Guest Editorial

National asset planning in Malaysia

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The National Asset and Facility Management (NAFAM) 2009 Convention was co-organised by the Public Works Department of Malaysia and a local private company on the 26 and 27 October 2009 at the Putra World Trade Centre Kuala Lumpur. The objectives of this convention were:

1. to explore innovative ideas for an effective engagement of Total Asset Management in the 10th Malaysia Plan;
2. to create a platform for sharing of experiences in achieving high value returns on asset utilisation; and
3. to formulate sustainable integration of asset planning, life-cycle costing, monetisation, performance monitoring, good governance and best-practices in managing the Malaysian built environment.

The NAFAM 2009 convention provided the platform for both public and private sectors to explore innovative partnership programmes in managing the current and future built environment. Thirteen distinguished local and international speakers, including the Chief Secretary to the Government, were invited to deliberate the current issues on asset and facility management (FM). Among the topics discussed were new approaches to managing assets, redefining new strategies converting resources to wealth, exploring non-conventional procurement options, public–private partnership (PPP) initiatives, sustainable development, and two case studies on public finance initiative (PFI) projects.

Over 1100 delegates from the government machinery comprising ministries, state governments, local governments, local councils and municipal councils, government-linked companies and government-owned companies, as well as the private sector, industry-related vendors and smart partners, participated in this convention. Two workshops and a forum discussion were among the highlights of the convention, whereby government senior officials and private sector professionals were given the opportunity to interact and exchange ideas on some critical issues pertaining to implementation of FM and procurement strategies currently employed in the public sector.

Government and private asset-owners have created numerous infrastructure and building assets over the years. It has now come to the stage at which these assets need to be properly managed so that their value, both tangible and intangible, is enhanced and they continue to

provide service, comfort and safety to the public. There were four key areas discussed during the convention: integrated planning, sustainable development, new procurement strategies and FM. Sharing of experience and knowledge came from all backgrounds in both the public and private sector.

The keynote address by the Right Honourable Deputy Prime Minister Tan Sri Muhyiddin bin Yassin emphasised the importance of formulating a strategic development programme to improve the 'Quality of Life' of the nation in the 10th Malaysia Plan. The current economic pressure and global liberalisation have encouraged policy makers to rethink new approaches to the development of future public assets. The government recently announced that it will embark on 'The Rolling Plan' approach, which provides flexibility and adaptability to the immediate and changing needs that will be the thrust for new infrastructure projects in Malaysia. Similarly, the government is also looking for new methods to better manage these physical assets during its operational period, which may last for 60 years or more. The concept of enhancing values needs to be imbued into asset and FM practices to ensure that the highest return on investments is achievable in the long run.

The Right Honourable Deputy Prime Minister also launched the 'National Asset is a Joint Responsibility' programme, which encourages all asset stakeholders to assume responsibility for keeping public assets usable, safe, secured and maintained for current and future generations to come.

The paper presentations at the 2-day convention were delivered by senior government officials from the Economic Planning Unit and Public-Private Partnership Unit of the Prime Minister's Department, Public Works Department and Royal Police of Malaysia. The topics generally covered the New Approach in the 10th Malaysia Plan, Value for Money in PPP, Integrated Planning, and Enhancing Asset Value through Secured Environment. These papers have given new perspective of asset development and management plan proposal that will enhance the future quality of life of the nation.

Sharing of experiences based on case studies by two professors from the FM Research Group, School of the Built Environment, Liverpool John Moores University and the Centre for Facilities Management, Manchester, United Kingdom gave some insight into the pros and cons of PPP initiatives. From the commercial management perspective, the NAFAM 2009 Convention presented the opportunity to address some pertinent issues and challenges in designing, building and operating a £1 billion PFI project for the United Kingdom's Ministry of Defence. This sharing-of-experience session was hosted by a representative from a private sector business, namely, Modus Services Limited, United Kingdom.

PPPs were the focus of the convention when two foreign speakers from United Nations Economic Commission for Europe and the portfolio director of the Tawazun Industrial Park, United Arab Emirates took centre stage to discuss and debate topics related to good governance in PPP Projects and how governments use PPP/PFI to overcome issues regarding limited finance, reducing recurrent operational spending,

harnessing competition, and gaining benefits of private sector innovation in managing public assets.

As the conclusion to the NAFAM 2009 convention, the role players and participants in the two-track session workshops outlined the following key points for the government to consider in the coming 10th Malaysia Plan:

- to adopt an integrated planning approach for future development projects: a holistic approach to planning that involves all government bodies and their stakeholders, and finds the best solution to achieving good long-term development towards improving the quality of life;
- to embark on new procurement strategies taking into consideration prioritisation of immediate public needs, preparation of a comprehensive policy framework that provides clarity of direction and responsibilities, development of expertise, refinement of legal aspects, fair risk transfer between public and private sectors, and transparency in the overall procurement processes;
- to adopt sustainable development planning with emphasis on environmental matters, energy conservation effort and sharing of resources;
- to realise the whole life-cycle approach in new development projects at the initial planning stage of the asset-creation process, as well as looking into the 'Value at Entry' of the asset-development plan;
- to emphasis human capital development in specialised areas;
- to promote the use of 'Industrialised Building Systems'; and
- to leverage the advancement of information and communication technology.

It is anticipated that these proposed initiatives will provide the required competitive advantage in the upcoming 10th Malaysia Plan and promote effective partnership programmes between the public and private sectors.

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