

Looking after what we've got

Infrastructure for a better future

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Please note: the transcript has been edited to make reading as easy as possible.

Introduction: Welcome to Infrastructure for a better future, a series where we have honest conversations about the infrastructure challenges we are facing and how we can build a better Aotearoa. In each episode we talk to experts from here and overseas about what works, what we can learn from, and where we're going.

Jessie Lea: Welcome to Te Waihanga, the Infrastructure Commission's "Infrastructure for a better future" podcast series. My name is Jessie Lea. I'm the Special Advisor Asset Management at the Commission, and I'm here with Jan Stoker and Murray Pugh, and I'm going to pass over to each of them to introduce themselves before we get into a big discussion about asset management.

So, Murray, would you like to introduce yourself?

Murray Pugh: Kia ora, Jessie, thank you very much for having me on the podcast. I'm Murray Pugh. I'm the Chief Executive of Āpōpō, Infrastructure Asset Management Professionals. Āpōpō is a membership organisation that has the purpose of enhancing capability for infrastructure asset management professionals for Aotearoa New Zealand, and we do that in all sorts of fun

and interesting ways. We provide education, development and career pathways and guidance and knowledge resources for our members and for the asset management community in New Zealand.

Jessie Lea: Awesome. Murray, we're very grateful to you, because you are the reason that we have Jan with us today, visiting from the Netherlands. He came over here to speak at the Āpōpō Congress next week – no, two weeks' time. So, Jan, would you like to introduce yourself?

Jan Stoker: I will do the short version. First of all, thanks for being here in this podcast. I really like it – I always like talking about my hobbies. In daily life, I'm a Strategic Advisor of the Dutch Government for infrastructure, in maintenance and asset management, and I'm helping my organisation, guiding, advising, knowing, showing, going, how we can get certified in 2028. That is our goal, our ambition – as a tool to create a complete asset management organisation, so that we are organised as a process-driven, asset management-driven organisation. That's my profession, and I've

got four hobbies, and it's all about assets and maintenance management. I won't tell you about it, but actually, I'm not working. I have hobbies, and this is my hobby.

Jessie Lea: Well, we are going to enjoy sharing your hobby today, and what we're going to talk about is the asset management challenges that we are facing, and how we can use asset management to build a better New Zealand.

So, I want to start by asking both of you, and Murray, I'm going to go to you first: what works, what does make better asset management that can help us build a better New Zealand? I was thinking, you've been Chief Executive of Āpōpō for a few years now, so you've probably got a fairly good idea of what could work, and I know that Āpōpō hosts annual awards. So, I wondered whether you could start with some positive success stories from some recent awards, or any good news, good examples from asset management that New Zealand has to offer.

Murray Pugh: Absolutely, our awards are an opportunity to celebrate asset management excellence, and we do that with great pride. We like to really elevate the actual activity that has led to groups of people earning their awards. We have something called a Supreme Award, which is represented by an amazing taonga, Kōmata o Te Rangi, that the winners of the award become kaitiaki of for a year. We've presented that four times and we're coming up to our fifth presentation in the next couple of weeks.

The types of initiatives or projects which win the Supreme Award are the ones that engage communities. That common theme is quite strong. So, I think the first award winner of Kōmata o Te Rangi was a project which was recycling state housing, taking a state housing development in Tāmaki Makaurau, Auckland. The houses needed to be replaced, and so the actual material – the physical elements of the houses – rather than being demolished and taken to landfill, were literally being recycled and then the land rehabilitated in order to prepare it and make it ready for a new renewal of state housing. So that whole process was engaging the community in understanding what the project was about, why these state houses were being taken away, how they were adding to sustainability and being a project which represented a whole life cycle of asset management. You don't often get to see asset management at the end of life, and this was a great example of that, of renewal and replacement, which is an important part of

asset management. You don't often get to see it, because often the shiny new things get priority and precedence. So that was an exciting one.

And so that whole story of community engagement and the outcome of good asset management, thinking hard about what is the impact that we're actually having, is what we're celebrating with the Supreme Award for that particular project. I think it's an amazing story.

