ACT Government | ACT Health

Our reference: **FOI20-37**

[redacted]

Dear [redacted]

DECISION ON YOUR ACCESS APPLICATION

I refer to your application under section 30 of the *Freedom of Information Act 2016* (FOI Act), received by ACT Health Directorate (ACTHD) on **Thursday 9 July 2020.**

This application requested access to:

> *'I would like documents related to a consultants report into a possible Northside hospital conducted after July 2019.*
>
> *a) The full condition assessment of all the buildings at Calvary Public Hospital referred to above in evidence to the HACS Committee on 11 November 2019;*
> *b) The Strategic Asset Management Plan for Calvary as referred to in evidence to the HACS Committee on 11 November 2019;*
> *c) The analysis of options to redevelop Calvary Hospital and to develop a green field site as referred to in evidence to the HACS Committee on 11 November 2019;*
> *d) Supporting documentation for parts a to c.*
>
> *Correspondence with the Little Company of Mary and Calvary Public Hospital about this process.'*

I am an Information Officer appointed by the Director-General of ACT Health Directorate (ACTHD) under section 18 of the FOI Act to deal with access applications made under Part 5 of the Act. ACTHD was required to provide a decision on your access application by **Thursday 3 September 2020,** following an extension of 5 business days with your agreement.

I have identified 191 documents holding the information within scope of your access application. These are outlined in the schedule of documents included at Attachment A to this decision letter.

Decisions

I have decided to:

- grant full access to one document;
- grant part access to 189 documents; and
- refuse access to one document.

My access decisions are detailed further in the following statement of reasons and the documents released to you are provided as Attachment B to this letter.

In reaching my access decision, I have taken the following into account:

- The FOI Act;
- The contents of the documents that fall within the scope of your request;
- The views of relevant third parties; and
- The *Human Rights Act 2004*.

Full Access

I have decided to grant full access to one document relevant to the scope of your request. Please see attached schedule of documents for further detail. This is because the majority of the documents hold personal contact information such as email addresses and contact numbers of both government and non-government employees. These documents are therefore partially released.

Refuse Access

I have decided to refuse access to one document as outlined in the schedule of documents at reference 117. This document is wholly comprised of information that would reveal deliberations of Cabinet. This document is therefore taken to be contrary to the public interest to release, under Schedule 1.6 (1) Cabinet Information (d) the disclosure of which would reveal any deliberation of Cabinet. This document also includes personal information that I have decided is, on balance, contrary to the public interest to release.

Partial Access

I have decided to grant partial access to 189 documents. The identified documents contain information that is partially comprised of Cabinet information. The information is therefore taken to be contrary to the public interest to release under Schedule 1.6 (1) Cabinet Information (d) the disclosure of which would reveal any deliberation of Cabinet. I determined the information identified is contrary to the public interest and I have decided not to disclose this information.

Also, the identified documents contain information that I consider, on balance, to be contrary to the public interest to disclose under the test set out in section 17 of the Act as the information contained in these folios is partially comprised of personal information, such as email addresses and contact numbers of both government and non-government employees, commercial activity of government agencies and the business affairs non-government businesses.

Public Interest Factors Favouring Disclosure

The following factors were considered relevant in favour of the disclosure of the documents:

- *Schedule 2.1 (a) (i) promote open discussion of public affairs and enhance the government's accountability;*
- *Schedule 2.1 (a) (ii) contribute to positive and informed debate on important issues or matters of public interest;*
- *Schedule 2.1 (a) (iv) ensure effective oversight of expenditure of public funds; and*
- *Schedule 2.1 (a) (viii) reveal the reason for a government decision and any background or contextual information that informed the decision.*

Public Interest Factors Favouring Non-Disclosure

The following factors were considered relevant in favour of the non-disclosure of the documents:

- *Schedule 2.2 (a) (ii) prejudice the protection of an individual's right to privacy or any other right under the Human Rights Act 2004;*
- *Schedule 2.2 (a) (iii) prejudice security, law enforcement or public safety; and*

- *Schedule 2.2 (a) (xi) prejudice trade secrets, business affairs or research of an agency or person; and*
- *Schedule 2.2 (a) (xiii) prejudice the competitive commercial activities of an agency.*

On balance, I determined the information identified is contrary to the public interest and I have decided not to disclose this information. As specified against each document in the schedule, disclosure of this information would have the detrimental effect of reducing the competitive ability of non-government organisations as well as reasonable expectation to reduce the ability of Government to engage external contractors and/or prejudice the right to privacy of the individuals involved. I have also redacted information that is not within the scope of the application.

Charges

Processing charges are not applicable to this request.

Disclosure Log

Under section 28 of the FOI Act, ACTHD maintains an online record of access applications called a disclosure log. The scope of your access application, my decision and documents released to you will be published in the disclosure log not less than three days but not more than 10 days after the date of this decision. Your personal contact details will not be published.
https://www.health.act.gov.au/about-our-health-system/freedom-information/disclosure-log.

Ombudsman review

My decision on your access request is a reviewable decision as identified in Schedule 3 of the FOI Act. You have the right to seek Ombudsman review of this outcome under section 73 of the Act within 20 working days from the day that my decision is published in ACT Health's disclosure log, or a longer period allowed by the Ombudsman.

If you wish to request a review of my decision you may write to the Ombudsman at:

The ACT Ombudsman
GPO Box 442
CANBERRA ACT 2601
Via email: ACTFOI@ombudsman.gov.au
Website: ombudsman.act.gov.au

ACT Civil and Administrative Tribunal (ACAT) review

Under section 84 of the Act, if a decision is made under section 82(1) on an Ombudsman review, you may apply to the ACAT for review of the Ombudsman decision. Further information may be obtained from the ACAT at:

ACT Civil and Administrative Tribunal
Level 4, 1 Moore St
GPO Box 370
Canberra City ACT 2601
Telephone: (02) 6207 1740
http://www.acat.act.gov.au/

Further assistance
Should you have any queries in relation to your request, please do not hesitate to contact the FOI Coordinator on (02) 5124 9829 or email HealthFOI@act.gov.au.

Yours sincerely

Liz Lopa
Executive Group Manager
Strategic Infrastructure

3 September 2020

ACT Government | ACT Health

FREEDOM OF INFORMATION SCHEDULE OF DOCUMENTS

Please be aware that under the *Freedom of Information Act 2016*, some of the information provided to you will be released to the public through the ACT Government's Open Access Scheme. The Open Access release status column of the table below indicates what documents are intended for release online through open access.
Personal information or business affairs information will not be made available under this policy. If you think the content of your request would contain such information, please inform the contact officer immediately.
Information about what is published on open access is available online at: http://www.health.act.gov.au/public-information/consumers/freedom-information

APPLICANT NAME	WHAT ARE THE PARAMETERS OF THE REQUEST	FILE NUMBER
[redacted]	I would like documents related to a consultants report into a possible Northside hospital conducted after July 2019. a) The full condition assessment of all the buildings at Calvary Public Hospital referred to above in evidence to the HACS Committee on 11 November 2019; b) The Strategic Asset Management Plan for Calvary as referred to in evidence to the HACS Committee on 11 November 2019; c) The analysis of options to redevelop Calvary Hospital and to develop a green field site as referred to in evidence to the HACS Committee on 11 November 2019; d) Supporting documentation for parts a to c. Correspondence with the Little Company of Mary and Calvary Public Hospital about this process.'	FOI20-37

Ref Number	Page Number	Description	Date	Status Decision	Factor	Open Access release status
1.	1 – 2	Email and attachment – NHDOA – Start Up Meeting Agenda	5 March 2020	Partial Release	Schedule 2.2 (a) (ii) Privacy	YES
2.	3 – 4	Email – Northside Hospital Scoping Study – Service Planning Input	6 March 2020	Partial Release	Schedule 1.6 (1) (d) Cabinet & Schedule 2.2 (a) (ii) Privacy	YES

3.	5 – 8	Email and attachment – NHDOA – Inception Meeting Notes	11 March 2020	Partial Release	Schedule 1.6 (1) (d) Cabinet & Schedule 2.2 (a) (ii) Privacy	YES
4.	9 – 10	Email and attachment – NHDOA Request for Information NOA	11 March 2020	Partial Release	Schedule 1.6 (1) (d) Cabinet & Schedule 2.2 (a) (ii) Privacy	YES
5.	11	Email – NHDOA Request for Information NOA	11 March 2020	Partial Release	Schedule 2.2 (a) (ii) Privacy	YES
6.	12 – 13	Email – NHDOA – Calvary Request for Information	13 March 2020	Partial Release	Schedule 2.2 (a) (ii) Privacy	YES
7.	14 – 532	Email and attachments – Strategic Asset Management Framework	13 March 2020	Partial Release	Schedule 2.2 (a) (ii) Privacy, Schedule 2.2 (a) (xi) Business Affairs & Schedule 2.2 (a) (xiii) Commercial	YES
8.	533 – 534	Email and attachment – NHDOA Fortnightly Coordination Meeting – 19/03/2020	17 March 2020	Partial Release	Schedule 2.2 (a) (ii) Privacy	YES
9.	535	Email – NHDOA Fortnightly Coordination Meeting – 19/03/2020	17 March 2020	Partial Release	Schedule 2.2 (a) (ii) Privacy	YES
10.	536 – 567	Email and attachment – CBRE Future Facility Profile	17 March 2020	Partial Release	Schedule 2.2 (a) (ii) Privacy, Schedule 2.2 (a) (xi) Business Affairs & Schedule 2.2 (a) (xiii) Commercial	YES
11.	568 – 579	Email and attachment – CPHB Future Role Feedback 2018	17 March 2020	Partial Release	Schedule 2.2 (a) (ii) Privacy, Schedule 2.2 (a) (xi) Business Affairs & Schedule 2.2 (a) (xiii) Commercial	YES

12.	580 – 584	Email and attachment – Calvary – AECOM – ACT Health catch-up	18 March 2020	Partial Release	Schedule 1.6 (1) (d) Cabinet & Schedule 2.2 (a) (ii) Privacy	YES
13.	585 – 586	Email – Calvary – AECOM – ACT Health catch-up	18 March 2020	Partial Release	Schedule 2.2 (a) (ii) Privacy	YES
14.	587 – 629	Email and attachment – NHDOA – Return Brief DRAFT	18 March 2020	Partial Release	Schedule 1.6 (1) (d) Cabinet, Schedule 2.2 (a) (ii) Privacy, Schedule 2.2 (a) (xi) Business Affairs & Schedule 2.2 (a) (xiii) Commercial	YES
15.	630 – 631	Email – NHDOA – Return Brief DRAFT	18 March 2020	Partial Release	Schedule 2.2 (a) (ii) Privacy	YES
16.	632	Email – NHDOA – Invoicing Plan	19 March 2020	Partial Release	Schedule 2.2 (a) (ii) Privacy & Schedule 2.2 (a) (xi) Business Affairs	YES
17.	633 – 636	Email and attachment – NHDOA Fortnightly Coordination Meeting	20 March 2020	Partial Release	Schedule 1.6 (1) (d) Cabinet & Schedule 2.2 (a) (ii) Privacy	YES
18.	637 – 638	Email – NHDOA – Site Inspection Options	23 March 2020	Partial Release	Schedule 2.2 (a) (ii) Privacy	YES
19.	639 – 640	Email – AECOM NHDOA – Return Brief	23 March 2020	Partial Release	Schedule 1.6 (1) (d) Cabinet & Schedule 2.2 (a) (ii) Privacy	YES
20.	641 – 642	Email – Northside	23 March 2020	Partial Release	Schedule 2.2 (a) (ii) Privacy	YES
21.	643 – 644	Email – SAMP	25 March 2020	Partial Release	Schedule 2.2 (a) (ii) Privacy	YES
22.	645 – 665	Email and attachment – NHDOA – Calvary Request for Information	25 March 2020	Partial Release	Schedule 2.2 (a) (ii) Privacy	YES

23.	666 – 667	Email and attachment – Book1	25 March 2020	Partial Release	Schedule 2.2 (a) (ii) Privacy	YES
24.	668 – 669	Email – NHDOA Alternative Delivery Approach	25 March 2020	Partial Release	Schedule 1.6 (1) (d) Cabinet & Schedule 2.2 (a) (ii) Privacy	YES
25.	670 – 673	Email – SAMP	25 March 2020	Partial Release	Schedule 2.2 (a) (ii) Privacy	YES
26.	674	Email – NHDOA – Monthly Control Group	25 March 2020	Partial Release	Schedule 2.2 (a) (ii) Privacy	YES
27.	675 – 678	Email – NHDOA AECOM Sendfiles	26 March 2020	Partial Release	Schedule 2.2 (a) (ii) Privacy	YES
28.	679 – 681	Email and attachment – NHDOA Monthly Report – March 2020	26 March 2020	Partial Release	Schedule 1.6 (1) (d) Cabinet, Schedule 2.2 (a) (ii) Privacy, Schedule 2.2 (a) (xi) Business Affairs & Schedule 2.2 (a) (xiii) Commercial	YES
29.	682 – 683	Email – NHDOA – Info received today	26 March 2020	Partial Release	Schedule 2.2 (a) (ii) Privacy	YES
30.	684	Email – NHDOA – Background Information + Plan Room Visit	30 March 2020	Partial Release	Schedule 2.2 (a) (ii) Privacy	YES
31.	685 – 689	Email and attachment – DG minute – Northside hospital options analysis – March update	30 March 2020	Partial Release	Schedule 1.6 (1) (d) Cabinet & Schedule 2.2 (a) (ii) Privacy	YES
32.	690 – 693	Email and attachment – NHDOA – Monthly Control Group	31 March 2020	Partial Release	Schedule 1.6 (1) (d) Cabinet & Schedule 2.2 (a) (ii) Privacy	YES
33.	694 - 697	Email and attachment – NHDOA – Fortnightly Co-ordination Meeting	3 April 2020	Partial Release	Schedule 1.6 (1) (d) Cabinet & Schedule 2.2 (a) (ii) Privacy	YES

34.	698 – 699	Email – Northside hospital – service demand profile	7 April 2020	Partial Release	Schedule 1.6 (1) (d) Cabinet & Schedule 2.2 (a) (ii) Privacy	YES
35.	700 – 707	Email – CPHB site plans/drawings	9 April 2020	Partial Release	Schedule 2.2 (a) (ii) Privacy	YES
36.	708 – 711	Email – NHDOA CPHB Base Case Demand Projections Questions	16 April 2020	Partial Release	Schedule 1.6 (1) (d) Cabinet & Schedule 2.2 (a) (ii) Privacy	YES
37.	712 – 716	Email and attachment – NHDOA CPHB Base Case Demand Projections Questions	16 April 2020	Partial Release	Schedule 1.6 (1) (d) Cabinet & Schedule 2.2 (a) (ii) Privacy	YES
38.	717	Email – Northside Brief	16 April 2020	Full Release		YES
39.	718 - 760	Email and attachments – NHDOA – Background Information, Asset Register & Desktop Condition	20 April 2020	Partial Release	Schedule 1.6 (1) (d) Cabinet, Schedule 2.2 (a) (ii) Privacy, Schedule 2.2 (a) (iii) Security & Schedule 2.2 (a) (xi) Business Affairs	YES
40.	761 – 762	Email – Northside Scoping and Canberra Hospital Master Plan	20 April 2020	Partial Release	Schedule 1.6 (1) (d) Cabinet & Schedule 2.2 (a) (ii) Privacy	YES
41.	763	Email – NHDOA – April Monthly Meeting	20 April 2020	Partial Release	Schedule 2.2 (a) (ii) Privacy	YES
42.	764 - 765	Email – INPUT: Northside Hospital Min Brief	20 April 2020	Partial Release	Schedule 1.6 (1) (d) Cabinet	YES
43.	766 – 769	Email and attachments – NHDOA – Fortnightly Co-ordination Meeting	21 April 2020	Partial Release	Schedule 1.6 (1) (d) Cabinet & Schedule 2.2 (a) (ii) Privacy	YES
44.	770 – 772	Email and attachment – NHDOA Monthly Report – April 2020	21 April 2020	Partial Release	Schedule 1.6 (1) (d) Cabinet, Schedule 2.2 (a)	YES

					(ii) Privacy & Schedule 2.2 (a) (xiii) Commercial	
45.	773 – 774	Email – INPUT: Northside Hospital Min Brief	22 April 2020	Partial Release	Schedule 1.6 (1) (d) Cabinet	YES
46.	775 – 810	Email and attachments – NHDOA Condition Assessment Approach and Example Output	23 April 2020	Partial Release	Schedule 1.6 (1) (d) Cabinet & Schedule 2.2 (a) (ii) Privacy	YES
47.	811 – 816	Email and attachment – EGM minute – Northside hospital options analysis governance and process	28 April 2020	Partial Release	Schedule 1.6 (1) (d) Cabinet & Schedule 2.2 (a) (ii) Privacy	YES
48.	817	Email – For approval by Brad and Liz – Northside hospital minute (Attachment @ reference 47)	30 April 2020	Partial Release	Schedule 2.2 (a) (ii) Privacy	YES
49.	818 – 820	Email and attachment – NHDOA – ACT Health CPH Risk Register	30 April 2020	Partial Release	Schedule 2.2 (a) (ii) Privacy & Schedule 2.2 (a) (xiii) Commercial	YES
50.	821 – 826	Email and attachment – NHDOA MCA Notice of Advice	30 April 2020	Partial Release	Schedule 1.6 (1) (d) Cabinet & Schedule 2.2 (a) (ii) Privacy	YES
51.	827 – 853	Email and attachments – Northside Scoping and Canberra Hospital Master Plan	30 April 2020	Partial Release	Schedule 1.6 (1) (d) Cabinet Out of scope	YES
52.	854 – 855	Email – Calvary asset register	1 May 2020	Partial Release	Schedule 2.2 (a) (ii) Privacy	YES
53.	856 – 1610	Email and attachments - Calvary asset register	1 May 2020	Partial Release	Schedule 2.2 (a) (ii) Privacy, Schedule 2.2 (a) (iii) Security, Schedule 2.2 (a) (xi) Business Affairs & Schedule 2.2 (a) (xiii) Commercial	YES

54.	1611 – 1675	Email and attachment – NHDOA – Site Inspection Plan	1 May 2020	Partial Release	Schedule 1.6 (1) (d) Cabinet, Schedule 2.2 (a) (ii) Privacy & Schedule 2.2 (a) (iii) Security	YES
55.	1676 - 1691	Email and attachments – NHDOA – Monthly Control Group	6 May 2020	Partial Release	Schedule 1.6 (1) (d) Cabinet & Schedule 2.2 (a) (ii) Privacy	YES
56.	1692 – 1693	Email – NHDOA – Calvary Building Information	7 May 2020	Partial Release	Schedule 2.2 (a) (ii) Privacy	YES
57.	1694 – 1698	Email attachment – NHDOA – Service demand profiles for Schedule of Accommodation	7 May 2020	Partial Release	Schedule 1.6 (1) (d) Cabinet & Schedule 2.2 (a) (ii) Privacy	YES
58.	1699 – 1700	Email and attachment – NHDOA – Fortnightly Coordination Meeting 14/05/2020 – Agenda – SAMP Discussion	12 May 2020	Partial Release	Schedule 2.2 (a) (ii) Privacy	YES
59.	1701 – 1703	Email and attachments – NHDOA – Operating theatre issue	13 May 2020	Partial Release	Schedule 2.2 (a) (ii) Privacy & Schedule 2.2 (a) (xiii) Commercial	YES
60.	1704 – 1705	Email – NHDOA – Operating theatre issue	13 May 2020	Partial Release	Schedule 2.2 (a) (ii) Privacy & Schedule 2.2 (a) (xiii) Commercial	YES
61.	1706	Email – NHDOA – ACT Health CPH Risk Register (Attachment @ reference 49)	14 May 2020	Partial Release	Schedule 2.2 (a) (ii) Privacy	YES
62.	1707 - 1711	Email and attachment – NHDOA – Fortnightly Meeting	15 May 2020	Partial Release	Schedule 1.6 (1) (d) Cabinet & Schedule 2.2 (a) (ii) Privacy	YES
63.	1712 - 1713	Email – Northside hospital information needed by Aecom (Attachment @ reference 57)	19 May 2020	Partial Release	Schedule 1.6 (1) (d) Cabinet & Schedule 2.2 (a) (ii) Privacy	YES
64.	1714	Email – NHDOA – CPHB Information – Risk Meeting Actions	20 May 2020	Partial Release	Schedule 2.2 (a) (ii) Privacy	YES

