State Roads Infrastructure Asset Management Policy
State Roads
Asset Management Policy

Foreword from the Minister for Infrastructure

Asset maintenance is also central to their financial sustainability as up to 80 per cent of the lifecycle cost of a road infrastructure asset may be expended post-construction.

This Asset Management Policy is a cornerstone document in the Tasmanian State road authority’s asset management system. The asset management system promotes the responsible management of, and investment in, the Crown’s road infrastructure assets for the long-term benefit of current Tasmanians and future generations.

The Tasmanian State road authority’s asset management system will be consistent with international best-practice guidelines and will aim to deliver transport infrastructure solutions that are efficient, sustainable, transparent and meet community needs.

I look forward to working with the Tasmanian community to deliver a road transport system that future generations can be proud of.

Hon M.T. (Rene) Hidding MP
Minister for Infrastructure

The Roads and Jetties Act 1935 defines the State road authority as being the Minister for Infrastructure. Responsibility for the management, construction and maintenance of the Crown’s State highways and subsidiary roads has been directly vested in me as Minister through this Act of Parliament.

This is a significant responsibility. The State road authority’s assets include approximately 3,700 kilometres of roads, 1,300 bridges and major structures and 9,500 hectares of land. The replacement value of the State road authority’s physical assets is approximately $6.8 billion.

The infrastructure managed by the State road authority provides the arteries of the State’s economy and communities and it is impossible to overstate the importance of this infrastructure. It is therefore vital that these assets be managed sustainably and efficiently to ensure that we can continue to meet the expectations of Tasmanians well into the future.

Road and bridge assets are long-lived. Typical road pavement lifespans are in the order of 40 to 60 years while bridges have a design life of between 70 to 100 years. Investment in assets of this nature requires considerable care as poor decisions can impact generations of Tasmanians.
This Asset Management Policy outlines the State road authority’s approach to infrastructure asset management. It outlines how the transport policy objectives of the Tasmanian Government will be optimally and sustainably delivered through the implementation of a whole-of-life infrastructure asset management system that recognises and reflects the needs of customers.

The State road authority will develop and maintain an asset management system that will include long-term capital and operational funding forecasts and a robust 10-year forward investment program.

The asset management system will assist in ensuring road infrastructure investments and services provided to customers are at a level appropriate for current and future demand. The asset management system shall also enable risk management practices and asset performance reporting to be used to inform prioritisation of investments.

**Scope of Policy**

For the purposes of this policy, asset management is defined as the optimal lifecycle management of physical assets to sustainably achieve the State road authority’s stated business objectives.

The principal purpose of managing assets is to deliver specified levels of service.

The key elements of the State road authority’s approach to infrastructure asset management are:

- implementing public policy and levels of service determined by Executive Government and providing those service levels and monitoring performance;
- managing future infrastructure demand through network planning, demand management and infrastructure investment;
- taking a lifecycle approach to develop cost-effective management strategies to meet the defined public policies and levels of service;
- identifying, assessing and appropriately controlling physical and financial risks; and
- having a long-term financial strategy which quantifies required expenditure to deliver defined levels of service and takes into account available funding sources.

These key elements of the asset management system will be enabled through staff capability, effective tools and systems and a commitment to continuous improvement in asset management.

This policy introduces an asset management system across all road transport infrastructure asset classes including:

**Road Assets**

- Earthworks, pavements, road surfaces, shoulders/verges, drains, minor culverts; and
- Roadsides, medians, rest areas, truck stops, sewage treatment plants, guide posts.

**Bridge Assets**

- Bridges (concrete/steel/timber/composite, girder/beam/box, piers, abutments)
- Major culverts, drainage structures, retaining structures, stock underpasses, ferry terminals, Bailey bridging, miscellaneous structures and gantries
- Masonry bridges and structures
- Cathodic protection systems

STATE ROAD ASSET MANAGEMENT POLICY
international best practice (specifically the ISO 55000 series of international asset management standards and the International Infrastructure Management Manual).

