used to create nuanced service levels and treatment interventions aligned to the level of risk. CoF ratings can also then be used in scenario modelling to forecast changes in risk profiles over time under alternative service level and investment strategies. In combination, these approaches allow risk consideration to be front and centre in decision making.

Wannon Water

The Essential Services Commission (ESC) regulates the Victorian water industry via price reviews, codes, guidelines, and performance monitoring. After a 2012-2013 review, the ESC reduced Wannon Water's renewal budget due to a lack of granular detail, so the agency had to operate with increasingly constrained resources.

Wannon Water identified a need for asset management process improvement, including greater consistency and a holistic approach to life cycle modelling based on factors such as risk, cost, and service levels.

The ability to include risk as a modelling parameter means stakeholders, irrespective of background or asset management knowledge, are able to comprehend and consider scenarios in a meaningful way.

Wannon Water now has granular, data-driven 10-year renewal programs which will result in realised savings, having selected the optimal outcomes based on scientific scenario modelling.

Incorporation of performance criteria other than physical condition

How often does your organisation use asset performance criteria other than physical condition (e.g. function, capacity, etc.) to determine service level and investment requirements?

- Often 36.9%
- Occasionally 36.4%
- Rarely/Never 26.7%
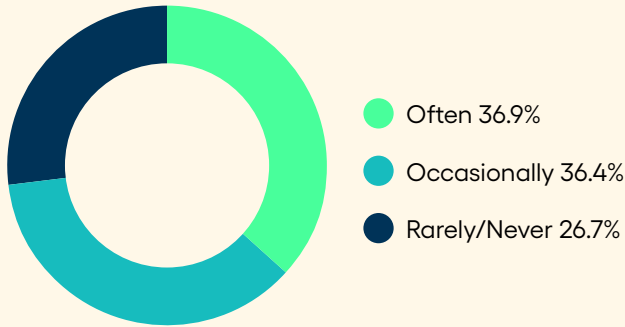
36.9%

More than a third of respondents indicated that when considering an asset's performance, they often look beyond just the physical condition and assess factors such as function and capacity. And yet, more than a quarter (26.7%) rarely or never assess anything beyond how an asset looks.

When it comes to making decisions on how to optimise asset investment in response to required service levels, condition alone is not sufficient. Many other asset performance factors need to be considered in your investment planning. Is the asset fit-for-purpose (function)? Is it meeting current and future demand (capacity)? Does it meet accessibility requirements? Is it meeting your sustainability or ESG targets? Consideration of many or all these factors is required to ensure that you are investing in the right assets at the right time and in a manner that meets service needs while minimising life cycle costs.

TIP: Establish asset monitoring, assessment, and decision frameworks that take account of all relevant performance measures (condition, function, capacity, accessibility, sustainability, etc.).

Focus on those asset performance criteria that are essential to making informed investment decisions in terms of current and future needs. And don't be afraid to start with what you have. Where detailed assessments are yet to be undertaken or frameworks yet to be developed, consider other proxy indicators or anecdotal evidence in the meantime. This will allow you to immediately benefit from the inclusion of these additional criteria, realising maximum value from what you already have at hand and setting you on an informed path of further asset management maturity.

Tasmania's Department of Education

The Department of Education (DoE) Tasmania faced a classic asset management challenge: to ensure their portfolio of essential community facilities were maintained and preserved in a manner which ensured future risks to service delivery were managed, costed, and mitigated.

With a strategic focus that enabled targeted and efficient approaches to data collection, DoE developed life cycle scenarios that enabled optimised investment in education facilities based on current service provision and future utilisation and occupancy.

This put DoE in a strong position to receive an additional $16.5 million in COVID-19 stimulus funding, as well as removing political bias from project selection processes, by providing decision makers with accurate, evidence-based plans.

Alignment with capital works packaging and programming outcomes

How well aligned are your asset management identified requirements with your actual works packaging and programming outcomes?

