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Working together to achieve improved communities

Considering the cost of renewing, upgrading or expanding assets, not to mention the ongoing operating costs to maintain and operate the assets, it is no wonder managers at all levels are struggling to balance the limited funding available with the required level of spend.

Trying to gain an agreed consensus on what is the desired level of service the customer and the wider community will accept and more importantly is willing to pay for is difficult at best.

Decisions need to be made, so managers can implement cost effective solutions to provide and maintain the vital assets that the customer and wider community demand.

Decision-making capabilities are critical in making the right asset decisions, at the right time.

Four key decisions underpin the ‘asset lifecycle’ with each having significant and interdependent financial implications now and in the future. The decision to:
1. Procure or build a new asset;
2. Renew or upgrade an existing asset;
3. Continue to maintain the asset; and
4. Retire or dispose of an asset.

The often popular decision to commit capital funding to procure or build a new asset, must be balanced with the down-stream costs of operating and maintaining the asset.

To build trust and encourage strong partnership with key stakeholders, asset owners should provide transparent information on funding decisions including:
• Why decisions were made;
• The implications of the decisions; and
• How these decisions fit with the medium and long-term plans.

The community should be actively encouraged to engage with the asset owner on:
• The desired level of service that the community wants and is willing to pay for;
• The current state of the assets or existing level of service;
• The best strategies for operating, maintaining, replacing and improving the assets; and
• The best long-term funding strategies.

The primary vehicle for engaging with the community is factual asset related information on asset condition and performance and the realities of building, managing and adapting assets.

This requires efficient processes and systems capability for collecting, analysing and managing the data.

Asset owners must be committed to a consistent way of doing business that provides customers and the wider community with a clear direction for the future and clearly shows that the benefits they are receiving out way the cost they have to pay.

An increased capacity in assets management requires enhanced skills and knowledge in the areas of:
• Asset data requirements;
• Data collection;
• Data management strategies;
• Assessing asset condition;
• Life cycle planning process;
• Preservation philosophy;
• Risk based decision making; and
• Demand management.

To find out more about the 2019 Professional Development Program related to Asset Management please contact Kevin Miller on 07 3632 6804.