Jessie Lea: That does sound amazing, that asset management is properly demonstrating how it is there to serve a community and sustainably look after the environment into the future. I think that's what it's all about. And that sounds like a wonderful example of where we are actually doing some good stuff in Aotearoa, even though sometimes it feels like a struggle.

I will pass to Jan. I would like to know if there's anything going on in asset management in the Netherlands that you are really proud of, that is going really well for you over there, what are some good stories you can tell us.

Jan Stoker: Well, I can talk for hours.

Jessie Lea: You've got about two minutes!

Jan Stoker: I think maybe the hidden thing behind asset management that we achieved at this moment is collaboration on siloing. So, we are diverse – although we are a small country with 20 million people on it, we are capable to speak five languages in maintenance and asset management. In my opinion, asset management helps us to understand each other. It brings one language. It brings one transparency in the whole decision making, and by creating an asset management system brings us to the next question, where is maintenance in that system?

And so we bring in at this moment track maintenance management, or maintenance as a strategical function in that asset management system. It gives more clarity of creating value, not only on money, economics, but in a broader perspective, because it's not always about the money – it's also about the social impact, it's also in long term thinking, in the generation thing and, in asset management terms, it will always be life cycle thinking – my assets last about 100, 150 years. So, making decisions is not a daily thing, but we must make decision for the long term.

We are learning. This makes us a learning organisation. We were always making short term decisions, not looking backwards as an

organisation. We are now becoming a more learning organisation. I think these are the good things at this moment that I can point out directly. We are learning. We are capable of getting learnings of what we did yesterday and not making that mistake tomorrow.

Jessie Lea: So, it sounds like the thing that you're really proud of is actually a shift in mindset and moving into that collaborative space and a different way of seeing things. That golden thread between strategic asset management planning all the way through to maintenance.

Jan Stoker: Yes. We discovered the line of sight is vertical as well as horizontal in 2024. I'll point out also that the second line of sight, the horizontal one gives us the idea of, hey, maybe we have to collaborate with each other. I think we are professionals in collaborating with me, myself and my own. I think what we are doing now is being more open, but that takes years, to be fair.

Jessie Lea: So, you're saying the Netherlands is on a learning journey, but what can we learn from you, Jan, in New Zealand? What are some examples, good or bad, that can we take from the Netherlands? I think you're a bit ahead on that journey from where we are, so yes, share what we can take from you and learn from that.

Jan Stoker: Embrace a framework. Do not reinvent the wheel if it's already there. Standards are framework on how we can help you in creating value. And it's not only about the '55,000', no, it's about the '55,000', and the one, the two, the 10, 11, and 12 and 13. It's a suite of standards. And by using that, the other standards are coming in. Jan Stoker is not a standard guy. He doesn't love reading. He likes the framework. It gives me direction to the future. It gives me a common language with my colleagues. I don't want to argue with my colleagues, because I put the standards in between, and then we have an agreement.

Jessie Lea: So, if we could adopt those standards over here and really embed them in the system thinking?

Jan Stoker: Yeah, so on the table there is the 'what?' Now let's discuss the 'how'.

Jessie Lea: Awesome. Murray, in terms of thinking what some key learnings might be from your perspective of Āpōpō's professional practice view of the world, what do you think the priorities are at the moment for us in terms of what we need to learn and change?

Murray Pugh: We've recently done some consultation across our membership and our senior practitioners because, over the last year, there's been a lot of interest in asset management and that has actually created a lot of recommendations. We reviewed the material and found 52 different recommendations as standalone items. We need to do them all, but we distilled those down into 10 separate articulations of all of these different things that we could be doing to do asset management better.

We put those 10 actions to our senior membership, for them to rank from a practitioner's point of view, what's the most important? It was a really hard task for those members to do, because those 10 represent all the 52 which represent everything we really do need to do. Forcing that ranking, though, came up with a theme, a very strong theme that we need to be better at infrastructure governance. It's the decision making at the top, and it's the comprehension of what is the value of asset management that we need to be instilling into decision makers. By decision makers, we're talking about board members, we're talking about elected members, we're talking about C-suite, those that have accountability for the assets that they are looking after. They need to be able to make decisions which are consistent with strong asset management principles. If they don't know what those principles are, they can't be making decisions which are consistent with them. So, there's an education piece at that senior level of accountable people within New Zealand.