65.	1715 - 1766	Email and attachments – NHDOA – Stage 1 Draft Condition Assessment Register	20 May 2020	Partial Release	Schedule 1.6 (1) (d) Cabinet & Schedule 2.2 (a) (ii) Privacy	YES
66.	1767 - 1768	Email – Northside hospital information needed by Aecom (Attachment @ reference 57)	21 May 2020	Partial Release	Schedule 1.6 (1) (d) Cabinet & Schedule 2.2 (a) (ii) Privacy	YES
67.	1769 - 1771	Email – Northside hospital information needed by Aecom	21 May 2020	Partial Release	Schedule 1.6 (1) (d) Cabinet & Schedule 2.2 (a) (ii) Privacy	YES
68.	1772 - 1787	Email and attachment – AECOM Project Update – Northside Hospital Development Options Analysis w/e 22/05/2020	25 May 2020	Partial Release	Schedule 1.6 (1) (d) Cabinet, Schedule 2.2 (a) (ii) Privacy & Schedule 2.2 (a) (xi) Business Affairs	YES
69.	1788 – 1791	Email and attachment – NHDOA Monthly Report – May 2020	25 May 2020	Partial Release	Schedule 1.6 (1) (d) Cabinet, Schedule 2.2 (a) (ii) Privacy, Schedule 2.2 (a) (xi) Business Affairs & Schedule 2.2 (a) (xiii) Commercial	YES
70.	1792 – 1794	Email – NHDOA – ACT Health CPH Risk Register	25 May 2020	Partial Release	Schedule 2.2 (a) (ii) Privacy	YES
71.	1795 – 1796	Email – Approval has been Actioned: Northside Hospital Development Options	26 May 2020	Partial Release	Schedule 2.2 (a) (ii) Privacy & Schedule 2.2 (a) (xi) Business Affairs	YES
72.	1797 – 1799	Email – NHDOA RE: Calvary asset register	26 May 2020	Partial Release	Schedule 2.2 (a) (ii) Privacy	YES
73.	1800 – 1802	Email – Northside hospital information needed by Aecom	27 May 2020	Partial Release	Schedule 1.6 (1) (d) Cabinet & Schedule 2.2 (a) (ii) Privacy	YES

74.	1803 – 1805	Email – Northside hospital information needed by Aecom	27 May 2020	Partial Release	Schedule 1.6 (1) (d) Cabinet & Schedule 2.2 (a) (ii) Privacy	YES
75.	1806 – 1807	Email and attachment – NHDOA – Monthly Project Control Group Agenda 28/05/2020	27 May 2020	Partial Release	Schedule 2.2 (a) (ii) Privacy	YES
76.	1808 – 1809	Email – Request for input – MIN20/929: Meeting – Minister for Health	27 May 2020	Partial Release	Schedule 1.6 (1) (d) Cabinet & Schedule 2.2 (a) (ii) Privacy	YES
77.	1810 – 1811	Email – NHDOA – Monthly Project Control Group Agenda 28/05/2020 (Attachments @ reference 65)	28 May 2020	Partial Release	Schedule 2.2 (a) (ii) Privacy	YES
78.	1812 – 1815	Email – Calvary asset register	28 May 2020	Partial Release	Schedule 2.2 (a) (ii) Privacy	YES
79.	1816 – 1817	Email – Calvary asset register	28 May 2020	Partial Release	Schedule 2.2 (a) (ii) Privacy	YES
80.	1818 – 1838	Email and attachments – NHDOA – Monthly Control Group	29 May 2020	Partial Release	Schedule 1.6 (1) (d) Cabinet & Schedule 2.2 (a) (ii) Privacy	YES
81.	1839 - 1856	Email and attachment – NHDOA	29 May 2020	Partial Release	Schedule 1.6 (1) (d) Cabinet & Schedule 2.2 (a) (ii) Privacy	YES
82.	1857 – 1861	Email – Request for input – MIN20/929: Meeting – Minister for Health	29 May 2020	Partial Release	Schedule 1.6 (1) (d) Cabinet & Schedule 2.2 (a) (ii) Privacy	YES
83.	1862	Email – Northside hospital (Attachment @ reference 81)	29 May 2020	Partial Release	Schedule 1.6 (1) (d) Cabinet	YES
84.	1863 – 1864	Email – NHDOA	29 May 2020	Partial Release	Schedule 1.6 (1) (d) Cabinet & Schedule 2.2 (a) (ii) Privacy	YES

85.	1865 – 1881	Email – AECOM Project Update – Northside Hospital Development Options Analysis w/e 29/05/2020	2 June 2020	Partial Release	Schedule 1.6 (1) (d) Cabinet & Schedule 2.2 (a) (ii) Privacy	YES
86.	1882 – 2029	Email and attachments – NHDOA – Draft Stage 1 Condition Assessment Report	2 June 2020	Partial Release	Schedule 1.6 (1) (d) Cabinet, Schedule 2.2 (a) (ii) Privacy, Schedule 2.2 (a) (xi) Business Affairs & Schedule 2.2 (xiii) Commercial	YES
87.	2030	Email – Northside hospital (Attachment @ reference 81)	3 June 2020	Partial Release	Schedule 1.6 (1) (d) Cabinet & Schedule 2.2 (a) (ii) Privacy	YES
88.	2031 - 2038	Email and attachments – Urgent – Northside hospital information	4 June 2020	Partial Release	Schedule 1.6 (1) (d) Cabinet & Schedule 2.2 (a) (ii) Privacy	YES
89.	2039 – 2041	Email – Northside Scoping and Canberra Hospital Master Plan (Attachments @ reference 51)	4 June 2020	Partial Release	Schedule 1.6 (1) (d) Cabinet Out of scope	YES
90.	2042 – 2059	Email – NHDOA May 2020 Invoice RE: AECOM Project Update – Northside Hospital Development Options Analysis w/e 29/05/2020	5 June 2020	Partial Release	Schedule 1.6 (1) (d) Cabinet & Schedule 2.2 (a) (ii) Privacy	YES
91.	2060 - 2077	Email and attachment – For approval – Northside invoice from Aecom	5 June 2020	Partial Release	Schedule 1.6 (1) (d) Cabinet & Schedule 2.2 (a) (ii) Privacy	YES
92.	2078 - 2079	Email - Northside hospital (Attachment @ reference 81)	5 June 2020	Partial Release	Schedule 1.6 (1) (d) Cabinet & Schedule 2.2 (a) (ii) Privacy	YES
93.	2080 – 2081	Email – NHDOA – Meeting Actions Update	5 June 2020	Partial Release	Schedule 1.6 (1) (d) Cabinet & Schedule 2.2 (a) (ii) Privacy	YES

94.	2082 – 2087	Email and attachments – Urgent – Northside hospital information	5 June 2020	Partial Release	Schedule 1.6 (1) (d) Cabinet & Schedule 2.2 (a) (ii) Privacy	YES
95.	2088 – 2104	Email – May Invoice	5 June 2020	Partial Release	Schedule 1.6 (1) (d) Cabinet & Schedule 2.2 (a) (ii) Privacy	YES
96.	2105 - 2110	Email – Calvary	5 June 2020	Partial Release	Schedule 1.6 (1) (d) Cabinet & Schedule 2.2 (a) (ii) Privacy	YES
97.	2111 - 2116	Email and attachment - Urgent – Northside hospital information	5 June 2020	Partial Release	Schedule 1.6 (1) (d) Cabinet & Schedule 2.2 (a) (ii) Privacy	YES
98.	2117 - 2118	Email	8 June 2020	Partial Release	Schedule 1.6 (1) (d) Cabinet & Schedule 2.2 (a) (ii) Privacy	YES
99.	2119 – 2121	Email - Urgent – Northside hospital information	9 June 2020	Partial Release	Schedule 1.6 (1) (d) Cabinet & Schedule 2.2 (a) (ii) Privacy	YES
100.	2122	Email	9 June 2020	Partial Release	Schedule 1.6 (1) (d) Cabinet	YES
101.	2123 - 2132	Email and attachment – NHDOA – Stage 2 CPHB Risk Register Initial DRAFT	9 June 2020	Partial Release	Schedule 1.6 (1) (d) Cabinet, Schedule 2.2 (a) (ii) Privacy & Schedule 2.2 (a) (xi) Business Affairs	YES
102.	2133 – 2146	Email – For approval – Northside invoice from Aecom	9 June 2020	Partial Release	Schedule 1.6 (1) (d) Cabinet & Schedule 2.2 (a) (ii) Privacy	YES
103.	2147 – 2148	Email - Northside hospital	9 June 2020	Partial Release	Schedule 1.6 (1) (d) Cabinet & Schedule 2.2 (a) (ii) Privacy	YES

104.	2149	Email – Calvary Infrastructure	10 June 2020	Partial Release	Schedule 1.6 (1) (d) Cabinet & Schedule 2.2 (a) (ii) Privacy	YES
105.	2150 – 2157	Email and attachment – NHDOA – Draft Stage 1 Condition Assessment Report	10 June 2020	Partial Release	Schedule 1.6 (1) (d) Cabinet & Schedule 2.2 (a) (ii) Privacy	YES
106.	2158 – 2167	Email and attachment – NHDOA –Stage 2 CPHB Risk Register Initial DRAFT	10 June 2020	Partial Release	Schedule 1.6 (1) (d) Cabinet, Schedule 2.2 (a) (ii) Privacy & Schedule 2.2 (a) (xi) Business Affairs	YES
107.	2168 – 2169	Email - NHDOA –Stage 2 CPHB Risk Register Initial DRAFT	10 June 2020	Partial Release	Schedule 1.6 (1) (d) Cabinet & Schedule 2.2 (a) (ii) Privacy	YES
108.	2170	Email – Risk Register questions	11 June 2020	Partial Release	Schedule 2.2 (a) (ii) Privacy	YES
109.	2171 – 2174	Email - NHDOA – Draft Stage 1 Condition Assessment Report (Attachment @ reference 105)	11 June 2020	Partial Release	Schedule 1.6 (1) (d) Cabinet & Schedule 2.2 (a) (ii) Privacy	YES
110.	2175 - 2177	Email - NHDOA –Stage 2 CPHB Risk Register Initial DRAFT	11 June 2020	Partial Release	Schedule 1.6 (1) (d) Cabinet & Schedule 2.2 (a) (ii) Privacy	YES
111.	2178 - 2219	Email and attachments – ACT govt policies on risk management	11 June 2020	Partial Release	Schedule 2.2 (a) (ii) Privacy	YES
112.	2220 – 2224	Email and attachment (Attachment @ reference 104)	11 June 2020	Partial Release	Schedule 1.6 (1) (d) Cabinet & Schedule 2.2 (a) (ii) Privacy	YES
113.	2225 - 2228	Email - NHDOA –Stage 2 CPHB Risk Register Initial DRAFT	11 June 2020	Partial Release	Schedule 1.6 (1) (d) Cabinet & Schedule 2.2 (a) (ii) Privacy	YES

114.	2229 – 2233	Email - NHDOA –Stage 2 CPHB Risk Register Initial DRAFT	11 June 2020	Partial Release	Schedule 1.6 (1) (d) Cabinet & Schedule 2.2 (a) (ii) Privacy	YES
115.	2234 – 2254	Email and attachments	11 June 2020	Partial Release	Schedule 1.6 (1) (d) Cabinet & Schedule 2.2 (a) (ii) Privacy	YES
116.	2255 – 2258	Email and attachment – Line 210 – pump	11 June 2020	Partial Release	Schedule 1.6 (1) (d) Cabinet & Schedule 2.2 (a) (ii) Privacy	YES
117.	2259 – 2263	Email - NHDOA – Draft Stage 1 Condition Assessment Report	12 June 2020	Refuse Release	Schedule 1.6 (1) (d) Cabinet & Schedule 2.2 (a) (ii) Privacy	NO
118.	2264 – 2273	Email and attachment – Calvary hospital risk register – quick review needed please	12 June 2020	Partial Release	Schedule 1.6 (1) (d) Cabinet, Schedule 2.2 (a) (ii) Privacy & Schedule 2.2 (a) (xi) Business Affairs	YES
119.	2274 – 2275	Email – Calvary hospital risk register – quick review needed please	12 June 2020	Partial Release	Schedule 1.6 (1) (d) Cabinet & Schedule 2.2 (a) (ii) Privacy	YES
120.	2276 – 2296	Email – AECOM Project Update – Northside Hospital Development Options Analysis w/e 12/06/2020	15 June 2020	Partial Release	Schedule 1.6 (1) (d) Cabinet & Schedule 2.2 (a) (ii) Privacy	YES
121.	2297 – 2300	Email and attachment – NHDOA – Fortnightly Meeting Minutes – 12/06/2020 – Draft Condition Assessment Discussion	16 June 2020	Partial Release	Schedule 1.6 (1) (d) Cabinet & Schedule 2.2 (a) (ii) Privacy	YES
122.	2301 – 2302	Email - NHDOA –Stage 2 CPHB Risk Register Initial DRAFT	16 June 2020	Partial Release	Schedule 1.6 (1) (d) Cabinet & Schedule 2.2 (a) (ii) Privacy	YES

123.	2303 - 2305	Email – NHDOA	17 June 2020	Partial Release	Schedule 1.6 (1) (d) Cabinet & Schedule 2.2 (a) (ii) Privacy	YES
124.	2306 – 2308	Email - Urgent – Northside hospital information	17 June 2020	Partial Release	Schedule 1.6 (1) (d) Cabinet & Schedule 2.2 (a) (ii) Privacy	YES
125.	2309 – 2319	Email and attachment – NHDOA – Demand Scenarios and Schedule of Accommodation DRAFT NOA	17 June 2020	Partial Release	Schedule 1.6 (1) (d) Cabinet & Schedule 2.2 (a) (ii) Privacy	YES
126.	2320	Email	18 June 2020	Partial Release	Schedule 1.6 (1) (d) Cabinet & Schedule 2.2 (a) (ii) Privacy	YES
127.	2321 – 2322	Email	18 June 2020	Partial Release	Schedule 1.6 (1) (d) Cabinet & Schedule 2.2 (a) (ii) Privacy	YES
128.	2323 – 2325	Email – review requested: Email for Clearance: Calvary hospital risk register – quick review needed please	18 June 2020	Partial Release	Schedule 1.6 (1) (d) Cabinet & Schedule 2.2 (a) (ii) Privacy	YES
129.	2326 – 2328	Email – NHDOA – Demand Scenarios and Schedule of Accommodation DRAFT NOA	18 June 2020	Partial Release	Schedule 1.6 (1) (d) Cabinet & Schedule 2.2 (a) (ii) Privacy	YES
130.	2329 – 2339	Email and attachment – Northside hospital – urgent input needed	18 June 2020	Partial Release	Schedule 1.6 (1) (d) Cabinet	YES
131.	2340 - 2342	Email – review requested: Email for Clearance: Calvary hospital risk register – quick review needed please	19 June 2020	Partial Release	Schedule 1.6 (1) (d) Cabinet & Schedule 2.2 (a) (ii) Privacy	YES
132.	2343 – 2364	Email and attachment – NHDOA	19 June 2020	Partial Release	Schedule 1.6 (1) (d) Cabinet & Schedule 2.2 (a) (ii) Privacy	YES

133.	2365	Email (Attachment @ reference 132)	19 June 2020	Partial Release	Schedule 1.6 (1) (d) Cabinet & Schedule 2.2 (a) (ii) Privacy	YES
134.	2366 – 2371	Email and attachments – NHDOA – Fortnightly Coordination Meeting Minutes – 18/06/2020	19 June 2020	Partial Release	Schedule 1.6 (1) (d) Cabinet, Schedule 2.2 (a) (ii) Privacy & Schedule 2.2 (a) (xi) Business Affairs	YES
135.	2372 – 2374	Email and attachment – Copy of NHDOA – Condition Assessment Workbook CPHB Version 1 – AECOM	19 June 2020	Partial Release	Schedule 1.6 (1) (d) Cabinet & Schedule 2.2 (a) (ii) Privacy	YES
136.	2375 – 2376	Email - Copy of NHDOA – Condition Assessment Workbook CPHB Version 1 – AECOM	19 June 2020	Partial Release	Schedule 2.2 (a) (ii) Privacy	YES
137.	2377 – 2388	Email and attachment - review requested: Email for Clearance: Calvary hospital risk register – quick review needed please	19 June 2020	Partial Release	Schedule 1.6 (1) (d) Cabinet, Schedule 2.2 (a) (ii) Privacy & Schedule 2.2 (a) (xi) Business Affairs	YES
138.	2389 - 2393	Email - review requested: Email for Clearance: Calvary hospital risk register – quick review needed please (Attachment @ reference 111)	19 June 2020	Partial Release	Schedule 1.6 (1) (d) Cabinet & Schedule 2.2 (a) (ii) Privacy	YES
139.	2394	Email – Northside hospital	20 June 2020	Partial Release	Schedule 1.6 (1) (d) Cabinet & Schedule 2.2 (a) (ii) Privacy	YES
140.	2395 – 2397	Email – Northside sites – for Erin (Attachment @ reference 132)	22 June 2020	Partial Release	Schedule 1.6 (1) (d) Cabinet	YES
141.	2398	Email – Risk register – further input	22 June 2020	Partial Release	Schedule 2.2 (a) (ii) Privacy	YES
142.	2399	Email – Condition Audit	23 June 2020	Partial Release	Schedule 2.2 (a) (ii) Privacy	YES

143.	2400 - 2421	Email and attachment – Northside hospital	23 June 2020	Partial Release	Schedule 1.6 (1) (d) Cabinet & Schedule 2.2 (a) (ii) Privacy	YES
144.	2422 – 2424	Email – NHDOA RE: Condition Audit	23 June 2020	Partial Release	Schedule 2.2 (a) (ii) Privacy	YES
145.	2425 – 2435	Email and attachments – Northside hospital – urgent input needed	23 June 2020	Partial Release	Schedule 1.6 (1) (d) Cabinet & Schedule 2.2 (a) (ii) Privacy	YES
146.	2436 – 2437	Email - Northside hospital – urgent input needed (Attachment @ reference 145)	23 June 2020	Partial Release	Schedule 1.6 (1) (d) Cabinet	YES
147.	2438 – 2439	Email - Northside hospital – urgent input needed	24 June 2020	Partial Release	Schedule 1.6 (1) (d) Cabinet & Schedule 2.2 (a) (ii) Privacy	YES
148.	2440 – 2444	Email and attachment – NHDOA Monthly Report – May 2020	24 June 2020	Partial Release	Schedule 1.6 (1) (d) Cabinet, Schedule 2.2 (a) (ii) Privacy, Schedule 2.2 (a) (xi) Business Affairs & Schedule 2.2 (xiii) Commercial	YES
149.	2445	Email – SOA input	24 June 2020	Partial Release	Schedule 1.6 (1) (d) Cabinet & Schedule 2.2 (a) (ii) Privacy	YES
150.	2446 – 2451	Email – NHDOA – Draft Stage 1 Condition Assessment Report	24 June 2020	Partial Release	Schedule 1.6 (1) (d) Cabinet & Schedule 2.2 (a) (ii) Privacy	YES
151.	2452 – 2476	Email and attachments - NHDOA – Draft Stage 1 Condition Assessment Report	24 June 2020	Partial Release	Schedule 1.6 (1) (d) Cabinet & Schedule 2.2 (a) (ii) Privacy	YES