**State Road Authority Asset Management Policy**

It is the policy of the State road authority that its asset management system will deliver the following outcomes:

**Strong governance and accountability, by:**

- demonstrating to owners, customers and stakeholders that services are being delivered effectively and efficiently;
- providing a transparent and auditable basis for making service/risk/price trade-off decisions;
- improving accountability for use of resources through performance and financial indicators; and
- providing the ability to benchmark results against similar organisations.

**More sustainable decisions, by:**

- considering all viable options (including demand management) and all aspects of decisions; and
- ensuring all lifecycle costs are included in decision processes so that the emphasis is on sustainable efficiencies not unsustainable short-term gains.

**Enhanced customer service, through:**

- improved understanding of service requirements and options; and
- improved performance and control of service delivery to the required standards.
Effective risk management, by:

- understanding the risks related to asset management and service delivery and applying a framework to prioritise risk management;
- applying business continuity practices; and
- addressing the inter-relationships between different networks.

Improved financial efficiency, by:

- improved decision making based on costs and benefits of alternatives;
- prioritisation of investments, interventions and asset care activities;
- justification for forward works program and funding requirements;
- recognition of all costs of owning/operating assets over the lifecycle of the assets;
- selecting the most effective procurement method; and
- benchmarking condition and performance to promote innovation and efficiency.

Asset Management System Governance

Delivering effective infrastructure asset management requires significant coordination across the agency. The removal of communication impediments that may exist between these functions is critical to effective coordination and asset management delivery.

This Asset Management Policy establishes a State Road Infrastructure Asset Management Board.

The role of the State Road Infrastructure Asset Management Board, in relation the State road authority’s infrastructure assets, is to:

- provide corporate guidance for implementation of the Asset Management Policy, Strategy and
- Plans that ensures uniformity of approach across the activities undertaken by the State road authority;
- ensure co-ordination of financial, strategic planning, information technology, operational and asset management activity;
- encourage information sharing and collaboration across relevant parts of the Agency; and
- ensure organisation-wide accountability to the Minister for achieving and reviewing corporate infrastructure asset management goals and objectives with the aim of continuous improvement.

An independent audit and review body will report directly to the Minister for Infrastructure on the operations of the Board in relation to the integrity of the processes being managed by the Board and in particular risk management.
Appendix 1

Definitions

Agency
The State Government department to which the State road authority has delegated functions and powers pursuant to the Roads and Jetties Act 1935.

Asset Management
The systematic and coordinated activities and practices of an organisation to optimally and sustainably deliver its objectives through the cost-effective lifecycle management of assets.

Asset Management Plan
Long-term plans (usually 10 to 20 years for infrastructure assets) that outline the asset activities and program for each service area and resources applied to provide a defined level of service in the most cost effective way.

Asset Management Policy
A document that broadly outlines the principles and mandated requirements for undertaking asset management across the organisation in a systematic and coordinated way, consistent with public policy and other relevant directives. It provides the framework for the Asset Management Strategy and Asset Management Plan.

Asset Management Strategy
The high level long-term approach to asset management including asset management action plans and objectives for managing the assets.

Asset Management System
The asset management hierarchy including the Asset Management Policy, Asset Management Strategy and Asset Management Plan(s).

Infrastructure Assets
Stationary systems forming a network and serving whole communities, where the system as a whole is intended to be maintained indefinitely at a particular level of service potential by the continuing replacement and refurbishment of its components.

Level(s) of Service
Level of service statements describe the outputs or objectives a government, organisation or activity intends to deliver to customers.

Strategic Plan
A plan containing the long-term goals and strategies of an organisation. Strategic plans have a strong external focus, cover major portions of the organisation and identify major targets, actions and resource allocations relating to long-term survival, value and growth of the organisation.

Sustainability
Sustainability is the capacity to endure. In the context of asset management it relates to meeting the needs of the future by balancing social, economic, financial, cultural and environmental outcomes or needs when making decisions today.