Very well aligned 28.3%

Somewhat aligned 49.7%

Marginally/Not aligned 22.0%
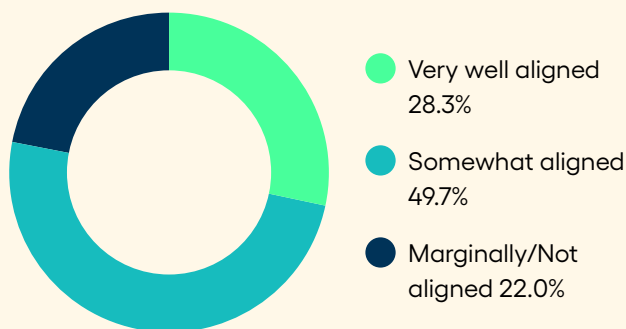
49.7%

Around 50% of respondents indicated that their asset management identified requirements are somewhat aligned with their actual works packaging and programming outcomes. However, almost a quarter (22.0%) indicated marginal or no alignment.

The key to minimising asset-related service and delivery costs does not end at identifying optimised asset life cycle interventions and management strategies. It is vital that we close the loop in terms of works packaging, program delivery, and asset handover. There are significant efficiencies and cost savings to be achieved by harnessing the power of a works packaging platform and process that encourages stakeholder collaboration across projects and funding streams.

Being able to easily visualise, bundle, and optimise asset treatments and project phases across multiple portfolios, available funding streams, and multiple planning years presents a great opportunity to realise cost saving and reinvestment opportunities from within existing constrained budgets.

And closing the loop via formalised project closure and asset handover processes ensures that asset information is kept accurate and complete in support of the next phase of scenario analyses and long-term financial planning.

TIP: Use a collaborative, spatially enabled works packaging platform that support a holistic view of multi-year, multi-portfolio works planning options.

Simple, yet powerful, presentation and visualisation of your multi-year, portfolio-wide works program candidates can support the easy identification of project packaging and sequencing opportunities. In addition to supporting internal efficiencies in program development and delivery, it can also avoid the reputational damage that comes from project conflicts both within and across agencies. No one likes to see a road resurfaced, only to be dug up a year later to install drainage network upgrades. Visualisation platforms also make it simpler to see your asset portfolio "in context" and therefore more engaging to stakeholders and decision makers.

Sydney Trains

As part of Sydney Trains' (ST) transition to a new corporate enterprise asset management (EAM) system, it identified a need for advanced decision analytics that could optimise their asset management outcomes in terms of risk, cost, and performance. To select and prioritise annual works programs, ST wanted a multi-variant, model-based analysis to identify the best asset management outcome.

Powerful visualisations of various decision-making scenarios were integral to senior stakeholder engagement. The outcomes of their work enabled them to achieve some important high-level business objectives. They now have various works program scenarios and what-if analyses to consider asset condition, criticality, degradation, and location.

Sustainability/ESG influence on SAM practices

To what extent are sustainability and/or ESG initiatives influencing or impacting your asset management practices?

- Significantly impacting 20.9%
- Somewhat impacting 47.0%
- Slightly/Not impacting 32.1%
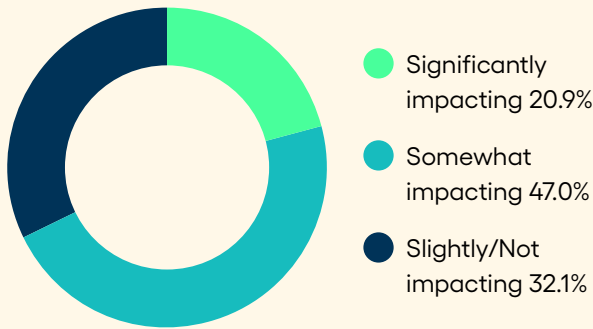
67.9%

While over two thirds of respondents say that sustainability/ESG is already tied to their asset management practices, the remaining third (32.1%) say it only has a slight impact, if at all.

While sustainability and social responsibility goals in asset management are not an entirely new concept, we are witnessing a significant momentum shift in their organisational importance and role in investment decision making.

Those organisations yet to factor ESG parameters into the life cycle of their assets risk facing a major overhaul of operations as they progressively become part of legislation and/or consumer decision making, as is already happening in countries around the globe.