152.	2477 – 2481	Email and attachment – NHDOA – SAMP RFI / Consultation Plan	25 June 2020	Partial Release	Schedule 1.6 (1) (d) Cabinet & Schedule 2.2 (a) (ii) Privacy	YES
153.	2482 – 2483	Email – Northside meeting this afternoon	25 June 2020	Partial Release	Schedule 2.2 (a) (ii) Privacy	YES
154.	2484 - 2488	Email and attachment – NHDOA – SAMP RFI / Consultation Plan	25 June 2020	Partial Release	Schedule 1.6 (1) (d) Cabinet & Schedule 2.2 (a) (ii) Privacy	YES
155.	2489 - 2490	Email – Calvary SAMP (Attachment @ reference 154)	25 June 2020	Partial Release	Schedule 2.2 (a) (ii) Privacy	YES
156.	2491 - 2495	Email and attachment – NHDOA – Monthly Control Group	26 June 2020	Partial Release	Schedule 1.6 (1) (d) Cabinet & Schedule 2.2 (a) (ii) Privacy	YES
157.	2496 - 2520	Email and attachment – NHDOA June Invoice RE: AECOM Project Update – Northside Hospital Development Options Analysis w/e 26/06/2020	29 June 2020	Partial Release	Schedule 1.6 (1) (d) Cabinet & Schedule 2.2 (a) (ii) Privacy	YES
158.	2521 – 2524	Email and attachment – NHDOA – Strategic Options NOA	29 June 2020	Partial Release	Schedule 1.6 (1) (d) Cabinet & Schedule 2.2 (a) (ii) Privacy	YES
159.	2525 – 2541	Email and attachment – NHDOA – Initial Costing of Condition Assessment for information	29 June 2020	Partial Release	Schedule 1.6 (1) (d) Cabinet & Schedule 2.2 (a) (ii) Privacy	YES
160.	2542 – 2564	Email and attachment – Northside hospital	29 June 2020	Partial Release	Schedule 1.6 (1) (d) Cabinet & Schedule 2.2 (a) (ii) Privacy	YES
161.	2565 – 2570	Email and attachment – Calvary SAMP	30 June 2020	Partial Release	Schedule 1.6 (1) (d) Cabinet & Schedule 2.2 (a) (ii) Privacy	YES

162.	2571 – 2575	Email - Northside hospital	30 June 2020	Partial Release	Schedule 1.6 (1) (d) Cabinet & Schedule 2.2 (a) (ii) Privacy	YES
163.	2576 – 2579	Email and attachment – For discussion at our 1:1 catch-up tomorrow: Northside sites	30 June 2020	Partial Release	Schedule 1.6 (1) (d) Cabinet & Schedule 2.2 (a) (ii) Privacy	YES
164.	2580 – 2597	Email and attachment – NHDOA – Initial Costing of Condition Assessment for Information	30 June 2020	Partial Release	Schedule 1.6 (1) (d) Cabinet & Schedule 2.2 (a) (ii) Privacy	YES
165.	2598 - 2599	Email - NHDOA – Initial Costing of Condition Assessment for Information	30 June 2020	Partial Release	Schedule 1.6 (1) (d) Cabinet & Schedule 2.2 (a) (ii) Privacy	YES
166.	2600 - 2601	Email – NHDOA – SAMP RFI / Consultation Plan (Attachment @ reference 161)	30 June 2020	Partial Release	Schedule 2.2 (a) (ii) Privacy	YES
167.	2602 - 2603	Email – NHDOA – SAMP RFI / Consultation Plan	30 June 2020	Partial Release	Schedule 2.2 (a) (ii) Privacy	YES
168.	2604 - 2606	Email – Calvary SAMP	30 June 2020	Partial Release	Schedule 2.2 (a) (ii) Privacy	YES
169.	2607	Email - NHDOA – SAMP RFI / Consultation Plan	30 June 2020	Partial Release	Schedule 2.2 (a) (ii) Privacy	YES
170.	2608 – 2612	Email and attachment – NHDOA – SAMP Request for Information & Consultation	1 July 2020	Partial Release	Schedule 1.6 (1) (d) Cabinet & Schedule 2.2 (a) (ii) Privacy	YES
171.	2613 – 2617	Email and attachment – NHDOA – Costing Assumptions NOA	1 July 2020	Partial Release	Schedule 1.6 (1) (d) Cabinet & Schedule 2.2 (a) (ii) Privacy	YES
172.	2618	Email - NHDOA – SAMP Request for Information & Consultation	1 July 2020	Partial Release	Schedule 2.2 (a) (ii) Privacy	YES
173.	2619 - 2620	Email – NHDOA – Demand Scenarios and Schedule of Accommodation Register	1 July 2020	Partial Release	Schedule 1.6 (1) (d) Cabinet & Schedule 2.2 (a) (ii) Privacy	YES

174.	2621 – 2640	Email – AECOM Project Update – Northside Hospital Development Options Analysis w/e 26/06/2020	1 July 2020	Partial Release	Schedule 1.6 (1) (d) Cabinet & Schedule 2.2 (a) (ii) Privacy	YES
175.	2641 – 2647	Email and attachment - NHDOA – Demand Scenarios and Schedule of Accommodation Register	1 July 2020	Partial Release	Schedule 1.6 (1) (d) Cabinet & Schedule 2.2 (a) (ii) Privacy	YES
176.	2648 – 2671	AECOM Project Update – Northside Hospital Development Options Analysis w/e 26/06/2020 (Attachment @ reference 157)	1 July 2020	Partial Release	Schedule 1.6 (1) (d) Cabinet & Schedule 2.2 (a) (ii) Privacy	YES
177.	2672 – 2673	Email and attachment – Agenda for Northside meeting tomorrow	1 July 2020	Partial Release	Schedule 1.6 (1) (d) Cabinet & Schedule 2.2 (a) (ii) Privacy	YES
178.	2674	Email – For discussion - Costing Assumptions northside hospital (Attachment @ reference 171)	3 July 2020	Partial Release	Schedule 2.2 (a) (ii) Privacy	YES
179.	2675 – 2676	Email - For discussion - Costing Assumptions northside hospital	3 July 2020	Partial Release	Schedule 2.2 (a) (ii) Privacy	YES
180.	2677 - 2700	Email - AECOM Project Update – Northside Hospital Development Options Analysis w/e 26/06/2020	3 July 2020	Partial Release	Schedule 1.6 (1) (d) Cabinet & Schedule 2.2 (a) (ii) Privacy	YES
181.	2701 – 2725	Email - AECOM Project Update – Northside Hospital Development Options Analysis w/e 26/06/2020	6 July 2020	Partial Release	Schedule 1.6 (1) (d) Cabinet & Schedule 2.2 (a) (ii) Privacy	YES
182.	2726 – 2728	Email – Northside hospital - Demand Scenarios and Schedule of Accommodation Register	6 July 2020	Partial Release	Schedule 1.6 (1) (d) Cabinet & Schedule 2.2 (a) (ii) Privacy	YES
183.	2729 – 2731	Email – New northside hospital – expert input needed (Attachment @ reference 171)	6 July 2020	Partial Release	Schedule 1.6 (1) (d) Cabinet & Schedule 2.2 (a) (ii) Privacy	YES

184.	2732 – 2736	Email – Capital Project List – 28 May 2020	7 July 2020	Partial Release	Schedule 1.6 (1) (d) Cabinet & Schedule 2.2 (a) (ii) Privacy	YES
185.	2737 – 2740	Email – New northside hospital – expert input needed	8 July 2020	Partial Release	Schedule 1.6 (1) (d) Cabinet & Schedule 2.2 (a) (ii) Privacy	YES
186.	2741 – 2743	Email - Northside hospital - Demand Scenarios and Schedule of Accommodation Register (Attachment @ reference 175)	8 July 2020	Partial Release	Schedule 1.6 (1) (d) Cabinet & Schedule 2.2 (a) (ii) Privacy	YES
187.	2744 – 2746	Email - Northside hospital - Demand Scenarios and Schedule of Accommodation Register	8 July 2020	Partial Release	Schedule 1.6 (1) (d) Cabinet & Schedule 2.2 (a) (ii) Privacy	YES
188.	2747 – 2767	Email - AECOM Project Update – Northside Hospital Development Options Analysis w/e 26/06/2020	8 July 2020	Partial Release	Schedule 1.6 (1) (d) Cabinet & Schedule 2.2 (a) (ii) Privacy	YES
189.	2768 - 2799	Email and attachments – NHDOA – Condition Assessment Issue close out	9 July 2020	Partial Release	Schedule 1.6 (1) (d) Cabinet & Schedule 2.2 (a) (ii) Privacy	YES
190.	2800	Email	9 July 2020	Partial Release	Schedule 1.6 (1) (d) Cabinet & Schedule 2.2 (a) (ii) Privacy	YES
191.	2801	Email – Northside hospital sites (Attachment @ reference 132)	9 July 2020	Partial Release	Schedule 2.2 (a) (ii) Privacy	YES
Total Number of Documents						
191						

Lowes, Shannon (Health)

From: [redacted]
Sent: Thursday, 5 March 2020 4:24 PM
To: Burch, Brad (Health); Landon, Daniel (Health)
Cc: [redacted]
Subject: NHDOA - Start Up Meeting Agenda
Attachments: NHDOA-Agenda-StartUpMeeting-20200306.pdf

Follow Up Flag: Flag for follow up
Flag Status: Completed

Hi Brad and Dan,

Please find attached a rough agenda for tomorrow's meeting. If there is anything overlooked please let me know.

Looking forward to meeting tomorrow.

Regards

[redacted]

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ABN 20 093 846 925

Agenda of Meeting

Northside Hospital Development Options Analysis

Subject	Start Up Meeting	Page	1
Venue	ACT Health Offices, Woden	Time	9am
Participants	Brad Burch [redacted]		
Apologies	Daniel Landon		
File/Ref No.		Date	06-Mar-2020
Distribution	As above		

No	Item	Action	Date
1.	Introductions		
2.	Project Overview, Outcomes, Objectives		
3.	Stakeholders Issues, engagement protocols, expectations		
4.	Governance and Reporting requirements • Fortnightly Reports • Fortnightly Coordination Meetings • Monthly Report • Monthly Control Group Meetings		
5.	Project Communications and Team		
6.	Delivery Program expectations		
7.	Workshops		
8.	Requests for information		
9.	WHS requirements		
10.	Other Items (?)		

Lowes, Shannon (Health)

From: Burch, Brad (Health)
Sent: Friday, 6 March 2020 10:25 AM
To: Landon, Daniel (Health)
Subject: FW: Northside Hospital Scoping Study - Service Planning Input

Follow Up Flag: Flag for follow up
Flag Status: Completed

Categories: Northside

UNCLASSIFIED Sensitive: Cabinet

FYI, sorry again, I thought I had included you!

From: Burch, Brad (Health)
Sent: Friday, 6 March 2020 10:24 AM
To: George, Jacinta (Health) <Jacinta.George@act.gov.au>
Cc: Lopa, Liz (Health) <Liz.Lopa@act.gov.au>; Galton, Sarah (Health) <Sarah.Galton@act.gov.au>; Stewart, Margaret (Health) <Margaret.Stewart@act.gov.au>; Pini, Sallyanne (Health) <Sallyanne.Pini@act.gov.au>
Subject: Northside Hospital Scoping Study - Service Planning Input

UNCLASSIFIED Sensitive: Cabinet

Good morning Jacinta

Hope you are having a good Friday.

As you are aware, we have recently selected AECOM to undertake an asset condition assessment of the Calvary Public Hospital Bruce campus and a subsequent options analysis, including refurbishment, new development on-site or a Greenfield development.

[redacted]

Could you please let me know if there is anything we can do to help facilitate the completion of this work? I would be happy to work with you if there is any additional contract staffing or consultancy support you require.

Happy to discuss.

Thanks and regards

Brad Burch | Executive Branch Manager
Strategic Infrastructure
Corporate Services
(02) 5124 9719 or [redacted] | brad.burch@act.gov.au

ACT Government | ACT Health

Lowes, Shannon (Health)

From: [redacted]
Sent: Wednesday, 11 March 2020 3:55 PM
To: Burch, Brad (Health)
Cc: Landon, Daniel (Health); [redacted]
Subject: NHDOA - Inception Meeting Notes
Attachments: NHDOA-MeetingNotes-StartUpMeeting-20200306.pdf

Categories: Northside

Hi Brad,

Please find attached notes from our meeting on Friday. Please let me know if we have missed or misinterpreted any items.

Regards

[redacted]

[redacted]

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Minutes of Meeting

Northside Hospital Development Options Analysis

Subject	Start Up Meeting	Page	1
Venue	ACT Health Offices, Woden	Time	9am
Participants	Brad Burch [redacted]		
Apologies	Daniel Landon [redacted]		
File/Ref No.		Date	06-Mar-2020
Distribution	As above		

No	Item	Action	Date
1.	**Project Overview, Outcomes, Objectives** This project aims to develop infrastructure options for a Northside Hospital which compliments the existing and confirmed future (i.e. SPIRE) infrastructure projects and Health clinical services delivery approach. It will consider current functions of Calvary and how these will need to be managed to meet projected growth and changes to service models.	Noted	
	A key outcome of this engagement is to provide direction to the ACT Government on the longer-term strategy for providing health infrastructure in north Canberra.	Noted	
	ACT Health to confirm confidentiality requirements for the engagement.	ACT Health	w/e 13/03/2020
	AECOM will provide a return brief confirming: • Approach to each stage incl. assumptions • Delivery Schedule • Governance & reporting • WHS requirements	AECOM	Draft w/e 13/03/2020
2.	**Key Stakeholders** Include: • Stage 1 and 2 – Calvary/LCM • Stage 3 and 4 - ACT Health Calvary Contract Manager & Health Services Planning • Minister, DG and DDG.	Noted	
3.	**Governance and Reporting** requirements To be confirmed in the return brief, however: • Fortnightly Reports, ACT Health agreed to be replaced with weekly email "AECOM Project Update"	Noted	

AECOM Imagine it. Delivered.

No	Item	Action	Date
	• Fortnightly Coordination Meetings, attendees: Brad Burch; Daniel Landon; Caitlin [missed last name]; [redacted] Team as required • Monthly Report, proposed to be in the form of a Dashboard report • Monthly Control Group Meetings – - Stage 1 &2 Attendees: Jarrad Nuss (Calvary) & Brad Burch (joint chairs), Sallyanne Pinney (Calvary Contract Manager) - Stage 3 & 4 Attendees: Brad Burch; Daniel Landon; Caitlin [missed last name]; Sallyanne Pinney (Calvary Contract Manager), Sarah Galton (Service Planning); [redacted] Team as required • Steer Co, chaired by Liz Lopa, includes Jacinta George (Health Services Planning & Evaluation), AECOM attendance only required when requested by ACT Health.		
4.	**Project Communications and Team** • Primary AECOM Point of Contact is [redacted] supporting with [redacted] oversight. • Primary ACT Health Point of Contact is Daniel Landon with Brad Burch oversight.	Noted	
5.	**Delivery Program expectations** [redacted]	Noted	
6.	**Workshops** Return Brief to confirm intended timing and topics of workshops and stakeholder consultation.	AECOM	Draft w/e 13/03/2020
7.	**Requests for information (RFI)** To be prepared and issued. ACT Health advised that the following may be available: • 2x Draft SAMP for Calvary • ACT Health Strategic Asset Management Framework • Calvary Draft Master Plan • Calvary Future Functional Assessment (CBRE produced for Calvary) • Extracts from LCM/ACT Health Agreement • Calvary Asset Register (i.e. extract from Financial management system) • Building/Infrastructure records and reports (i.e. any recently completed infrastructure assessments/investigations/options analysis) • Infrastructure budget submissions, current/planned • Draft Governance Plan for engagement • Clinical Services and demand profile for current Calvary and future expanded service offering. Expected to be received mid-April.	AECOM	11/03/2020

AECOM Imagine it. Delivered.

No	Item	Action	Date
	• HealthFIT SOAF and KPMG report can be circulated to AECOM Team for information. SOAF demonstrates ACT Health's expectations regarding the Options Analysis. • The ACT Health Risk Register, Calvary Risks have been requested. It was noted that these no longer sit with Canberra Health Services and as such the register will likely be out of date.		
8.	**WHS requirements for AECOM Calvary Hospital inspections** To be confirmed at Inception meeting with Calvary. AECOM advised of current travel restrictions in place.	AECOM	12/03/2020 at meeting with Calvary.

Lowes, Shannon (Health)

From: [redacted]
Sent: Wednesday, 11 March 2020 3:57 PM
To: Landon, Daniel (Health)
Cc: Burch, Brad (Health); [redacted]
Subject: NHDOA Request for Information NOA
Attachments: 60628807-NHDOA-NOA-RFI_A.pdf

Follow Up Flag: Follow up
Flag Status: Completed

Categories: Northside

Hi Daniel,

Please find attached a notice of advice (NOA) containing our initial request for information following our meeting last week. There may be additional items requested following our meeting with Calvary tomorrow afternoon.

If you have any queries on the attached please let me know.

Regards

[redacted]

[redacted]

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www.aecom.com

AECOM

Notice of Advice

Attention	Daniel Landon	Date	11/03/2020
CC	Brad Burch [redacted]	Project No.	60628807
Project Name	Northside Hospital Development Options Analysis		
From	[redacted]	Email	[redacted]
Scope	Request for Information		

With reference to Work Order 20104, section A.6.2 Stage 1: Calvary Public Hospital - Building Condition Assessments, item a., please find following a "Information Request" which specifies the asset, maintenance and financial information required to inform the Building Condition Assessments, the development of the Strategic Asset Management Plan and the Development Options Analysis. This list includes items discussed at the ACT Health Inception Meeting held on 06 March 2020.

Please note that some information may be used across multiple stages.

1.0 Stage 1: Calvary Public Hospital - Building Condition Assessments

- Calvary Asset Register (i.e. extract from Financial management system?)
- Building/Infrastructure records (drawings, preferably in CAD format, maintenance records or plans) and reports (i.e. any recently completed infrastructure assessments/investigations/options analysis/fire engineering)
- Asbestos Management Plan for all facilities included in inspection
- ACT Health/Calvary Asset Risk Register
- Calvary WHS Requirements for Site Inspections/Access

2.0 Stage 2: Calvary Public Hospital – Strategic Asset Management Plan

- 2x Draft SAMP for Calvary
- ACT Health Strategic Asset Management Framework
- Infrastructure extracts from LCM/ACT Health Agreement
- Infrastructure budget submissions, current/planned
- Past (most recent) asset valuation reports (such as for accounting / depreciation purposes)

3.0 Stage 3/4: Northside Hospital Development Options Analysis

- Clinical Services and demand profile [redacted] Expected to be received mid-April.
- Calvary Draft Master Plan
- Calvary Future Functional Assessment (CBRE produced for Calvary)
- [redacted]

4.0 Other

- Draft Governance Plan for engagement

Lowes, Shannon (Health)

From: Landon, Daniel (Health)
Sent: Wednesday, 11 March 2020 5:23 PM
To: [redacted]
Subject: RE: NHDOA Request for Information NOA

UNCLASSIFIED

Hi [redacted]

Thanks for your email. I'll start on your request.

See you tomorrow at Calvary.

Kind regards

Dan

From [redacted]
Sent: Wednesday, 11 March 2020 3:57 PM
To: Landon, Daniel (Health) <Daniel.Landon@act.gov.au>
Cc: Burch, Brad (Health) <Brad.Burch@act.gov.au>; [redacted]
Subject: NHDOA Request for Information NOA

CAUTION: This email originated from outside of the ACT Government. Do not click links or open attachments unless you recognise the sender and know the content is safe.

Hi Daniel,

Please find attached a notice of advice (NOA) containing our initial request for information following our meeting last week. There may be additional items requested following our meeting with Calvary tomorrow afternoon.

If you have any queries on the attached please let me know.

Regards

[redacted]

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Lowes, Shannon (Health)

From: [redacted]
Sent: Friday, 13 March 2020 12:17 PM
To: Jarrad Nuss (Calvary)
Cc: Landon, Daniel (Health); [redacted]
Subject: NHDOA - Calvary Request for Information

Categories: Northside

Hi Jarrad,

It was great to meet you and Denise yesterday. Please find below a list of the information we'd like if it is available. As discussed if there is anything that you think may be useful that we have not requested, please send it through, we can then include it in our gap analysis.