Jessie Lea: What does the future of asset management look like? So, this is where we get to do our blue sky thinking. I want to know, Jan, what is your vision for the future of the Netherlands? If you could have your dreams-come-true for asset management what would that look like for you in the future?

Jan Stoker: Blue sky thinking? Go to Disneyland! My vision in the Netherlands is that we have to stop being reactive, switching to predictable in all kinds of ways. So, stop being the fire brigade. You need a fire brigade to solve issues but don't make them heroes. The real heroes are the ones who will make your organisation predictable. I think that is my vision and for that reason, asset management is the answer on that topic.

By principle, just be predictable. In a financial way, that we discussed already, but also adding that mindset that Murray was talking about. That's about that stewardship. I think that is also a crystal-clear outcome of what asset management actually is, but it demands embracing those principles, and it demands a certain majority of your asset management people, but also in the first place, strong leadership. It demands the leadership of your organisation at top management - I'm meaning the Ministry level. They must be going and showing the way. I think that's very important.

We need a mature asset management system, we are building that at this moment on our learning journey, and bring in asset maintenance as a strategic function. I think that is so important. Put the right leadership on it. Bring everybody in the line of sight, in their position, to do their primary job.

Jessie Lea: So a very realistic and practical vision, and I think that's a positive vision – you can make that happen. If you have all of those things in place, what will happen to your actual infrastructure in the Netherlands? Will it get better in the long term?

Jan Stoker: I think stay at your principles on that one. No is also an answer. So, I think real leadership is also maybe a little bit less about performance, so we can manage the risks for the same money, so we can spend money on more critical assets. So, stop creating all those new projects. Learn from the past so you can put it in the future.

Jessie Lea: So maybe think about accepting a lower level of service to match our needs. If we don't have the money, then we need to adjust our expectations.

Jan Stoker: Transparency is key, and also decision making on the right level. Don't push it downside. That is not fair. It must be on the right level.

Jessie Lea: Murray, if I asked you what your vision for the future of New Zealand asset management might be, do you have a very clear vision on that?

Murray Pugh: I've got a very clear vision. Asset management is a profession. It is not currently viewed like that. It covers such a wide range of technical skills and competencies and knowledge and experience. We joke often within our circle that we find accidental asset managers who wake up one day, and they've taken a role,

and suddenly someone turns around and says, 'Oh, you're the asset manager'. And they go 'I am, I guess I am then'. Well, we need to shift that. We need to professionalise our practice of asset management by recognising the particular skills that have been applied and the knowledge which is required to do it well, and we need to invest in that. The benefit of doing that is that we then have a professional practice of asset management, and we have a standard of expectation of what that will deliver for our communities. We'll have recognition of people as having a standing in their community which is worthy. These are important people who are looking after our infrastructure, and they need to have that recognition, that personal motivation, and to be celebrated.

So I see a future where we have the profession of asset management sitting equally on the heights of chartered accountants, lawyers, doctors, that you can progress through an education system right from secondary through tertiary with a goal, a passion, that you will become an asset manager. And that it will be revered and held out as worthy of being attained. When we get to that standard and recognition, then our assets are going to be looked after appropriately. We will have professional asset managers in governance positions, having worked through a career understanding what it means to be an asset management professional, and they will be making decisions in the right context, with that stewardship mindset, with the long-term planning as table stakes, and we will be better for it.

Jessie Lea: You're both clearly very passionate about the education and training of asset managers, and that's part of your vision for the future. I want to thank you both very much for sharing your thoughts on asset management, international perspective from the Netherlands, with our New Zealand expertise as well, and it's been fascinating to talk to you both. Thank you so much for joining us.

Jan Stoker: Thank you.

Murray Pugh: Thank you. Kia ora Jessie.

Jessie Lea: Kia ora.

Narrator: Thanks for listening. Find out more about the work Te Waihanga is doing to transform Aotearoa at [tewaihanga.govt.nz](https://www.tewaihanga.govt.nz)