And it's not just net zero goals that are changing asset management practices. The social implications of sustainable practices are another major factor to consider. Considerable research shows that access to parks as well as "blue space" — lakes, rivers, and beaches — leads to better mental health and physical activity, resulting in reduced obesity and heart disease and a longer life expectancy.

In Australia, several local councils and asset-intensive organisations are already taking action to minimise their carbon emissions and strengthen their ESG performance. Such initiatives include, but are by no means limited to, increasing green spaces, using renewable energy and electric vehicles, energy efficient lighting, and encouraging sustainable and socially conscious behaviours.

TIP: Recognise the significant societal/business benefits and stay ahead of legislation where you can, by introducing relevant ESG parameters to your data collection, life cycle analyses, and investment decision making.

We all have our part to play. Acting now to address our most pressing environmental and social challenges is the responsibility of all asset management practitioners, no matter the industry. By focusing on those aspects that are within our respective remit, we can all contribute to a prosperous and healthy future for generations to come.

Sydney Olympic Park Authority

Sydney Olympic Park Authority (SOPA) needed a tailored strategic asset management framework and plan to restore and sustainably manage its complex but vital wetland and ecological asset portfolio over the next 20 years. The team at SOPA reached out to environmental consultancy E2Designlab and Brightly to conduct an audit and review of its ecological assets, environmental obligations, and current asset management practices.

SOPA now has a costed and prioritised maintenance and rectification schedule to address present-day issues, as well as a long-term asset management plan that lays the foundation for the sustainable management of their ecological assets, ensuring delivery of their important services and community values.

Major SAM Challenges Right Now

What do you see as the biggest asset management challenges facing your organisation at the moment?

Challenge	Percentage
Community engagement	18.7%
Data quality/quantity/reliability	47.3%
Evidence-based decision making	39.0%
Funding constraints	52.8%
Project identification/ packaging/management	17.6%
Service planning	25.3%
Skill and resourceshortages	48.9%
Stakeholder engagement	18.9%
Other	12.1%
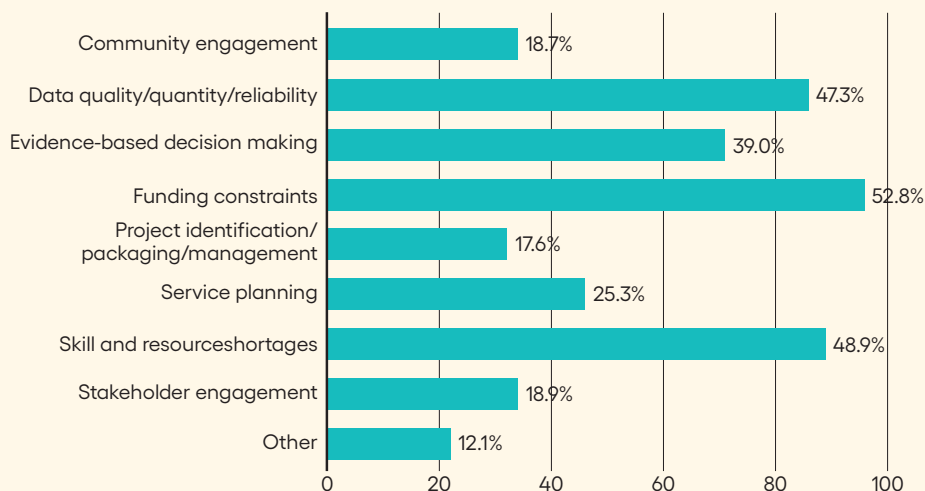
52.7%
1. Funding constraints

Funding constraints are not a new challenge for asset managers. However, it is not surprising that it came in as the number one challenge, as we face some of the toughest operating conditions in decades.

The COVID-19 pandemic had a significant impact on revenue streams, operating requirements, and the way people lived, worked, and used public spaces. We have also seen soaring global inflation significantly impact construction and service delivery costs. Locally, three consecutive La Niña events brought heavy rain and flooding across many parts of Australia, causing widespread damage to the nation's infrastructure, costing billions of dollars to repair.