- Asset Register
- Building Drawings (preferably CAD if available)
- Site Plan and site infrastructure with building numbers and names, roads & car parks, utilities information (i.e. stormwater, sewer, power, comms) (preferably CAD if available)
- Building information – i.e.:
  - Functions
  - Gross floor area
  - Room numbers, function, size, no. of beds
- Existing bed numbers by function (funded / unfunded)
- Historic (say 5years) repairs and maintenance budgets and capital expenditure budgets (and actual spend)
- Most recent asset valuation reports (i.e. for accounting/depreciation purposes) including total useful life and remaining useful life
- Asbestos Management Plans
- Recent engineering/building reports/assessments for building fabric/structure, plant and equipment, fire, options analysis, roads, utilities (which are un-actioned, i.e. have not resulted in capital/R&M works being completed)
- Maintenance records for key plant and equipment
- Asset risk register and criticality assessment of assets
- Risk Management framework
- Most recent 2 x draft SAMP
- Most recent Draft Master Plan
- Future functional assessments
- Any forms required to be completed as part of the WHS/Site Access requirements

If we identify any other items we will be in touch.

If you have any queries on the above, please let me know.

Regards

[redacted]

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Landon, Daniel (Health)

From: Landon, Daniel (Health)
Sent: Friday, 13 March 2020 3:16 PM
To: [redacted]
Subject: FW: Strategic Asset Management Framework
Attachments: 160628 SAMF Development Final Report_Appendices_Part 1.pdf; 160628 SAMF Development Final Report_Appendices_Part 2.pdf; 160628 SAMF Development Final Report_Appendices_Part 3.pdf; 160722 ACT Health SAMF Development Final Report.pdf; 181129 CPH SAMP Update Plan Final Draft v2.pdf

UNCLASSIFIED

H[redacted]

Please see attached.

Regards

Dan

From: Burch, Brad (Health) <Brad.Burch@act.gov.au>
Sent: Friday, 13 March 2020 12:22 PM
To: Landon, Daniel (Health) <Daniel.Landon@act.gov.au>
Subject: FW: Strategic Asset Management Framework

UNCLASSIFIED

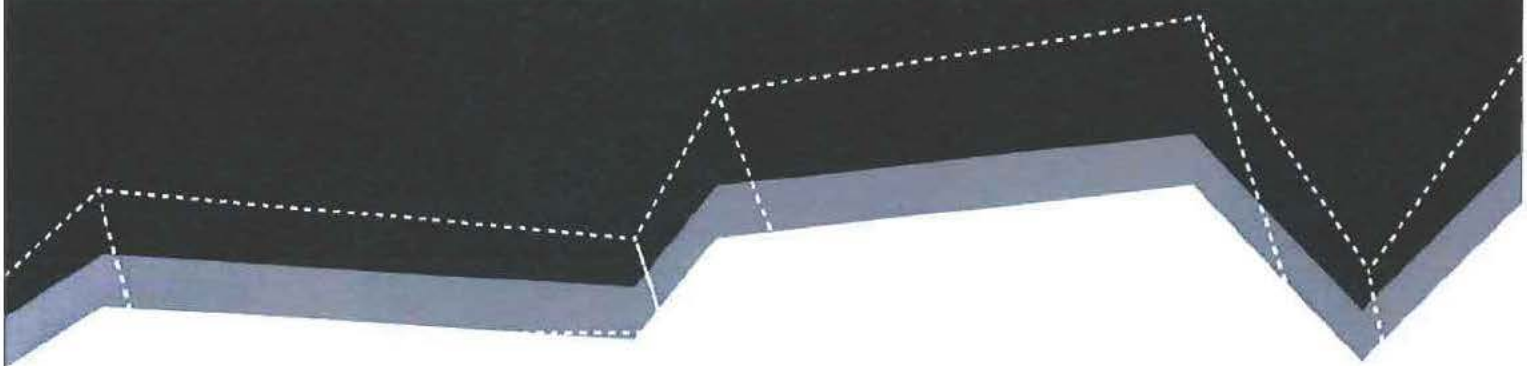
Hi Dan – can you send these through to[redacted]

This includes the most recent draft Calvary SAMP, I am still tracking down the previous version.

Thanks
Brad

DONALD
CANT
WATTS
CORKE

APPENDIX 8.1
ASSET PORTFOLIO ALIGNMENT FRAMEWORK ASSESSMENT REPORT



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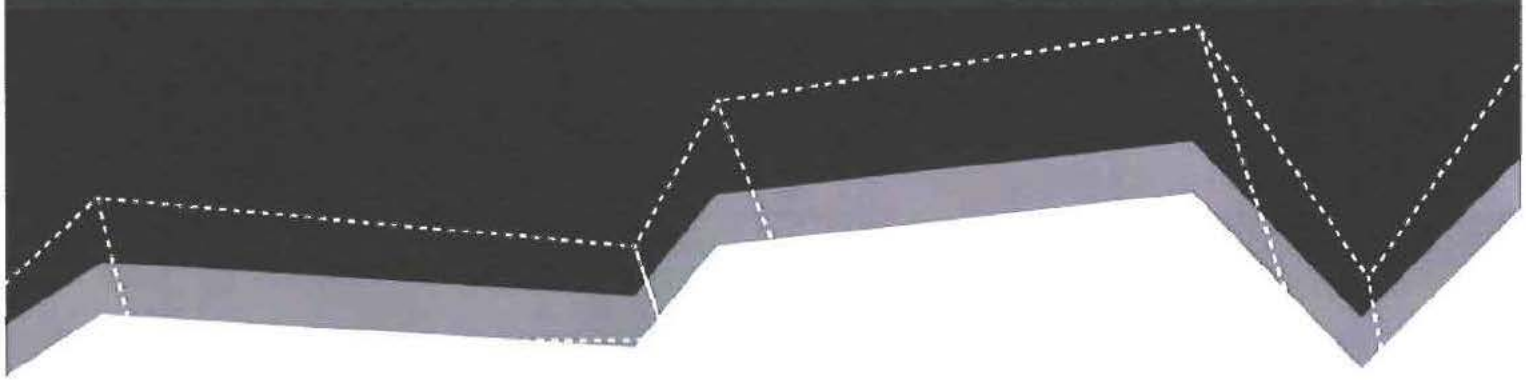
ACT HEALTH
ASSET PORTFOLIO ALIGNMENT FRAMEWORK ASSESMENT



ACT Government

DONALD CANT WATTS CORKE

ACT HEALTH
ASSET PORTFOLIO ALIGNMENT FRAMEWORK ASSESSMENT

May 2016

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Institute of Asset Management IAM CORPORATE MEMBER

TABLE OF CONTENTS

EXECUTIVE SUMMARY

There are two components to a robust Strategic Asset Management Framework (SAMF). Both of these components align to the strategic goals of the organisation from which organisational service delivery objectives are derived. The two elements are as follows:

- ***Alignment of the Asset Portfolio.*** The focus of this component is on the asset portfolio, and aligning the asset portfolio to corporate strategies (i.e. Health Service Delivery Plan);
- ***Alignment of Asset Management Capability (management of the asset portfolio).*** This examines the alignment of asset management business systems. A Capability Assessment reviews the asset management systems and processes that underpin the management of the estate. These systems, processes and policy settings are integral in setting the framework for leadership, planning, enabling asset management activities and evaluating performance in an environment of continuous improvement.

The diagram below illustrates the components of a SAMF and how these integrate into a broader organisational construct. It is important to note that asset cycle activities (create/acquire, utilise, maintain, renew/dispose) are operationally focused and sit at the bottom end of the SAMF. Often, organisations conduct asset cycle activities without reference to and in the absence of a SAMF. This process does not enable a considered and measurable way of linking asset cycle activities with the strategic objectives and service delivery outcomes of the organisation and as a result can lead to ill-informed expenditure on asset portfolios and also management of the estate.

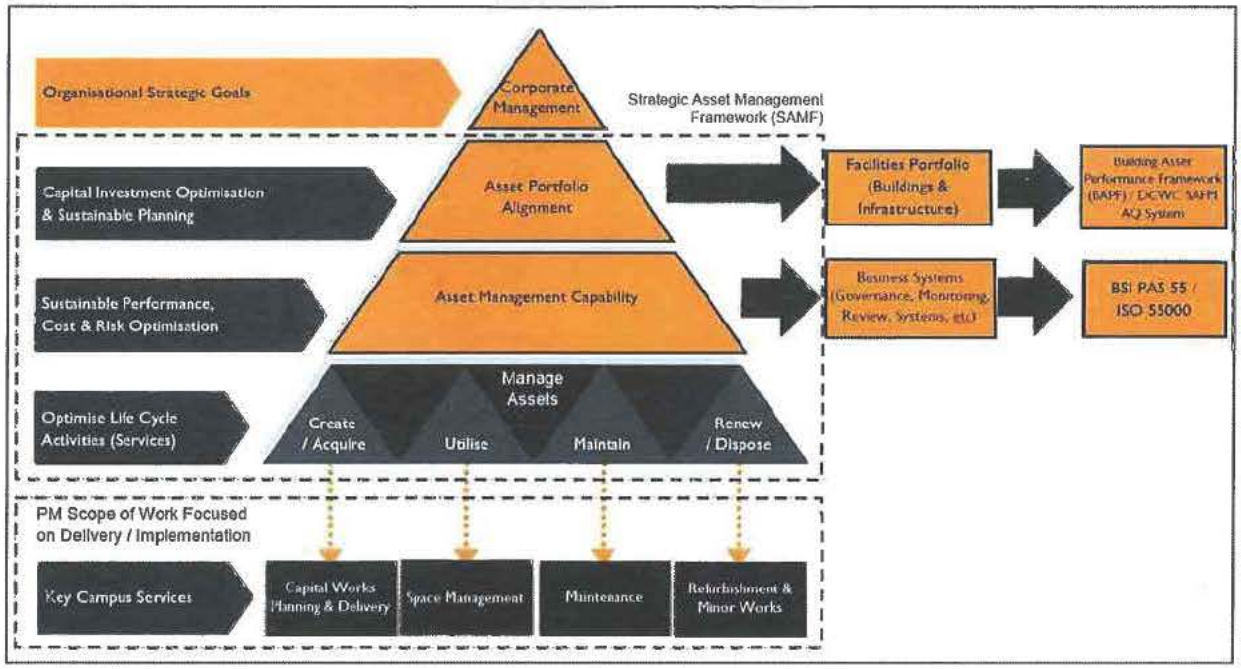

Figure 1 Strategic Asset Management Framework (SAMF)

The development of a robust SAMF is therefore critical to the efficient and effective management of an asset portfolio, both in terms of asset alignment and asset management capability. For a SAMF to provide tangible benefit it must achieve the following outcomes:

- The SAMF needs to be ***integrated*** with ***corporate governance*** processes;
- The SAMF must include a ***robust performance assessment framework*** for the asset portfolio;
- A ***Strategic Asset Management Plan (SAMP)*** is a core component of the SAMF, focusing on alignment of the asset portfolio with an organisations business objectives;

- A SAMP needs to convert corporate strategies and goals into ***measurable Asset Management (AM) objectives*** that align to the performance assessment framework; and
- A SAMP must provide a ***consistent lens*** that can be applied to all stages of the asset lifecycle

As previously outlined, the key elements of the SAMF development process are:

- ***Alignment of the Asset Portfolio.*** A framework for this analysis is included in the ANAO Better Practice Guidance[1] and is also the focus of documents like the NSW Government Total Asset Management (TAM). The focus of this element is on the asset portfolio and aligning the asset portfolio to corporate strategies (i.e. Health Service Delivery Plan). It is critical that this alignment is conducted in an informed manner using performance based measures that meet the institution's strategic objectives as stated in defined Asset Management (AM) objectives. Tools such as the Queensland Government's Building Asset Performance Framework (BAPF) are a best practice tool for empirical measurement of the performance of an asset portfolio;
- ***Alignment of Asset Management Capability (management of the asset portfolio).*** This examines the alignment of asset management business systems and processes as opposed to the asset portfolio itself. The assessment generally uses international best practice standards such as the Institute of Asset Management's (IAM) PAS 55 and ISO 55000 or its equivalent. An assessment, as a minimum, should examine:
  - Governance;
  - Strategic Asset Management Planning;
  - Asset Management (AM) Implementations plans (such as asset management plans and AM capability improvement plans);
  - Key enablers such as:
    - Policies and procedures;
    - Information systems;
    - Risk management;
    - Procurement framework;
    - Life Cycle Analysis;
  - Performance assessment; and
  - Review and continuous improvement.

This report focuses on alignment of the asset portfolio though a Strategic Asset Management Planning (SAMP) process as outlined above. The alignment of asset management capability is covered under a separate report.

The SAMF development process will give ACT Health critical insights into the current state of the asset portfolio and the business systems supporting the management of the asset portfolio. The integration of the SAMP within the SAMF will optimise ACT Health asset portfolio through active use of asset implementation plans aligned with service delivery requirements to achieve its stated business objectives.

The objective of a SAMP is to define high level, affordable and achievable strategies for realigning asset portfolios to meet the strategic and operational objectives of organisations and also defining the AM outcomes that will be delivered. SAMPs should support organisations to develop strategic AM objectives that are financially sustainable. A SAMP should also examine a range of strategy options that are aimed at developing a clear link between the organisation's estate objectives and the financial sustainability of those objectives.

[1] ANAO - Better Practice Guide on the Strategic and Operational Management of Assets by Public Sector Entities, Sept 2010

This report is informed by a literature review of existing national and international frameworks for alignment of asset management portfolios. The findings of the review are summarised in this report to facilitate a high level comparison of existing frameworks to better inform which may be the most suitable framework for ACT Health to adopt for the optimal management of four identified asset streams – Built Assets, Medical Equipment, Non-Medical Plant and Equipment; and ICT Enterprise Solutions.

To provide ACT Health with a strong basis on which to make this decision, Donald Cant Watts Corke SAFM has also reviewed SAMFs adopted in the UK and across Australian jurisdictions in the contemporary Health context. Each framework has been summarised and tabulated in the body of this Draft Report to provide ACT Health with a quick reference guide and comparison of the relative advantages and disadvantages of each framework in consideration of ACT Health's current asset management maturity. Donald Cant Watts Corke SAFM has also included a recommendation on which SAMP framework may best facilitate the development of a SAMF framework for ACT Health. For ease of reference for ACT Health stakeholders the main articles, case studies and frameworks discussed in this Draft Report are included as appendices.

1 BACKGROUND

Public health services all around Australia, including ACT Health, are facing significant challenges arising from a need to meet ever increasing demand for services with constrained budgets, limited resources and ageing infrastructure. The typical response to the situation that is confronting most public health services is to deliver new capital projects in an attempt to meet ever growing demand for services. This inevitably leads to an ever expanding asset portfolio that is expensive to maintain and operate over time and that puts ever more pressure on operating budgets.

Meeting these challenges requires a different way of thinking, excellent planning and the effective activation and utilisation of physical assets to enable the delivery of services in an ever more efficient and effective way.

Health service delivery is heavily dependent on the use of physical assets such as buildings, specialised medical equipment, ICT and non-medical plant and equipment. Effective management of the ACT Health asset and infrastructure portfolio (approximately $1,100M asset replacement value) is therefore critical to the efficient and effective delivery of health services by ACT Health.

The most important component of an effective asset management framework is ensuring that assets align with the strategic aims and service delivery objectives of the organisation. This may seem like an obvious statement but even a cursory look at most public sector asset portfolios highlights that their asset portfolios are poorly suited to meet the current strategic objectives and service delivery requirements of the organisation and the future challenges that confront these institutions.

A Strategic Asset Management Framework (SAMF) provides an integrated approach for the effective management of assets and infrastructure through the alignment of asset portfolios and asset management capability. Only in this way can an organisation be confident that it is maximising the use of their asset portfolio in support of institutional outcomes and service delivery objectives.

Benefits of Asset Portfolio Realignment:

- Aligns the organisations asset portfolio with the organisational strategic objectives and service delivery outcomes;
- Converts the institution's strategic direction and mission into measurable Asset Management (AM) Objectives;
- Assess the current performance of the institution's estate against those objectives;
- Identifying the performance gap between current performance and future need (Gap Analysis);
- Develop prioritised non-asset and asset strategies that will close the performance gap over time;
- Translating the strategies into appropriate Space Management, Capital Investment, Maintenance and Surplus Asset Plans;
- Develop efficient and effective service delivery approaches for implementation of the various plans; and
- Achieve engagement with senior managers and build institutional expertise and capability.

2 ASSET MANAGEMENT FRAMEWORKS

This report includes a comparison of various asset management frameworks which can be used as a guide to assist ACT Health determine the best asset management framework to implement.

Table 1 Summary of Asset Management Frameworks Analysed

Asset Management Framework	Country / Source	Brief Description	Advantages	Alignment to ACT Health
Achieving Excellence Design Evaluation Toolkit (AEDET)	British, UK	The AEDET is a Health-sector focused SAMF that is focused on evaluating the quality of design of healthcare environments. It incorporates performance-based measures to ascertain the effectiveness and efficiency of building performance and the operations of facilities.	The utilisation of the AEDET has been trialled successfully in a case study in a rural Victorian Health setting. It provides a thorough approach to evaluating building performance although it does not cover other assets streams such as ICT and medical equipment.	Without adaptation, this toolkit is not suitable for Australian climatic conditions and adaptive-reuse of buildings. It does not provide an integrated SAMF solution to ACT Health.
Victorian Medical Equipment Asset Management Framework (VMEAMF)	Victoria, Australia	An asset management framework implemented in Victoria, Australia. Deals with the management of medical equipment assets.	Allow health services to robustly plan equipment requirements and help services to develop systems to plan and acquire medical equipment assets according to business principles, optimise decision making on the investment of health equipment, and improve the quality and safety of healthcare.	As this is a nationally implemented framework, key features may be applied to ACT Health. Also aligns with the stages of the asset lifecycle.
NSW Government, Total Asset Management (TAM)	NSW, Australia	A strategic and systematic approach to physical asset and infrastructure planning and management that is consistent across the whole of Government, not just the Health setting.	Requires agencies to plan for their total asset requirements including land, buildings, ICT and equipment required for their service delivery. Agencies are required to outline any interrelationships	A successfully implemented State-based, whole of Government approach to SAMF that has recently undergone significant modernisation. The NSW TAM presents a cohesive

Asset Management Framework	Country / Source	Brief Description	Advantages	Alignment to ACT Health
			between proposed projects and how these support a cohesive, integrated asset and service delivery strategy.	framework to AM financial sustainability that is easily transferrable to the ACT Health context.
Australian National Audit Office (ANAO)	ACT, Australia	A high level SAMF applicable across varying sectors and Government agencies. The ANAO is focused on the alignment of asset portfolio with the organisation's strategic objectives and desired service delivery outcomes, however, it does not align this with asset management capability to present an integrated approach to SAMF.	Impresses the importance of identifying priority capabilities and focus resources on assets that directly relate to the strategic objectives of the organisation and the future trajectory of its strategic aims. Importantly for ACT Health, the ANAO Guide highlights the importance of understanding the high level service delivery capability that is desired over the long-term before integrating these objectives into a cohesive SAMF.	The ANAO Guide presents a strong capital investment framework that provides a blueprint for the development of business cases that ACT Health provides to Treasury in relation to investment planning.
ACT Strategic Asset Management Guideline (ACT SAM Guideline)	ACT, Australia	A set of guidelines used by the ACT government. The objectives of the guidelines is to improve the quality and performance of publicly owned assets	Requires agencies to consider a range of possible future scenarios for changes in demand in its delivery of requirements. Asset Sustain Categories are created to keep existing assets functional and effective at minimum cost.	The guidelines present a strong asset management framework which keeps assets functional at minimum cost. Can be transferred to ACT Health as it is already being utilised by the ACT government
TEFMA	Australia	Framework that targets universities with a focus on making the institution's estate adequately support the institution's overall	Advocates for SAMPs and Master Plans to be developed in tandem with each other to enable an informed approach and strategy	The TEFMA framework is designed for Higher Education sector which includes energy intensive research universities with

Asset Management Framework	Country / Source	Brief Description	Advantages	Alignment to ACT Health
		goals and purpose (its mission), its strategic direction and its service delivery objectives.	for the future management and development of institutional asset portfolios.	complex estates. This is a comparable context to ACT Health, which has a complex asset portfolio and energy intensive medical equipment.

2.1 ACHIEVING EXCELLENCE DESIGN EVALUATION TOOLKIT (AEDET), UK

The AEDET is a toolkit that is utilised by the National Health Service (NHS) under the suite of Building Research Establishment Environmental Assessment Methodology (BREEAM) Toolkits to establish the quality of design of healthcare environments. Advantageously, it is a Health-focused framework although it is focused entirely on the built estate and does not encapsulate the other asset streams of ICT, medical equipment and non-medical plant and equipment requested that forms part of this commission. As these asset streams are key components in the SAMF that ACT Health adopts moving forward, the utilisation of elements of the AEDET Framework would require adaptation and evolution to render it suitable for ACT Health's purposes.

The AEDET Framework is focused on building function, building impact and building quality to determine the built estate in delivering its service outcomes as seen in Figure 2.

The AEDET Framework has been adapted and employed in an Australian context as a case study at a large regional healthcare facility in Victoria serving 500,000 people per annum and employing 6000 people across 21 sites.

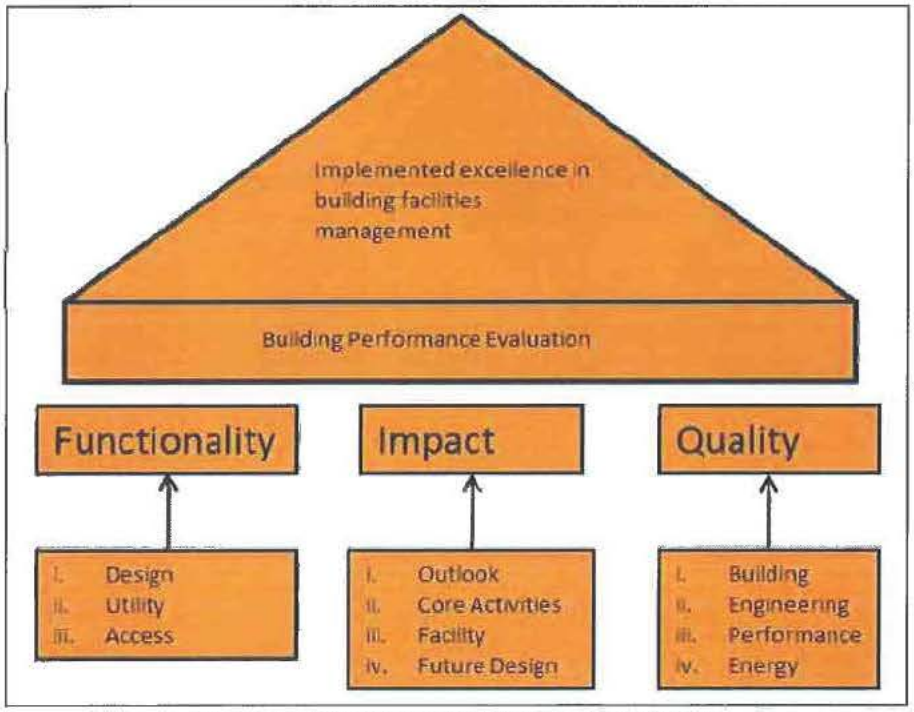

Figure 2 The Design of the AEDET Framework

An electronic survey was designed based on this framework and was tested within 11 divisions in the public hospital. The questionnaire was issued to healthcare users about their level of satisfaction in relation to the building elements. Statistical analysis was conducted to regroup the elements depending on their relevance and importance. The regrouped elements and their inter-relationships were used to develop a framework for measuring building performance in the healthcare buildings.

The results were very positive as 11 Executive Directors who responded to the survey responded with a 100% success rate. It was observed that the toolkit was well understood, receiving an acceptance score of above 3 (out of 5). The following is the main focuses of the toolkit ranked according to relevance:

- Building Functionality
- Building Impact
- Building Quality

Despite the positive results, it was argued that the AEDET is deemed unsuitable for use in Australian climatic conditions and patterns of building adaptive reuse. This means that there are no local frameworks for health design space to employ and it is argued that there are no standard benchmarks used to evaluate building performance in Australia.

2.2 VICTORIAN MEDICAL EQUIPMENT ASSET MANAGEMENT FRAMEWORK (VMEAMF), VIC

The Victorian Medical Equipment Asset Management Framework is utilised by the Victorian government. The overall goal of this framework is to minimise the risks associated with the failure of these assets and to ensure that organisations meet delivery objectives effectively.

The framework states that all medical assets pass through a lifecycle which includes:

- Plans to replace and add assets
- Acquiring assets
- Decommission and disposing assets
- Operate, maintain, and monitor assets
- Record and maintain asset information

The framework itself provides guidance and information to help services manage health equipment assets and to meet the requirements for asset management. Follows four key tasks:

- Importance of asset information is held in high regard
- Assets with critical risk are prioritised
- Provide realistic estimates of the lifecycle/effective lives of the medical assets
- Plan and budget for replacement of equipment

The VMEAMF holds many benefits:

- Allows health services to robustly plan equipment requirements
- Help services to develop systems to plan and acquire medical equipment assets according to business principles, optimise decision making on investing on health equipment, improve the quality and safety of healthcare, and develop asset management plans

2.3 TOTAL ASSET MANAGEMENT (TAM), NSW GOVERNMENT

TAM is a framework implemented by the NSW Government. The framework is designed to be used by all NSW Government organisations and highlights the importance of employing an objective of a strategic and systematic approach to physical assets and infrastructure planning/management that is consistent throughout the whole of Government. It is also a critical step in the development of a State Infrastructure Strategy (SIS).

The TAM policy requires agencies to plan for their total asset requirements including land, buildings, ICT, fleet and specialised equipment required for their service delivery. Agencies are also required to outline any interrelationships between proposed projects and how these support a cohesive, integrated asset and service strategy.

The TAM can be of particular interest to the Health sector due to the rapidly changing landscape of Enterprise Systems and the Health IT Infrastructure. This is because the TAM "requires agencies to identify future pressures driving demand for services and any demand management strategies considered or proposed to keep service levels sustainable within resource limits".

2.4 AUSTRALIAN NATIONAL AUDIT OFFICE (ANAO)

The ANAO Better Practice Guide on the Strategic and Operational Management of Assets by Public Sector Entities Report presents a robust framework for strategically aligning the asset portfolio with clearly articulated service delivery outcomes planned over a long-term basis. Furthermore, it states the importance of aligning the asset portfolio along a clear line of sight with the organisation's strategic objectives.

The ANAO incorporates a realistic approach to the rationalisation of assets after taking an extensive investigation of the asset portfolio against the service delivery program and understanding which assets contribute towards the organisation's strategic mission and which assets can be consolidated to improve an organisation's triple bottom line.

Usefully, the ANAO aligns closely with the four stages of the entire asset management lifecycle with organisational planning across each stage. These manifest in the form of an Acquisition Plan, Operational Plan, Maintenance Plan and Disposal Plan all of which feed into the Capital Management Plan.

Regarding the Capital Investment Planning aspects of asset management, the ANAO recommends the following as being pragmatic for capital investment decision making:

- Formally documents the contribution to program delivery requirements;
- Provides more accurate forward-year budgeting with all significant acquisitions signed off by the executive leadership team;
- Identifies full life-cycle costs;
- Is more likely to consider all aspects of capital acquisition, with respect to financial, human, information and physical resources; and
- Formally assesses and manages the associated risk.

This suggested capital investment framework provides a good guide for the development of business cases that ACT Health provides to Treasury in relation to investment planning.

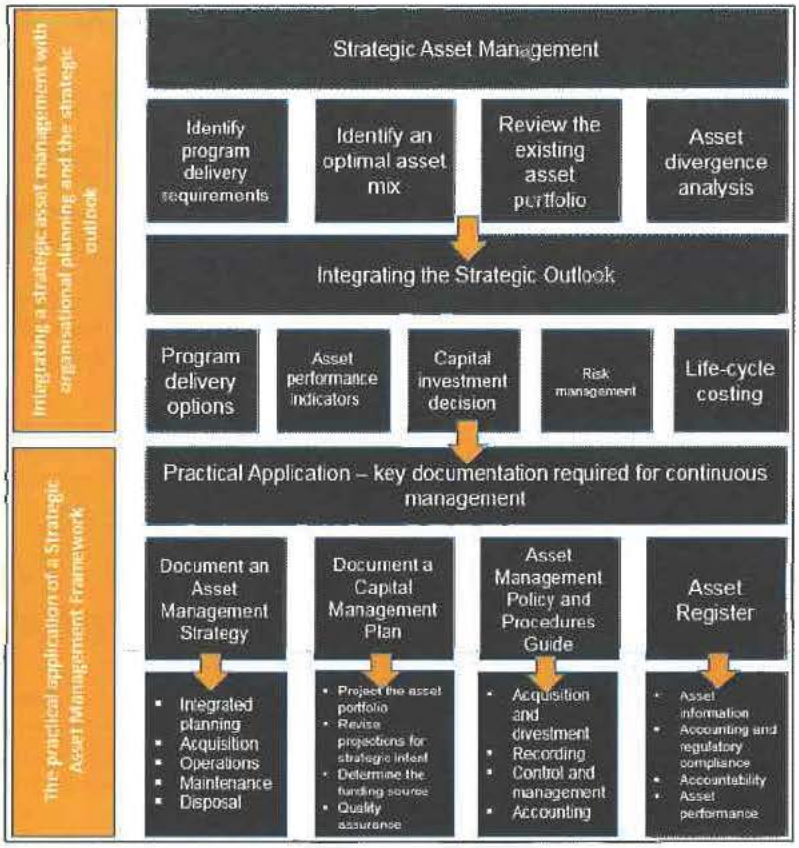

Figure 3 The Design of the ANAO Framework

2.5 DRAFT SAM GUIDELINES (ACT TREASURY)

The ACT SAM is a set of guidelines developed for use by ACT Government Departments. The objective of the guidelines is to improve the quality and performance of publicly owned assets. It is required that the framework addresses the following:

- Government objectives with respect to the management of assets
- Service delivery needs and associated asset management decisions

The guidelines suggest that agencies are required to arrive at its preferred approach for the future, which can then be considered by relevant decision makers. There are three approaches for this aspect which the agencies can consider:

- Sustaining existing assets
- Proposed asset sourcing
- Proposed disposal of surplus assets

To keep existing assets functional and effective at minimum cost, the Asset Sustain Categories was designed. These categories are based on standards which include:

- Normal asset operation costs
- Effective utilisation of the capital upgrade program to extend the useful life of assets
- Projected costs of major periodic repair/refurbishment/replacement

The guidelines also suggest that agencies include a strategy for the maintenance of their existing asset base when preparing their SAMPs and should consider current and future service levels when developing their maintenance strategies.

To assist in the ongoing strategic asset planning process, the guidelines recommended that agencies should have the ability to record performance data for individual assets. There are a number of measures commonly used to assess asset performance:

- An asset's physical condition
- Utilization
- Functionality
- Financial performance

2.6 TERTIARY EDUCATION FACILITIES MANAGEMENT ASSOCIATION (TEFMA) SAM GUIDELINE

The TEFMA Strategic Asset Management (SAM) Guideline focuses on defining and supporting the process of developing a Strategic Asset Management Plan (SAMP) for institutions in the Australasian Tertiary Education Sector. The preparation of a SAMP will ensure that an institution's estate adequately supports the institution's overall goals and purpose (its mission), its strategic direction and its service delivery objectives.

This guideline also has a broader objective. Ultimately the goal for Facilities organisations is to provide strategic advice on asset management to the senior executive, as that strategic advice is essential to the long-term financial health of the institution. It is therefore vital that SAM is viewed as core institution business, in conjunction with finance, human resources (HR) and information technology (IT).

The TEFMA Guideline has been developed through a comprehensive audit process of public sector practices in Australia, New Zealand, the United Kingdom and the United States of America. The key focus of the TEFMA Guideline is an integrated approach to Asset Management Planning ensuring that the asset portfolio is linked to organisational strategic objectives and service delivery outcomes. It also advocates for SAMPs and Master

Plans to be developed in tandem with each other to enable an informed approach and strategy for the future management and development of institutional asset portfolios.

The TEFMA Guideline also speaks to the development of performance targets to match the level of performance provided by the estate with the strategic objectives and mission of the institution. To do this, estate performance targets need to reflect the direction/priorities set in the five-year institutional plans for each key estate performance criteria as follows:

- Service Dependency
- Location
- Capacity
- Utilisation
- Condition
- Functionality and
- Environmental Sustainability

These performance criteria are aligned with those in the Queensland Government Building Asset Performance Framework which is regarded as a best practice framework for assessing the performance of asset portfolios.

The TEFMA Guideline also incorporates a risk based approach to the preparation of a SAMP with the objective of Asset Risk Management being to recognise and prepare for a range of possible future outcomes. Asset-related risks may include those that directly affect the assets during their useful life or which have an impact on the level of demand for services. In the Guideline, asset-related risk associated with the delivery of services, in institutions should be assessed by adopting a whole-of-life approach, as the risk exposure varies during the asset's life cycle. Asset Management requires the identification, analysis and evaluation of the risks associated with the acquisition, operation, maintenance and disposal of assets. Potential asset-related risks are numerous, but can be categorised as legal, financial, operational or public-image risks.

3 COMMON CHALLENGES

3.1 SAMF/SAMP DIFFERENTIATION

The key issue that is common to the majority of publicly available approaches to the SAMF process is integration of asset management capability assessment and the SAMP. This creates an unwieldy, complicated, confusing and cumbersome process that blurs organisational understanding of strategic asset management, the key areas of concern and therefore the most efficient method of rectification / asset portfolio realignment.

Clearly delineating these two aspects clarifies the key outputs of the SAMF and enables targeted identification of asset management gaps that exist in the organisation's current approach to managing its assets. This approach simplifies determining whether the built estate is poorly aligned with organisational strategic objectives, if the in-house capabilities should be the focus of asset management improvement or both.

This approach to SAMF delineation is illustrated in Figure 1 where the SAMP process realigns the built estate portfolio and Asset Management Capability focuses on assessing the management of the asset portfolio. Both of these independent tools are then aligned to the overarching strategic objectives of the organisation.

3.2 FINANCIAL SUSTAINABILITY

A disconnect often exists between the asset management aspirations or objectives of an organisation and the financial capacity of the organisation to service these requests. A common shortfall of many publicly available SAMFs is that they do not adequately address the financial viability and long term financial sustainability of managing an asset portfolio to address the gap between what the portfolio currently does in support of organisational objectives and what it should do.

Funding streams are often not aligned with the action items related to realigning the asset portfolio and improving asset management capability. This results in the production of aspirational wish lists of asset-related improvements or new developments all of which inevitably add further stress to already stretched operational budgets.

Notable exceptions to this common shortfall include the NSW Government TAM and the ANAO Better Practice Guide that provide an integrated approach to financial management of the estate portfolio realignment from a whole of Government perspective. In order ensure long term financial viability of SAMFs, it is imperative that the whole of lifecycle costs for each asset class are identified and accounted for as a critical step in capital investment and recurrent funding planning.

4 BEST PRACTICE APPROACH

The most common approach used by organisations for identification of capital projects is to consider corporate ideas, funding opportunities and stakeholder submissions to develop a list of prioritised projects. These projects are sometimes subjected to a business case or feasibility process before proceeding, as shown in Figure 4 below.

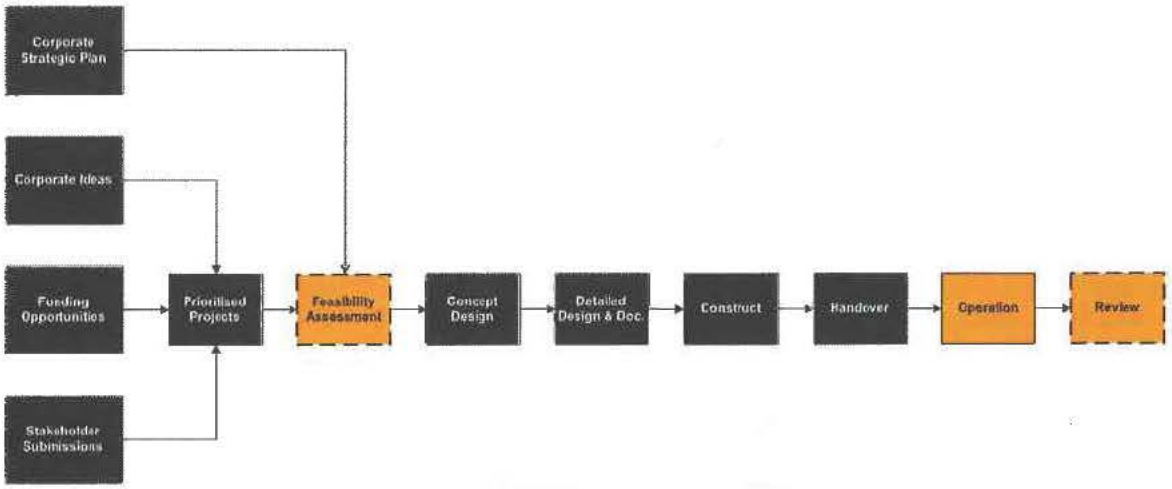

Figure 4: Common Project Lifecycle

This approach does not deliver optimal asset management solutions for the following reasons:

- There is often no strategic context for the business case, as the selection of the project is determined by anecdotal rather than empirical evidence. The assessment will only assess the feasibility of each project, not its priority against other portfolio realignment strategies. It is therefore asset based rather than portfolio based;
- Similarly, the "benefits" component of the business case is anecdotal where it should be based on the impact the project has on asset portfolio performance and how the project meets organisational objectives and outcomes as part of a total portfolio approach; and
- The business case is undertaken in isolation of financial constraints. Usually, only the capital cost of delivering the project is considered and as a result, the total funding required to deliver feasible projects does not reflect the budget that is required to operate, manage and maintain the asset over the term of its useful life.

In contrast, the implementation of a best practice SAMP development process achieves the following outcomes and benefits:

- Ensures that "a clear line of sight" is established to corporate AM (performance) objectives and subsequent performance targets;
- Provides an empirical assessment of the current performance of the asset portfolio and the gaps to target performance;
- Enables high level assessment of strategy options that could be adopted to deliver the required level of asset portfolio performance;
- Enables the cost and financial impact of the strategies to be empirically assessed; and
- Supports the development of a project list that are most likely to provide the highest impact for least cost (or best value), in consideration of total portfolio budget constraints.

The SAMP is the first step in a process to identify the most feasible asset portfolio investment strategies, as shown in Figure 5 below:

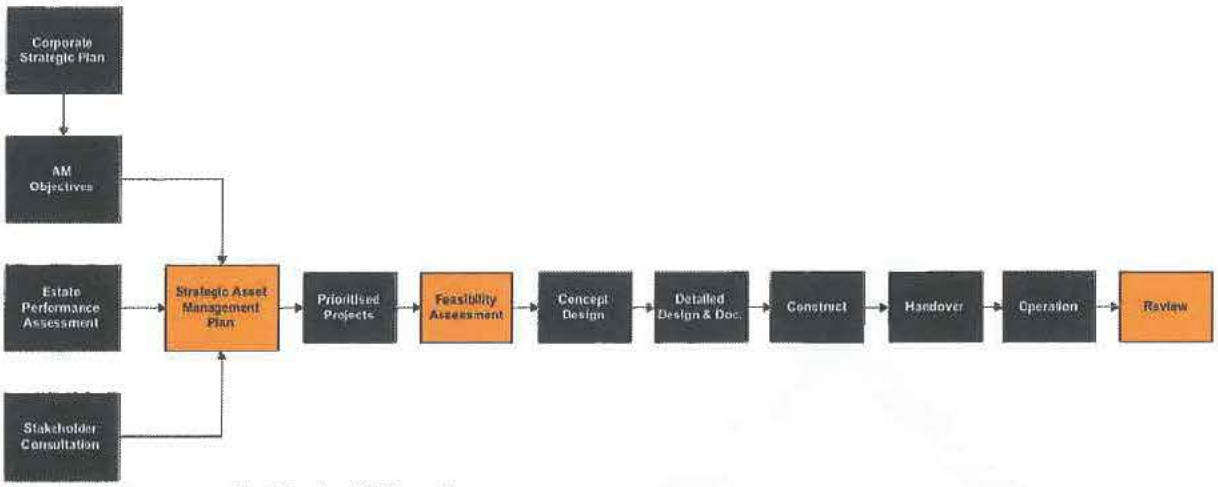

Figure 5: Recommended Project Lifecycle

Figure 6 below is an example of a best practice, integrated SAMP development process. The initial data review determines the ACT Health baseline position highlights strengths and weaknesses in knowledge and understanding of the estate. An Estate Performance Assessment addresses and investigates the existing key estate metrics in terms of estate space, quality, remaining useful life, financial sustainability and legislative compliance and defines actual estate performance. The Needs Assessment translates strategic objectives into measurable asset management objectives. The resultant Gap Analysis provides the basis for the SAMP development process considering risk, strategy development, options analysis and the relevant financial underpinnings that underpin the SAMP development process.