The good news is we know we can rise to the challenge. By harnessing our collective knowledge and successes to date, just a sample of which has been highlighted in this report, asset management practitioners can harness the power of SAM software and practices to extend the life of their assets, while making better, more timely decisions around what to invest in and when.

48.9%
2. Talent shortages

Attracting and retaining talent is a significant challenge for many asset-intensive organisations. Some organisations will seek opportunities to position themselves as an "employer of choice" by offering attractive working conditions and harnessing rapidly emerging AI and machine learning technology to free up existing talent to focus on higher value add activities.

A complementary cost-effective option is to supplement your existing internal talent with carefully selected consulting subject matter expertise. By engaging a trusted SAM partner such as Brightly to do some of the heavy lifting for you, it is possible to build and maintain momentum in your asset management maturity journey, share in the collective wisdom of the asset management community, and avoid business continuity risks. Not only that but partnering with us allows you to have more time to focus on value-adding tasks for your organisation.
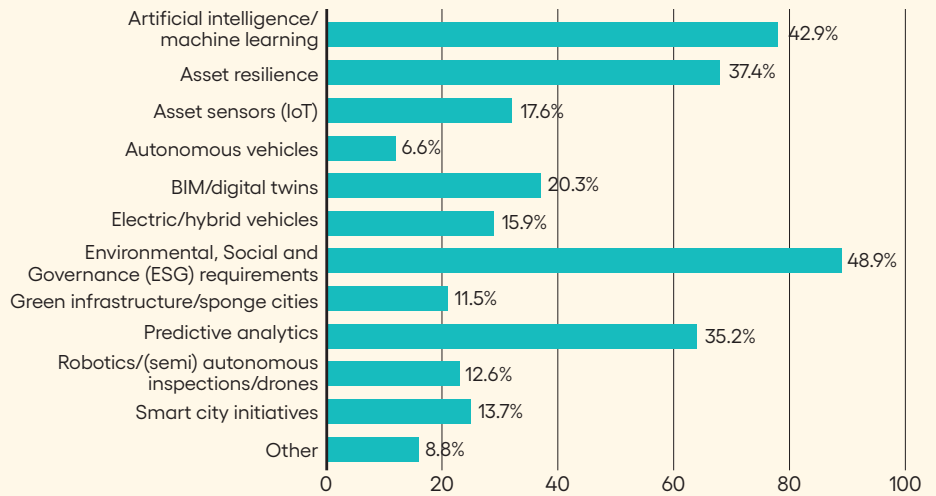
47.2%
3. Data quality and reliability

Data can sometimes be both a help and a hindrance. We collect it because we know we should base decisions off it, but there can be significant costs and resource impacts from collecting and maintaining it. Ensuring data is accurate and complete is one of the major challenges faced by asset managers. It can place significant strain on already time-restrained teams, pulling them away from their day jobs and delivering on their strategic goals.

Our advice is to start with what you have, squeeze the maximum value out of it and learn as you go. This approach supports an iterative learning process that helps you identify, adapt to, and focus on data elements that will shift the dial in evidence-based decision making. Not all assets require the same level of information. Higher cost, critical assets will often require more detailed data to support management and investment decisions. Sure, you may still have gaps in your data, but if you know what data is important to you, you can still make informed responses. Another way to look at it is to treat data as if it is an asset — prioritise what information is important now, and what can wait.

Major Factors Impacting SAM Practices in the Next 10 Years

What do you see as the major changes or initiatives impacting your asset management practices over the next 10 years?

Factor	Percentage
Artificial intelligence/machine learning	42.9%
Asset resilience	37.4%
Asset sensors (IoT)	17.6%
Autonomous vehicles	6.6%
BIM/digital twins	20.3%
Electric/hybrid vehicles	15.9%
Environmental, Social and Governance (ESG) requirements	48.9%
Green infrastructure/sponge cities	11.5%
Predictive analytics	35.2%
Robotics/(semi) autonomous inspections/drones	12.6%
Smart city initiatives	13.7%
Other	8.8%

48.9%

1. ESG requirements

We know that ESG regulation will only continue to grow, including locally, as Australia looks to keep pace with other markets around the globe. While relevant Australian laws are likely to be phased in over several years, asset managers do not want to wait for legislation to be introduced before acting.