Figure 6: Best Practice SAMP Development Process

The SAMP development process outlined above aligns closely with the Draft ACT Government Strategic Asset Management Guidelines (February 2013) issued by ACT Treasury providing the following:

- Realignment of the ACT Health estate to better support their broader Government service delivery objectives;
- Formulation and evaluation of the most effective strategies to deliver the above outcome for an appropriate level of investment; and
- Development of programs of work that achieve the required objectives that are affordable and achievable.

These outcomes are important milestones for ACT Health as it seeks to improve and better manage its estate in alignment with its key stakeholder's, strategic objectives.

4.1 AM OBJECTIVES

Another important component of the Estate Performance Assessment Framework is the Needs Assessment process which develops a range of Asset Management (AM) Objectives. These are derived from the strategic objectives of the Organisation and are critical to facilitating the alignment of the asset portfolio with ACT Health's strategic objectives. AM goals align the asset portfolio to ACT Health's business needs by ensuring that it is:

- the right size;
- in the right location;
- of the right quality;
- safe and compliant;
- environmentally sustainable; and importantly
- financially sustainable.

Achieving the objectives stated in ACT Health's strategic planning documents requires the implementation of initiatives that align the organisation's estate with its strategic objectives. This alignment ensures that ACT Health assets directly contribute to the delivery of ACT Health business objectives and creates a clear line of sight that connects these two important elements.

The first step in the development of meaningful AM objectives is achieved through review of Strategic Plan(s) and associated documents and through consultation with key staff. These provide a starting point from which a more comprehensive set of AM objectives can be derived. Once these are finalised, the gap between the current performance of ACT Health's asset portfolio compared to where it needs to be to meet the strategic objectives of ACT Health can be established. This 'Gap Analysis' enables the development of a strategy for realignment of the asset portfolio over time that is achievable and financially sustainable.

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4.2 ESTATE PERFORMANCE ASSESSMENT

DCWC advocate the use of an existing asset performance framework. The Queensland Government's Building Asset Performance Framework (BAPF), as depicted in Table 2 below is regarded as best practice. This would enable benchmarking within the Health Sector and within other sectors with large asset portfolios such as Education and Justice.

Table 2: Queensland Government's BAPF

Performance Area	Performance Indicator	Performance Measure
Appropriateness	Capacity	Capacity Index
	Functionality	Overall Functionality Rating (OFR) Facility Functionality Index (FFI)
	Location	Location Rating (Section A.2.3)
	Condition	Overall Condition Rating (OCR) (Section A.2.4) Facility Condition Index (FCI) (Section A.2.4)
	Remaining Life	Estimated remaining building life
Financial Sustainability	Operating Cost	Utilities, cleaning, security etc ($/m2, %ARV)
	Maintenance Cost	Corrective, Planned, Condition-Based, Asset Replacement (%ARV)
	Deferred Maintenance Cost	Maintenance Backlog
Statutory Compliance	Extent of Non-Compliance	Building Compliance Rating
Effective Use	Utilisation	% Utilisation
Environmental Impact	Environmental Performance	GHG Consumption, Energy (GJ/m2), Water (kl/m2), Waste (recycled, landfill).
Social Significance	Alignment to Government Priorities and Community Expectations	Asset Priority Index

In DCWC's experience, an effective performance framework has not been implemented by many organisations and the senior management of such organisations are not regularly provided with a robust assessment of the performance of the asset portfolio. Generally, when undertaken, performance assessments such as condition assessments have an operational rather than a strategic focus.

Currently, common practice is for the condition assessment to drive a list of deferred maintenance that is used to drive funded maintenance backlog programs of work. This practice is operationally focused and examines only those components that have failed or are near failure. It does not provide a strategic overview of the overall condition of the asset portfolio. Consequently, senior decision makers of the organisations that use this approach do not have an understanding of the overall condition of the asset portfolio.

The performance assessment imperative should support strategy development and provide an overview of asset portfolio performance for all asset classes described in Table 3.

Table 3: Asset Class Definition Guideline

Asset Class	Alignment of NSW Health Asset Class[2]
Built assets	Building Fabric – includes all building fabric such wall finishes, doors, floor finishes etc
	Building Services – includes mechanical, hydraulic, electrical and fire protection services

[2] Section A - Guideline For Asset Descriptions, Referencing And Data Standards, October 2003

Asset Class	Alignment of NSW Health Asset Class[2]
Medical Equipment	All medical equipment from patient care to imaging, laboratory etc
ICT	All IT equipment and communication equipment such as PCs, servers, mobile phone, PABX, Nurse call system
Non-Medical and Plant Equipment	FF&E, office equipment, training and education equipment etc

Table 4 provides a high level overview of the performance assessment aspects for each of the Frameworks researched for this project, for each of the assets classes.

4.2.1 Built Assets And Non-Medical Plant And Equipment

It is noteworthy to mention that for built assets and non-medical plant and equipment:

- The SAMFs adopted by Australian municipalities are often not comprehensive. The Queensland Government's Building Assessment Performance Framework (BAPF) is the most comprehensive framework in its inclusions of performance criteria.
- The majority of the other Frameworks analysed focus on the Performance Indicator level of the BAPF and offer broad statements of assessment criteria as illustrated without offering well-defined, empirical performance-based measurements. BAPF is the exception with a comprehensive suite of unambiguous, performance based measures for assessment.

Table 4: Performance Assessment Framework for Built Assets and Non-Medical Plant and Equipment Asset Class

Performance Criteria	Recommended Framework	IPWEA (IIMM)[3]	BAPF Queensland[4]	TAM (NSW Government)[5]	VIC Treasury & Finance[6]	State Gov VIC Depart for Victorian Communities[7]	Depart of Planning, Transport, and Infrastructure SA[8]
Capacity	●	●	●	●	●	●	●
Utilisation	●	●	●	●	●	●	●
Location	●		●	●		●	●
Condition	●	●	●		●	●	●
Functionality	●	●	●	●	●		
Remaining Life	●	●	●			●	●
Compliance	●	½ ●	●		●		
Environmental Sustainability	●	½ ●	●		●		
Financial Sustainability	●	½ ●	●		●	●	
API	●		●	●			

[3] Condition Assessment and Asset Performance Guidelines, IPWEA – NAMS.au, 2012
[4] Building Asset Performance Framework, Department of Housing and Public Works, Queensland Government, 2008
[5] Total Asset Management, The Treasury, NSW Government, 2013
[6] Asset Management Accountability Framework, Department of Treasury and Finance, VIC State Government, 2016
[7] Guidelines for Developing an Asset Management Policy, Strategy, and Plan, Department for Victorian Communities, 2004
[8] Building Management Facilities Services, Department of Planning, Transport, and Infrastructure, 2008

4.2.2 Medical Equipment

It is noteworthy to mention that for medical equipment:

- There are very few frameworks that are available specific to medical equipment. The most comprehensive available frameworks are from Victoria. A consistent approach is required to align the performance assessment of all assets including medical equipment.
- Out of the frameworks analysed, only NSW had well-defined, empirical performance-based measurements for medical equipment.

Table 5: Performance Assessment Framework for Medical Equipment Asset Class

Performance Criteria	Recommended Framework	VIC Treasury & Finance	VIC Health MEAMF[9]	NSW Health[10]	Queensland Health[11]
Capacity					
Utilisation	•	•	•		
Condition	•		•	•	•
Functionality	•	•	•	•	•
Remaining Life	•	•	•	•	
Compliance	•				•
Environmental Sustainability	•	•			
Financial Sustainability	•	•	•	•	
API	•	•			

4.2.3 ICT Equipment

Table 6 provides a high level overview of performance assessment aspects in terms of ICT assets for each of the frameworks researched.

It is noteworthy to mention that for ICT equipment:

- Most of the frameworks listed only deal with virtual (software) assets. The only exceptions are the AMFs from the VIC Treasury & Finance and SA City of Unley which manages assets that fall into all aspects of ICT.
- The frameworks below cover whole-of-government rather than just the health sector.
- SA Unley is the only one that provides a clear definition of their performance measures to assess levels of service.

Table 6: Performance Assessment Framework for ICT Equipment

Performance Criteria	Recommended Framework	VIC Treasury & Finance	SA City of Unley[12]	NSW Government[13]	QLD Government Chief Information Office[14][15]	Transpower NZ[16]
Capacity		•	•			

[9] Medical Equipment Asset Management Framework, VIC Health
[10] Section D – Guideline for Asset Management Reporting, NSW Health, 2003
[11] Guidelines for Condition Assessments, Asset Management Services Unit, Queensland Government, 2001
[12] Information Communication Technology Asset Management Plan, SA Unley
[13] Software Asset Management Standard, NSW Government
[14] Asset Lifecycle Guideline, QGCIO
[15] Software Asset Management Guideline, QGCIO
[16] Asset Management Plan, Transpower NZ

Performance Criteria	Recommended Framework	VIC Treasury & Finance	SA City of Unley[12]	NSW Government[13]	QLD Government Chief Information Office[14][15]	Transpower NZ[16]
Utilisation	•	•			•	
Condition	•		•	•	•	•
Functionality	•	•	•			
Remaining Life	•	•	•	•	•	•
Compliance	•			•	•	•
Environmental Sustainability	•	•	•			•
Financial Sustainability	•	•	•	•	•	
API		•				

4.3 CONSISTENT LENS

The primary purpose of investment in the asset portfolio is to improve the alignment of asset portfolio with corporate service delivery objectives. To achieve this goal, the measurable AM objectives and asset portfolio performance assessment need to be applied consistently across the asset lifecycle, as shown below.

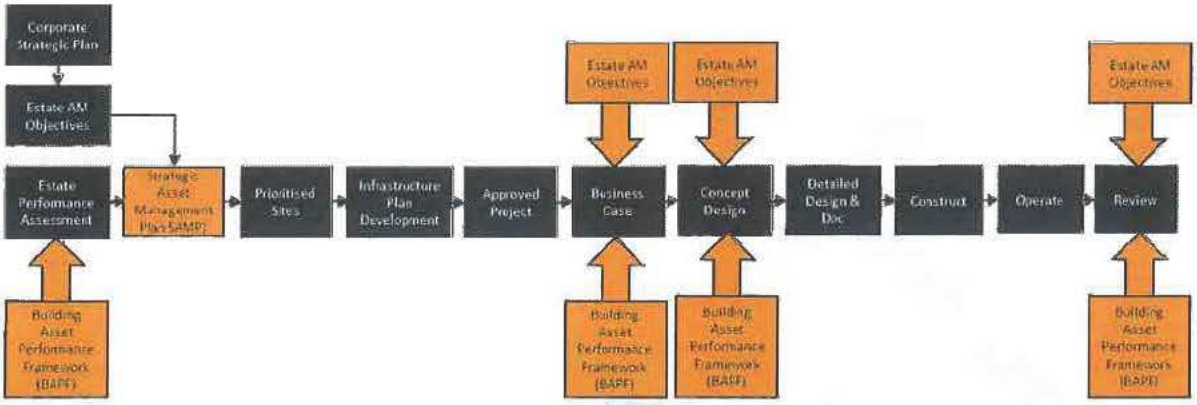

Figure 7: Application of Consistent Lens over Project Lifecycle Integration

4.4 GAP ANALYSIS

An effective SAMF needs to enable measurable AM performance targets (objectives) to be compared to measured asset portfolio performance targets.

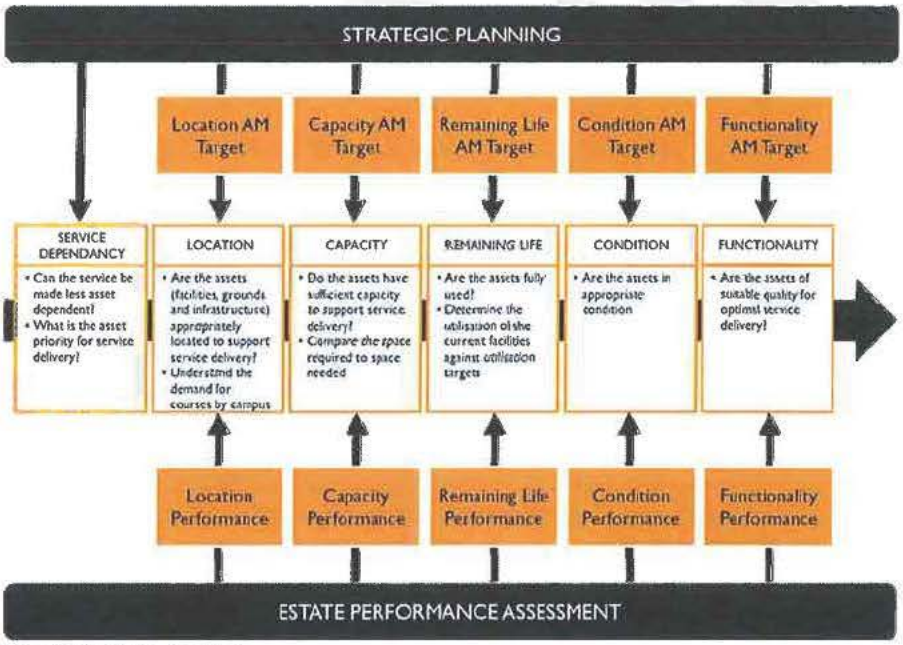

Figure 8: Gap Analysis

For example, the ACT Government's Infrastructure Plan 2011 to 2021 states that the asset portfolio should: *"Continue to meet the growth in demand for health services through extra capacity and by redesigning care delivery systems"*[17].

[17] ACT Government's Infrastructure Plan 2011 to 2021, p.48.

4.5 RISK ASSESSMENT

From a Health sector perspective, risk is a crucial aspect of maintaining consistent business operations and ensuring service delivery outcomes are achieved in a safe environment. It is imperative that the risk aspects of each asset underpin a comprehensive SAMF and limits ACT Health to legislative exposure over a long term basis. As the consequences for asset failure and building degradation in a Health context are potentially very serious, empirically based measurements indicating ACT Health's risk performance against stated risk tolerances (AM Objectives) are required for an ACT Health SAMP.

A comprehensive SAMP should also include an evaluation of the risks associated from a legislative and occupational health and safety perspective. The risk assessment is required to comply with Australian standards and be applied systemically in the SAMP process. The risk assessment approach should link likelihood with assessed performance of the asset and consequence with the strategic importance of the assets in the organisation.

4.6 STRATEGY DEVELOPMENT

The objective of the SAMP is to define high level, affordable and achievable strategies for realigning the portfolio to meet the strategic and operational objectives of the organisation and also defining the AM outcomes that will be delivered. A SAMP could be used as an evidence based document to support ACT Health develop strategic AM objectives that are financially sustainable. The approach to delivering a SAMP will need to examine a range of strategy options that are aimed at developing a clear link between ACT Health's AM objectives and the financial sustainability of those objectives. To achieve this, the following strategy options may be examined:

- **No Change** - Examining the impact of the AM objectives and costs if the current practice continues;
- **Quality Only** - Systemically applies strategies to individual assets based on condition and functionality performance and assesses the impact on asset performance;
- **Efficient Use of Space** - a strategy that focuses on the efficient use of space as the major driver (for built assets); and
- **Differentiated Levels of Service** - The effect of applying differentiated levels of service to target operating costs.

4.7 OPTIONS ANALYSIS

A meaningful options assessment/financial assessment is fundamental to developing a successful SAMP. It is important that the analysis include both the whole of life cost of each option together with the impact on portfolio alignment to business need. The latter is often overlooked but is a key output from any assessment as "assets only exist to support the business".

The options appraisal should be a preliminary examination of the Net Present Value (NPV) of the options considered verses the outcome achieved (improvement in the assets AM performance against objectives). The areas that should be considered by ACT Health are:

- **Capital Cost** - Translated to the impact on Asset Replacement Values (ARV) over the planning period;
- **Maintenance and Operating costs** - Based on a % ARV;
- **Development Risk** - The differential cost of risk between projects simply expressed as a contingency allowance;
- **Impact on Asset/Estate AM Targets;** and
- **Asset Degradation** - Models that define the likely decay of assets in performance over time.

4.7.1 Performance Impact

The forecasting of the likely decay in the condition and quality of all assets based on the level of investment under consideration enables the impact of the proposed investment to be qualitatively assessed.

4.7.2 Financial Impact

The financial sustainability analysis determines the capacity cost, maintenance and operations cost and the cost of risk to develop an estimated NPV cost for each option. To be able to carry out the financial sustainability analysis, the following will be required:

- A capital/refurbishment/asset replacement costing model for all asset classes (but driven by space for built assets); and
- An elemental Life Cycle Cost (LCC) model for all asset classes (but also driven by space for built assets).

4.8 FINANCIAL SUMMARY

A comprehensive SAMP should include aspects of the portfolio financial reporting where the following is provided:

- Annual changes to the Asset Replacement Values (ARV) over the planning period;
- Asset Depreciation;
- Estate depreciated value;
- Maintenance cost projections;
- Operations costs projections; and
- Total cost of operation for all asset classes.

It is necessary to use an approach that enables the financial cost of each option to be compared to the impact of each option. This allows the cost constraints to be clearly considered in tandem with measurable AM objectives to identify options that affordably deliver the required realignment of the portfolio.

The assessment of the sustainability ACT Health asset maintenance funding can be achieved by comparing the projected maintenance expenditure requirements against the likely expenditure requirements to ensure the desired level of service delivery is maintained. The projected maintenance expenditure is normally achieved by undertaking life cycle cost analysis (LCCA) of each asset class and aggregating that into an overarching view of budget requirements.

The maintenance cost projections are derived by examining historic expenditure levels as a percentage of asset replacement value and using forecast changes in the asset ARV to project likely maintenance budget allocations. The difference between the project maintenance demand and the likely budget allocation defines the sustainability of maintenance. The larger the gap, the greater the rate of increase in the maintenance backlog and the more rapid the deterioration in the asset condition.

In the example below, Option 3 delivers best value as it is very close to achieving the performance outcome below the available budget constraint. Option 1 does not achieve the AM performance objective (by a considerable margin) while Option 2 exceeds the likely available budget.