Our recommendation is to start that journey as early as possible by anticipating those ESG parameters that are most crucial to your decision making, reporting, and customer service requirements. Plan and commit to what will likely be a multi-year journey in identifying cost-effective methods for their collection, recording, reporting, and inclusion in your asset life cycle scenario planning.

Also, look to the broader global asset management community for what they're doing well. Stay on top of what's being adopted in other regions and what is becoming a best practice approach to ESG. Our collective practitioner wisdom is our greatest strength.

37.4%

2. Asset resilience

As one year rolls on to the next, it seems we are never without facing a natural disaster of some kind. In the last five years alone, Australia has experienced record drought, unprecedented bushfires, severe hailstorms, and extreme flooding. Infrastructure Australia says that by 2050, the annual cost of natural disasters in Australia is expected to more than double from $18 billion per year to more than $39 billion.

It is imperative that we seek asset alternatives that offer long-term resilience to the extreme climate-related challenges we face now and into the future. Across all possible funding streams, we must identify and demonstrate ways in which we can respond without the need for escalating costs. The ability to unlock hidden capital and increase ROI from asset investment, as sampled within the report case studies, is a vital component in sustainably funding this goal. Innovative evidence-based life cycle scenario planning, cost analyses, and investment decisions are key to meeting this significant asset management challenge.

35.2%

3. Predictive analytics

Seeing the future, now. That is the true value of predictive analytics. As mentioned throughout the report, that asset management journey starts with what you have and using the power of SAM software and subject matter expertise, as offered by Brightly, to kickstart a maturity journey that delivers on the asset management imperatives of: cost effective, sustainable service delivery, at minimum asset life cycle cost, and acceptable risk levels.

And we know that as technology rapidly evolves and offers new opportunities in the predictive analytics space, connecting the dots between big data will be critical in the future of asset management. With the help of AI and the predictive intelligence of machine learning, exciting opportunities lie ahead in delivering better, more sustainable outcomes for our communities and customers.

Conclusion

It's pleasing to see more governments and asset-intensive organisations putting their data to work to understand where to best allocate their limited funds for effective, sustainable asset management. And yet, we know that there is still much more that we can and need to do.

With so many external pressures adding to the challenges of asset management, from inflation to extreme weather, it's becoming ever harder to rely on outdated paper-based methods, siloed systems, and incomplete data. So many organisations are already sitting on valuable asset-related information — they're just not always harnessing its value in the most effective way.

Asset managers need the capability to easily gather data and uncover insights based on evidence to help make the smartest spending decisions possible. And they need a simple way to share that data and scenario planning to align all stakeholders — from the finance manager determining the budget and those managing service levels, through to the maintenance crews in the field — so that the organisation can make investment decisions that truly benefit the communities and customers they serve. The science and art of asset management story telling is key.

Technology and service partnerships are becoming more crucial to support these goals in a journey of continuous improvement. With over two decades industry experience and more than 12,000 global clients, Brightly can help you objectively ask the right questions, find new ways to streamline your asset management practices, improve profitability, extend the life of your assets, and help your organisation and community to thrive.

Talk with a Brightly expert today to learn how SAM can help you tackle today's challenges and stay a step ahead for the future. Scope your organisation's needs and challenges and enjoy a custom demo of our world-class software. Don't wait — own your SAM journey by turning to the global experts at Brightly today.

About Brightly

Brightly, a Siemens company, the global leader in intelligent asset management solutions, enables organisations to transform the performance of their assets. Brightly's sophisticated cloud-based platform leverages more than 20 years of data to deliver predictive insights that help users through the key phases of the entire asset lifecycle. More than 12,000 clients of every size worldwide depend on Brightly's complete suite of intuitive software — including CMMS, EAM, SAM, IoT Remote Monitoring, Sustainability, and Community Engagement. Paired with award-winning training, support, and consulting services, Brightly helps light the way to a bright future with smarter assets and sustainable communities. For more information, visit brightlysoftware.com

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