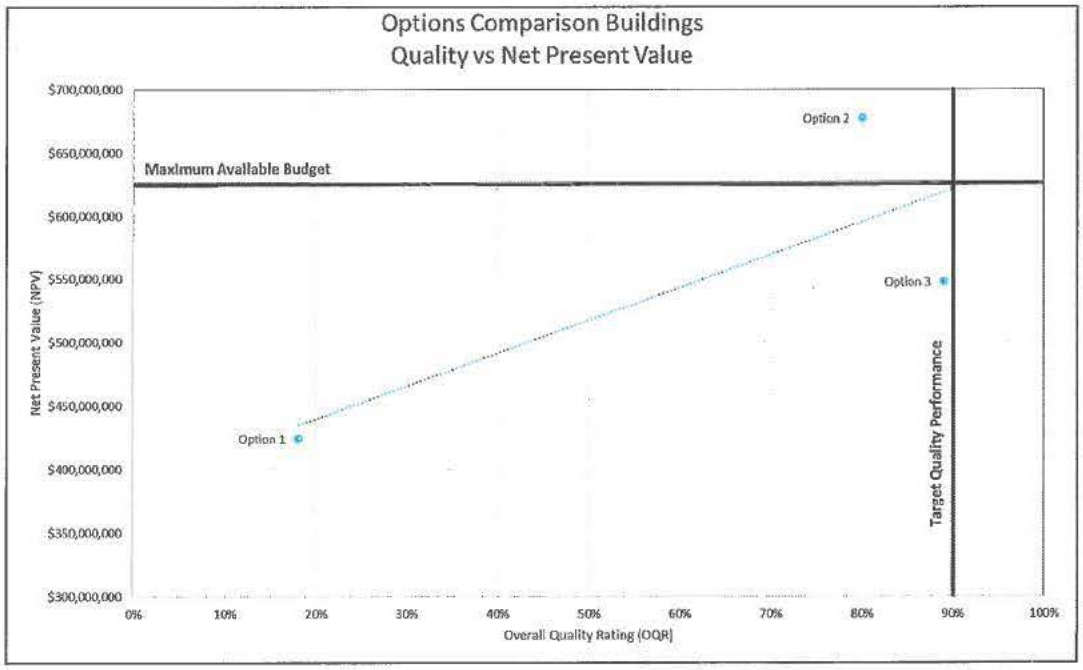

Figure 9: Options Analysis Financial Impact

5 RECOMMENDATIONS

As can be seen from the report, there are a number of SAMFs available for assessment and evaluation from which an ACT Health specific SAMF can be developed. In terms of Asset Portfolio Realignment, the draft report has presented a best practice asset portfolio realignment methodology which utilises the best components or elements of the analysed documents and separates the SAMF/SAMP components to enable an optimal solution for specific realignment of ACT Health's asset portfolio.

The best practice model is comprehensive, enables robust performance assessment, the articulation and development of needs and AM objectives, the definition of the gap between an organisation's current asset portfolio performance and required/desired performance. The development of strategies through a Strategic Asset Management Plan (SAMP) process will provide enduring benefit for the ongoing management and ensures realignment of the organisational AM Objectives and Asset Portfolio.

This model is recommended as the most suitable for the realignment of ACT Health's asset portfolio to meet future ACT Health requirements in an efficient, effective and financially sustainable manner.

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APPENDIX 6.1
ACHIEVING EXCELLENCE DESIGN EVALUATION (AEDET)

AEDET EVOLUTION

Designed & Produced by www.aspectgraphics.co.uk

NHS
AEDET

ACHIEVING EXCELLENCE DESIGN EVALUATION TOOLKIT

EVOLUTION

DH Department of Health

NHS Estates

ACHIEVING EXCELLENCE
DESIGN EVALUATION TOOLKIT

EVOLUTION

This leaflet introduces **AEDET Evolution** and outlines:

- **Why do we need this Toolkit?**
- **What does the Toolkit include?**
- **Where can you find the Toolkit?**

Why do we need this Toolkit?

Healthcare building design frequently involves complex concepts which are difficult to measure and evaluate. This Toolkit will enable the user to evaluate a design by posing a series of clear, non-technical statements, encompassing the three key areas of Impact, Build Quality and Functionality.

This new version of AEDET, known as AEDET Evolution, represents a significant development of the original AEDET tool. It retains the same objectives and deals with the same issues.

The AEDET Toolkit is a major influence, assisting Trusts and the NHS in determining and managing their design requirements from initial proposals through to post project evaluation. It forms the key agenda for design reviews, it is being used as a benchmarking tool, and forms part of the guidance for ProCure21, PFI, LIFT and conventionally funded schemes.

What does the Toolkit include?

The NHS has worked closely with CABE, the CIC and The University of Sheffield to develop the evaluation criteria to ensure we work within a common industry framework. The diagram opposite shows the three basic sections and the 10 assessment criteria.

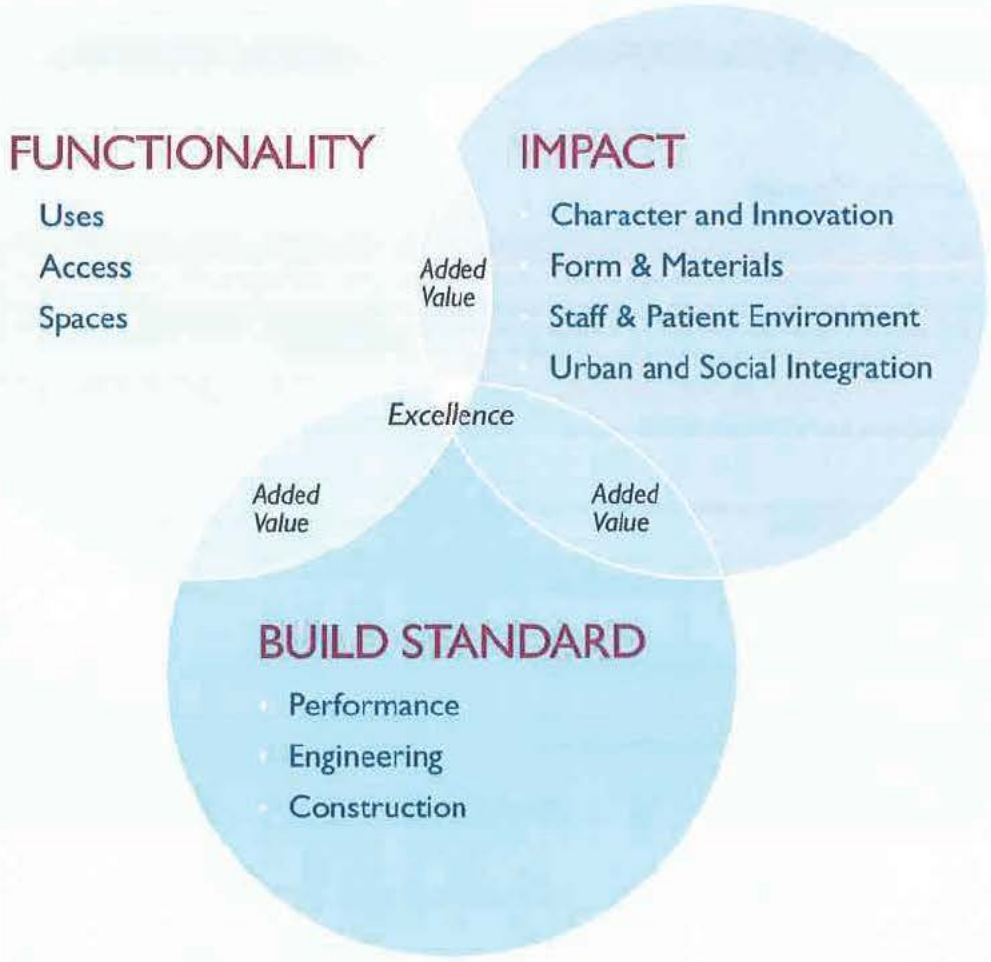
The Toolkit has three layers which allow users to create a design evaluation profile:

- **The SCORING Layer on which you score**
- **The GUIDANCE Layer that gives more detailed help**
- **The EVIDENCE Layer that points to available research evidence**

Where can you find the Toolkit?

The NHS Achieving Excellence Design Evaluation Toolkit is available through the NHS Estates efm website. Log onto the site then follow the prompts to the Achieving Excellence Design Evaluation Toolkit Logo.

www.efm.nhsestates.gov.uk
nww.efm.nhsestates.nhs.uk



A copy of the AEDET Evolution SCORING statements (only) is included in this leaflet to provide an overview of the scope of the Toolkit.

For further information please contact Brian Coapes on **0113 2547014.**

IMPACT: Character and Innovation

The four IMPACT sections deal with the extent to which the building creates a sense of place and contributes positively to the lives of those who use it and are its neighbours

Section A deals with the overall feeling of the building. It asks whether the building has clarity of design intention, and whether this is appropriate to its purpose. A building that scores well under this heading is likely to lift the spirits and to be seen as an exemplar of good architecture of its kind

ID	Description	Weighting	Score	Notes
A.01	**There are clear ideas behind the design of the building**			
A.02	**The building is interesting to look at and move around in**			
A.03	**The building projects a caring and reassuring atmosphere**			
A.04	**The building appropriately expresses the values of the NHS**			
A.05	**The building is likely to influence future designs**			

IMPACT: Form and Materials

Section B deals with the nature of the building in terms of its overall form and materials. It is primarily concerned with how the building presents itself to the outside world in terms of its appearance and organisation. Although it deals with the materials from which the building is constructed it is not concerned with these in a technical sense but rather the way they will appear and feel throughout the life of the building.

ID	Description	Weighting	Score	Notes
B.01	**The building has a human scale and feels welcoming**			
B.02	**The design takes advantage of available sunlight and provides shelter from prevailing winds**			
B.03	**Entrances are obvious and logically positioned in relation to likely points of arrival on site**			
B.04	**The external materials and detailing appear to be of high quality**			
B.05	**The external colours and textures seem appropriate and attractive**			

IMPACT: Staff and Patient Environment

Section C deals with how well an environment complies with best practice as indicated by the research evidence.

ID	Description	Weighting	Score	Notes
C 01	The building respects the dignity of patients and allows for appropriate levels of privacy and dignity			
C 02	There are good views inside and out of the building			
C 03	Patients and staff have good access to outdoors			
C 04	There are high levels of both comfort and control of comfort			
C 05	The building is clearly understandable			
C 06	The interior of the building is attractive in appearance			
C 07	There are good bath/toilet and other facilities for patients			
C 08	There are good facilities for staff, including convenient places to work and relax without being on demand			

IMPACT: Urban and Social Integration

Section D deals with the way the building relates to its surroundings. It asks whether the building plays a positive role in the neighbourhood whether that is urban suburban or rural. A building that scores well is likely to improve its neighbourhood rather than detract from it

ID	Description	Weighting	Score	Notes
D 01	The height, volume and skyline of the building relate well to the surrounding environment			
D 02	The building contributes positively to its locality			
D 03	The hard and soft landscape around the building contribute positively to the locality			
D 04	The building is sensitive to neighbours and passers-by			

BUILD QUALITY: Performance

The three BUILD QUALITY sections deal with the physical components of the building rather than the spaces. This is therefore what might be thought of as the more technical and engineering aspects of the building. It asks whether the building is soundly built, will be reliable and easy to operate, last well and is sustainable. It is also concerned with the actual process of construction and the extent to which any disruption caused is minimised.

Section E is concerned with the technical performance of the building during its lifetime. It asks whether the components of the building are of high quality and fit for their purpose. However we are not concerned here with how well the building functions in relation to the human use of it which belongs in another section.

ID	Description	Weighting	Score	Notes
E.01	**The building is easy to operate**			
E.02	**The building is easy to clean**			
E.03	**The building has appropriately durable finishes**			
E.04	**The building will weather and age well**			

BUILD QUALITY: Engineering

Section F is concerned with those parts of the building that are engineering systems as opposed to the main architectural features. It asks whether the engineering systems are of high quality and fit for their purpose, will be easy to operate and if they are efficient and sustainable.

ID	Description	Weighting	Score	Notes
F.01	**The engineering systems are well designed, flexible and efficient in use**			
F.02	**The engineering systems exploit any benefits from standardisation and prefabrication where relevant**			
F.03	**The engineering systems are energy efficient**			
F.04	**There are emergency backup systems that are designed to minimise disruption**			
F.05	**During construction disruption to essential services is minimised**			

BUILD QUALITY: Construction

Section G is concerned with the technical issues of actually constructing the building and with the performance of the main components. A building that scores well is likely to be constructed as quickly and easily as possible under the circumstances of the site and to offer a robust and easily maintained solution.

ID	Description	Weighting	Score	Notes
G.01	**If phased planning and construction are necessary the various stages are well organised**			
G.02	**Temporary construction work is minimised**			
G.03	**The impact of the building process on continuing healthcare provision is minimised**			
G.04	**The building can be readily maintained**			
G.05	**The construction is robust**			
G.06	**The construction allows easy access to engineering systems for maintenance, replacement and expansion**			
G.07	**The construction exploits any benefits from standardisation and prefabrication where relevant**			

FUNCTIONALITY: Use

The three FUNCTIONALITY sections deal with all those issues to do with the primary purpose or function of the building. It deals with how well the building serves these primary purposes and the extent to which it facilitates or inhibits the activities of the people who carry out the functions inside and around the building.

Section H is concerned with the way the building enables the users to perform their duties and operate the healthcare systems and facilities housed in the building. To get a good score the building will be highly functional and efficient, enabling people to have enough space for their activities and to move around economically and easily in a way that relates well to the policies and objective of the Trust. A high scoring building is also likely to have some flexibility in use.

ID	Description	Weighting	Score	Notes
H.01	**The prime functional requirements of the brief are satisfied**			
H.02	**The design facilitates the care model of the Trust**			
H.03	**Overall the building is capable of handling the projected throughput**			
H.04	**Work flows and logistics are arranged optimally**			
H.05	**The building is sufficiently adaptable to respond to change and to enable expansion**			
H.06	**Where possible spaces are standardised and flexible in use patterns**			
H.07	**The layout facilitates both security and supervision**			

FUNCTIONALITY: Access

FUNCTIONALITY: Access

Section I focuses on the way the users of the building can come and go. It asks whether people can easily and efficiently get onto and off the site using a variety of means of transport and whether they can logically, easily and safely get into and out of the building.

ID	Description	Weighting	Score	Notes
I.01	There is good access from available public transport including any on-site roads			
I.02	There is adequate parking for visitors and staff cars with appropriate provision for disabled people			
I.03	The approach and access for ambulances is appropriately provided			
I.04	Goods and waste disposal vehicle circulation is good and segregated from public and staff access where appropriate			
I.05	Pedestrian access routes are obvious, pleasant and suitable for wheelchair users and people with other disabilities / impaired sight			
I.06	Outdoor spaces are provided with appropriate and safe lighting indicating paths, ramps and steps			
I.07	The fire planning strategy allows for ready access and egress			

FUNCTIONALITY: Space

FUNCTIONALITY: Space

Section J concentrates on the amount of space in the building in relation to its purpose. It asks if this space is well located and efficient and whether people can move around in it efficiently and with dignity.

ID	Description	Weighting	Score	Notes
J.01	The design achieves appropriate space standards			
J.02	The ratio of usable space to the total area is good			
J.03	The circulation distances travelled by staff, patients and visitors are minimised by the layout			
J.04	Any necessary isolation and segregation of spaces is achieved			
J.05	The design makes appropriate provision for gender segregation			
J.06	There is adequate storage space			

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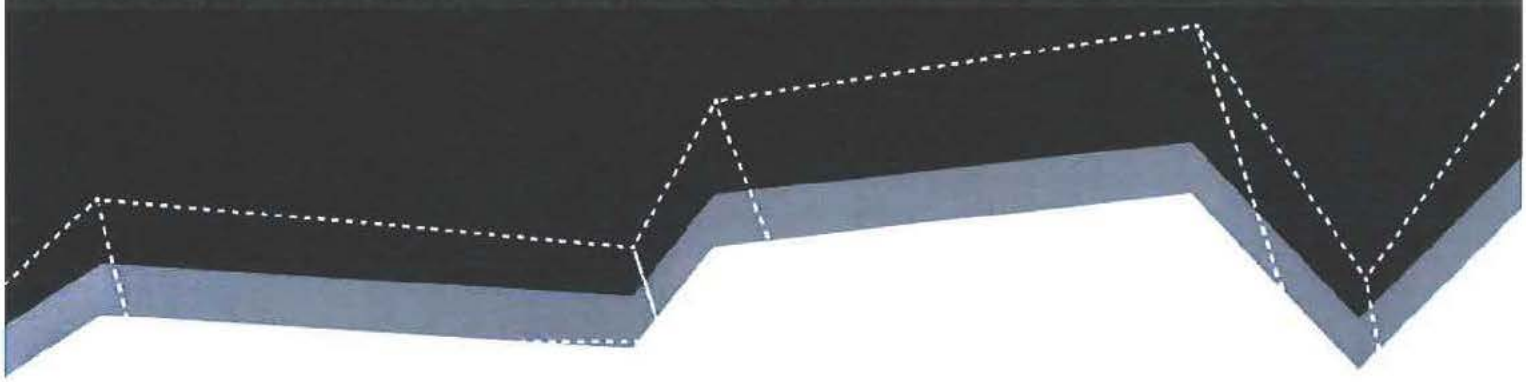
APPENDIX 6.2 TOTAL ASSET MANAGEMENT, NSW (EXTRACT)



Total Asset Management (TAM) Policy

Policy Purpose

Total Asset Management (TAM) policy reflects the Government's objective of a strategic and systematic approach to physical asset and infrastructure planning and management that is consistent across the whole of government.

TAM policy seeks to ensure that the Government's physical assets best support its service delivery responsibilities within the limits of available resources.

TAM policy requires agencies to plan for their non-current physical assets as part of their corporate planning responsibilities. This includes planning for assets such as land, buildings, information technology, infrastructure, collections, equipment or fleet. These assets support the delivery of public services or have a definite business function.

Compliance

All General Government agencies and nominated Public Trading Enterprises (PTEs) are required to comply with this policy.

PTEs that are not on the nominated agencies list are encouraged to apply TAM principles in preparing 10 year capital expenditure data for inclusion within their Statements of Corporate and Business Intent.

Policy Overview

Agencies and nominated PTEs are required to develop and maintain TAM submissions, comprising an Asset Strategy (to be submitted by nominated agencies and PTEs only) and TAM data tables. Capital proposals, Business Cases and Gateway Review Reports are required to support projects/programs outlined within the submissions.

TAM submissions should be provided to Treasury as part of the budget returns process. Guidance, outlining submission requirements, will be issued to agencies by Treasury on an annual basis.

Purpose and Use of TAM Information

Information contained within agency TAM submissions is used by NSW Treasury as well as a number of other agencies with coordinating roles.

Use by the Agency

TAM represents a valuable planning tool at the individual agency level. Agencies should undertake asset planning as a matter of good corporate practice.

TAM submissions, in varying degrees of detail, will outline and articulate the agency's asset response to its high level service delivery requirements. This may also assist the agency to determine whether the proposed services and the resultant physical asset requirements are sustainable into the future.

Use by NSW Treasury

TAM submissions are a key input into the budget process and the development of State infrastructure strategy.

Treasury uses TAM submissions to:

- Evaluate an agency's planned capital expenditure intended for the budget year and forward estimates.
- Ensure alignment of the State's capital program with government priorities and service delivery levels.
- Assess agency's capital programs against capital planning limits, where applicable.
- Identify and advise the Expenditure Review Committee (ERC) of potential risks to the implementation of State infrastructure strategies by comparing proposed capital expenditure in TAM plans against Treasury's 10 year affordability projections. Where appropriate, information may be used to identify and determine capital planning limits for the agency.
- Provide advice to Government and agencies on capital strategy, asset management planning and related financial risks.
- Plan and manage the capital project review processes efficiently and effectively.

Use by Infrastructure NSW

Infrastructure NSW (INSW) was established in 2011 to assist the Government in identifying and prioritising critical public infrastructure for NSW. As part of this mandate, INSW works with Treasury and agencies to identify and review major projects recommended for inclusion within the State's Infrastructure Plan (SIP). The SIP outlines the Government's funded infrastructure priorities over the next five years and is published annually in the Budget papers.

INSW will consider projects identified within the 20 year State Infrastructure Strategy (SIS) as well as other major projects identified within agency TAM submissions, recommended for inclusion within the SIP.

It is also expected that TAM submissions will be used to inform the periodic review of the 20 year State Infrastructure Strategy.

A diagram outlining the key stages of the NSW Treasury Budget process, including INSW responsibilities, is provided overleaf.

Use by other agencies

Other government entities using TAM information for strategic planning and reporting purposes are the Department of Finance and Services (DFS), the Department of Planning and Infrastructure (DP&I) and Government Property NSW (GPNSW).

Treasury may share agency TAM submissions with these agencies subject to the following requirements:

- The confidentiality of agency TAM submissions will be maintained and information will be used solely for the purpose for which it has been provided.
- Contact will be made with agencies should further information be required relating to an agency's TAM submission.
- Matters relating to compliance with TAM policy will be handled by Treasury.

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APPENDIX 6.3
AUSTRALIAN NATIONAL AUDIT OFFICE (ANAO) (EXTRACT)

Part 2

Integrating strategic asset management with organisational planning and the strategic outlook

Part 2 Integrating strategic asset management with organisational planning and the strategic outlook

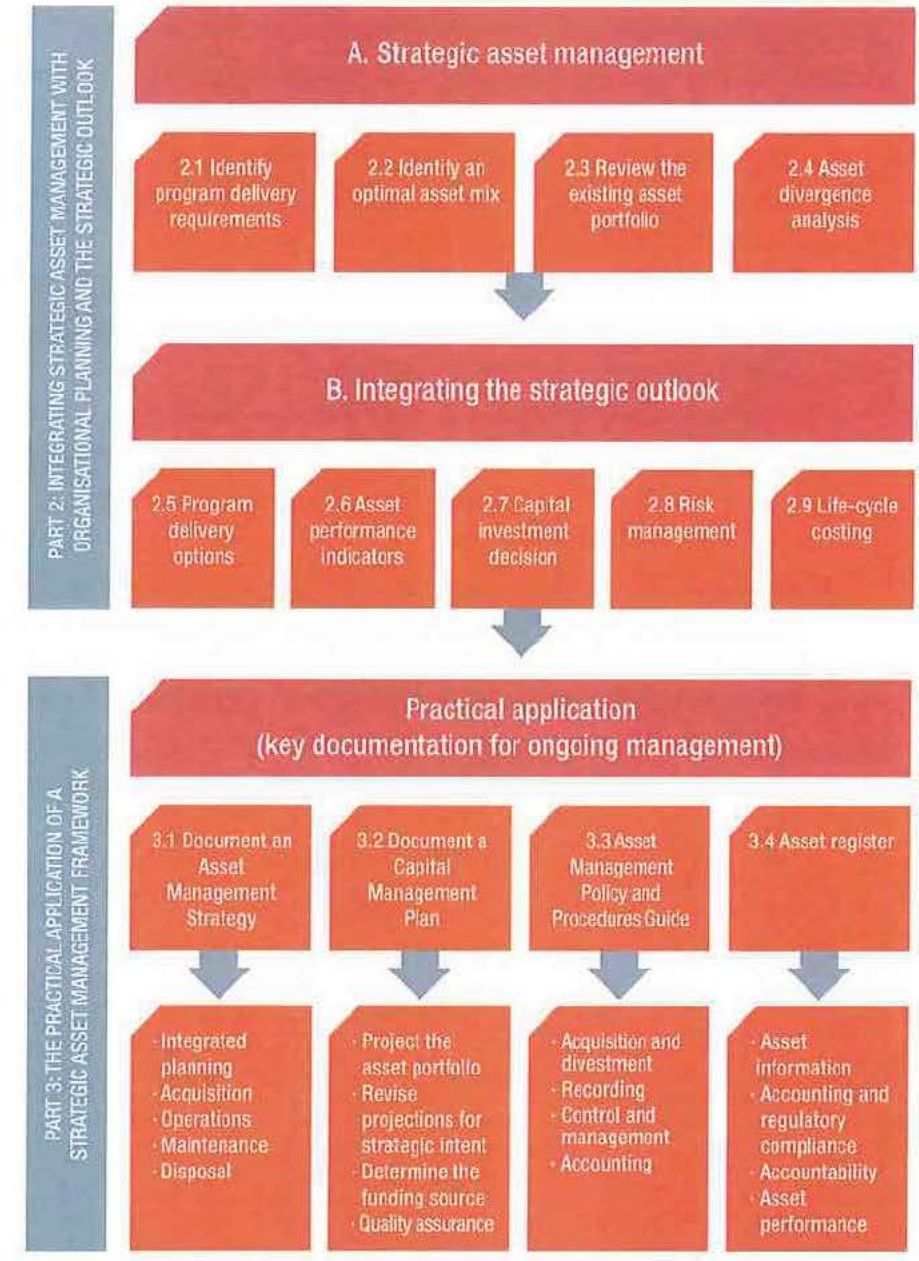
Strategic asset management framework

A strategic asset management framework allows the entity's strategic goals to be integrated with the asset portfolio

A strategic asset management framework brings together the inter-relationships between key corporate planning activities and asset management, allowing the entity's strategic goals to be integrated with the asset portfolio to meet the organisation's program delivery requirements. It is important for the Chief Financial Officer of an organisation to understand the intent of a strategic asset management framework before embarking on an asset management improvement program.

The framework that underpins asset management decision-making processes within an entity is detailed in Figure 2.1 below.

Figure 2.1: Strategic asset management framework



Determining and integrating strategic asset goals involves correlating asset management decisions with program delivery requirements, which results in an asset portfolio that will efficiently support the entity's overall strategic goals. This can be achieved by:

- ascertaining the program delivery options (this may include non-asset solutions);
- using asset performance indicators to identify, review and manage the asset portfolio;
- undertaking capital investment analysis when acquiring new assets;
- integrating risk management into all asset management decisions; and
- ensuring that the full life-cycle costs are understood and recorded so the true overall cost of owning and maintaining an asset is known.

A strategic asset management framework can be practically applied so that the:

- asset management strategy describes how the entity's strategic intent will be implemented to meet the service delivery needs as it relates to the asset portfolio;
- capital management plan details how the asset management strategy will be put in place;
- asset management policy and procedure guides provide a basis for an entity's internal control environment; and
- asset register can be used for both the financial and non-financial information in respect of performance and accountability measures.

This Guide is a resource document primarily aimed at providing practical advice to entities on how to strategically manage their assets. The extent to which this Guide is adopted by an entity should be based on a 'fit for purpose' assessment. Consequently not all elements of this Guide may need to be taken up by an entity, depending on its circumstances–for example if an entity has non-material asset holdings that are of low operational importance.

A. Strategic asset management

Strategic asset management is integrated into the strategic and business planning of better practice entities.

The primary objective of strategic asset management is to create and maintain an asset portfolio that contains an optimal mix of assets to efficiently meet program delivery requirements. The program delivery requirements of an entity are outlined in its strategic and business plans, which will reflect the organisation's strategic goals.

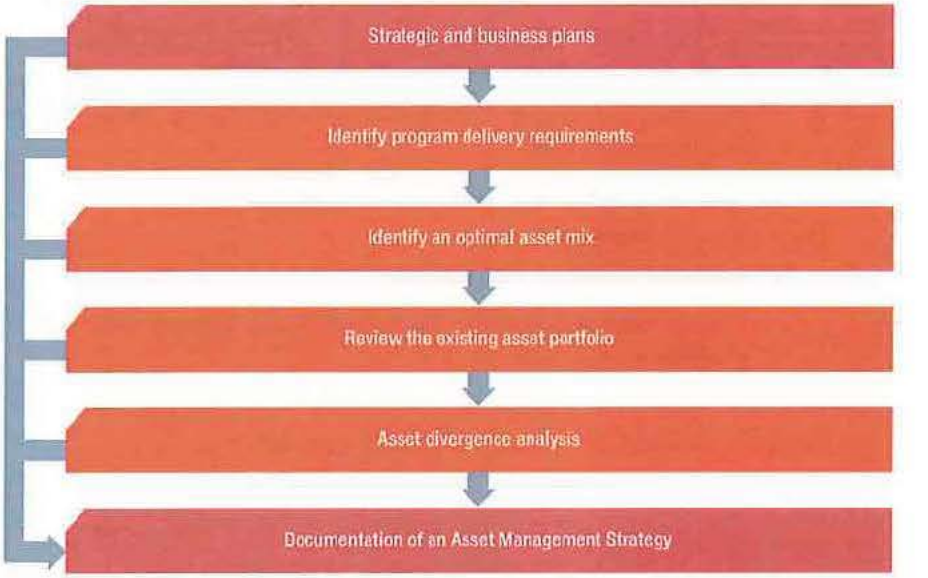
Strategic asset management involves consideration of the entity's strategic and business plans in light of the program delivery requirements, to identify an optimal asset mix and compare it to the existing asset portfolio. This identification and review then culminates in an asset divergence analysis. The results are then incorporated into an asset management strategy, which sets out how the asset portfolio will assist the entity to meet its strategic objectives.

Strategic asset management covers all phases of the asset life-cycle, including management of the related risks, and considers:

- program delivery requirements;
- the scope, standard and level of service to be provided (defines the optimal mix of assets or if a non-asset solution is required);
- capital funding available for new asset acquisitions;
- value-for-money considerations when considering asset acquisition;
- the regulatory environment; and
- standards and codes of practice.

In order to achieve the primary objective of strategic asset management, better practice entities have a sound understanding of their asset portfolio and how these assets are used in producing and sustaining program delivery at an optimal level, as represented below in Figure 2.2.

Figure 2.2: Strategic asset management



Strategic and business plans

Management of the asset portfolio is a key strategic activity that can be integrated with the entity's strategic and business planning processes. Strategic and business plans have an important influence on asset management by identifying how an entity plans to achieve the program delivery outcomes.

An entity will ideally undertake strategic and business planning annually. This planning requires the organisation to match its program delivery requirements to its available resources, which can be financial, human, information and physical. The following discussion of strategic asset management details how the physical assets held by the organisation can be matched to the entity's program delivery requirements.

2.1 Identify program delivery requirements

For those entities with specialist or high-value asset portfolios, asset management is usually a key aspect in meeting the entity's program delivery requirements. However, irrespective of asset values, all entities should consider the nature of their existing asset portfolio to ensure it will meet their program delivery requirements and consider if additional capital investment is necessary or if assets should be disposed of. The existing asset portfolio may be evaluated as part of an entity's strategic and business planning process.

It should be possible for an entity to separate its key business operations into a series of program deliverables that directly relate to the outcomes set for that entity by the Australian Government. This approach allows key asset groups, or in some cases individual assets, in the asset portfolio to be evaluated in terms of their contribution to the program delivery requirements. For those entities with small or more 'standard' asset portfolios, it is possible that the entire asset base could be attributed to a single program outcome.

2.2 Identify an optimal asset mix

An entity may achieve an optimal asset mix by aligning its asset portfolio to its program delivery requirements. Activities that may assist an entity to identify the optimal asset mix for the portfolio include:

- separating the strategic and business planning process into discrete value-generating activities that allow the program delivery requirements to be directly tied to key assets groups, or possibly even to individual assets;
- confirming that the asset portfolio reflects what is necessary to deliver the program outcomes set by the Australian Government and the entity's service-level priorities;
- identifying possible program delivery solutions, including both asset solutions and other options such as outsourced arrangements;
- ensuring any asset solution represents value for money;
- the capital investment decision;
- undertaking an asset risk assessment; and
- taking a life-cycle approach to asset management that evaluates the complete cost of acquisition, operation, maintenance and disposal.

2.3 Review the existing asset portfolio

Undertaking periodic evaluations of its asset portfolio, based on size and complexity, as part of its strategic asset management helps an entity to confirm that its assets continue to be appropriate to meet its program delivery requirements. As part of the evaluation of the existing asset portfolio the entity may consider:

- using asset performance indicators to identify if existing assets are being appropriately used, maintained, and are fit-for-purpose;
- monitoring the performance of the asset portfolio in terms of laws, codes and benchmarks, and financial performance; and
- maintaining a detailed asset register, and accounting for the assets in accordance with Australian Accounting Standards.

A framework such as that outlined in Table 2.1 is useful for an entity undertaking a review of its asset portfolio in terms of its program delivery requirements.

Table 2.1: Asset portfolio evaluation framework

Asset portfolio evaluation framework		
Criteria	Requirement	Evaluation Activity
Strategic significance	Program delivery requirements	• What contribution will an asset or group of assets make to the program delivery requirements? • How does this contribution relate back to the strategic and business plans?
Asset performance indicators	Functionality of the asset	• How well is an asset or group of assets matched to the activities that they support?
	Operational importance of the asset	• What dependence does the entity place on the asset or group of assets to meet its program delivery requirements?
	Use of the asset	• What use is expected of the asset?
Asset risk assessment	Risk profile	• Are there changing circumstances that require risk management strategies to be revised?
Compliance	Legal and policy framework	• Does the asset or group of assets meet statutory requirements and any policy directives set by the Australian Government?
Financial metrics	Cost-benefit analysis	• Does the cost-benefit analysis demonstrate that asset ownership is preferable to other options, such as outsourcing arrangements or non-asset solutions?

Value chain analysis

Value chain analysis is a management technique which can be used to measure the value that individual activities, or assets, contribute to an entity achieving its program outcomes.

The Australian Broadcasting Corporation (ABC) uses value chain analysis to help it establish the links between its asset portfolio and its program delivery requirements. Case Study 2.1 illustrates how the ABC has practically implemented a value chain analysis to identify asset contributions.

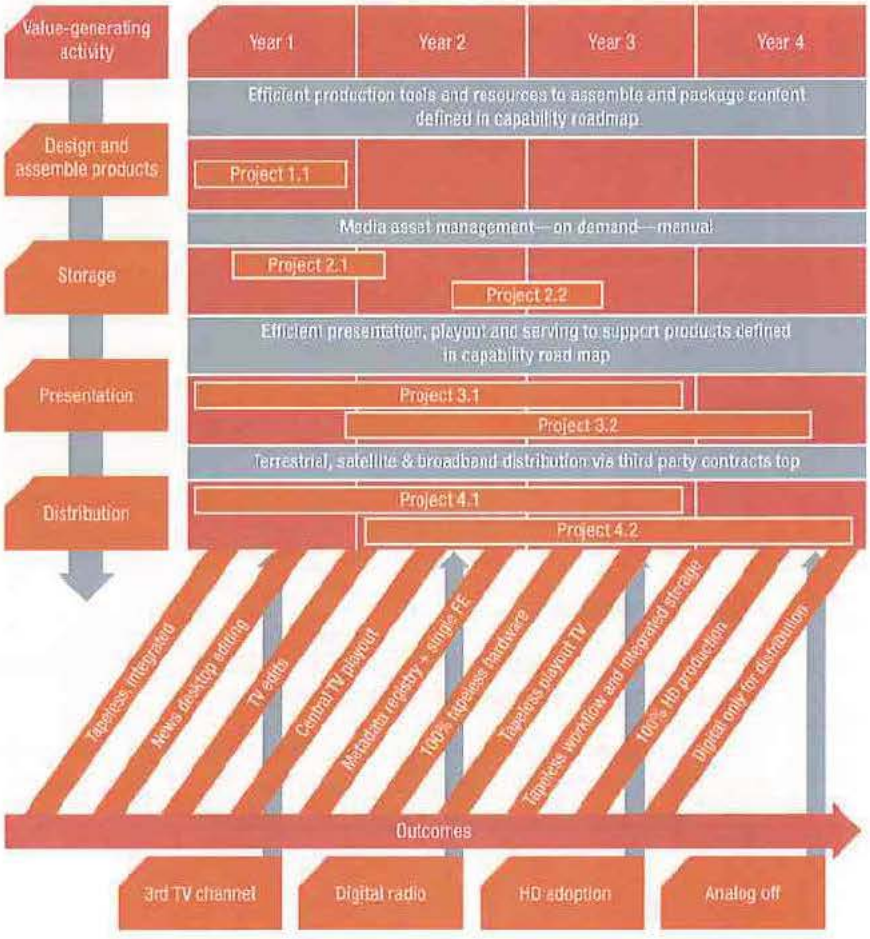
Case Study 2.1: Australian Broadcasting Corporation's value chain analysis

The ABC is using value chain analysis to strategically manage its asset portfolio. This has been achieved by separating its business operations into a series of value-generating activities (primary activities) that are directly concerned with creating and delivering a product. These are represented in the diagram below as:

- **Design and assemble products** (relates to the scheduling, production [or acquisition] of content, including news gathering);
- **Storage** (relates to the storage of content ready for presentation and playout or for further product design and assembly);
- **Presentation** (relates to the compilation and playout of ready-to-broadcast content); and
- **Distribution** (is the physical transmission of content to the ABC's audiences).

By separating its business operations into discrete value-generating activities the ABC can then directly tie its program delivery requirements to discrete key asset groups or individual assets.

Figure 2.3: Capability roadmap



Case Study 2.1 (cont'd): Australian Broadcasting Corporation's value chain analysis

Projects need to demonstrate that they are both a value-generating activity and that they will deliver future capability (referred to as the capability roadmap). Each project requires a business case that outlines the asset acquisitions required for that project and allows key assets or groups of assets to be directly linked to both the capability they are delivering and the value-generating activity.

The ABC strategically manages its asset portfolio through the capability roadmap, by:

- Identifying priority capabilities—with the long investment cycle required, the ABC finds it imperative to identify the high level capabilities it wishes to maintain and acquire, to enable it to respond to the rapidly changing media and technology environment. The capability roadmap enables the ABC to prioritise capabilities by graphically representing them on a timescale against the ABC's core activities and anticipated outcomes.
- Providing context to capital spending by connecting projects to these capabilities—the capability roadmap helps to identify and coordinate the investments in individual projects required to deliver the capabilities identified. Rather than traditional like-for-like asset replacement, the roadmap helps contextualise how the ABC allocates available capital funds, minimising duplication, optimising synergies, identifying interdependencies and thus contemplating the consequential impacts of introducing new capabilities. The process enables the maintenance of existing capability while considering the organisation's aspirational needs. It also provides the ability to analyse capital requirements in dollar terms, by location, class of asset and business output area.
- Creating outcome accountability—by adopting the capability roadmap, specific outcomes can be directly attributable to the specific capabilities identified and the associated investment in projects.
- Facilitating potential between deliverers and users—the capability roadmap represents a move to a highly visible, iterative and sophisticated method of asset management and long-range capital planning that facilitates greater connection between the implementers of projects and the end-users, further strengthening the capital planning process.

By employing the value chain analysis methodology the ABC's asset portfolio (each key asset or groups of assets in their asset register) is able to be identified by its value-generating activity and the capability it is delivering.

2.4 Asset divergence analysis

An asset divergence analysis can be undertaken to determine if the existing asset portfolio is meeting program delivery requirements. In undertaking an asset divergence analysis, entities determine whether the existing asset portfolio is suitable for optimal delivery of the program delivery requirements that the assets are intended to support. The activities that would usually be undertaken in the analysis are:

- **asset performance indicators**—determine if the existing asset portfolio meets program delivery requirements;
- **asset risk assessment**—monitor risk exposure to ensure changing circumstances do not alter risk strategies and priorities;
- **current level of services**—identify the current level of service being delivered by the existing asset portfolio; and
- **optimal level of services**—ascertain the required level of service to meet the program delivery requirements.

An asset divergence analysis would be supported by documentation which identifies the following:

- **current level of services**—what current level of service is being delivered by the entity's existing asset portfolio;
- **capital investment and funding**—what capital investment is required to optimise the asset portfolio, and how this expenditure is to be funded; and
- **asset disposals**—what underperforming or surplus assets were highlighted through the asset performance indicators?

The results of the asset divergence analysis are then able to be used to inform preparation of an asset management strategy to reflect the asset mix necessary for the entity's program delivery requirements.

Documentation of an asset management strategy

An entity can use the outcomes of its asset divergence analysis and incorporate them into an asset management strategy to reflect the strategic goals of its asset portfolio. The strategic goals may comprise a number of plans that detail how the entity will use its assets in an efficient and effective manner over the life-cycle of the assets to support its program delivery. Part 3 of this Guide provides details on how to document an asset management strategy.

B. Integrating an entity's strategic outlook with its asset portfolio

2.5 Program delivery options

A broad objective for most entities is to optimise the use of available resources in order to meet program delivery requirements. From an asset management perspective, optimising available resources is achieved through strategic planning that establishes which programs need to be delivered and the optimal mix of assets to deliver them. When an entity determines its program delivery requirements, it will consider the core principles of efficiency, effectiveness and value-for-money in achieving them. In deciding the optimal mix of assets to achieve its program delivery requirements, an entity has a range of alternatives which it can consider, as illustrated in Figure 2.4 below.

Figure 2.4: Program delivery options

The range of alternatives as shown above, may include non-asset solutions.

Asset acquisition

The program delivery requirements may be best met by the outright acquisition of new assets that will also meet the efficient, effective and value-for-money considerations.

Demand management

An assessment will determine whether an entity is able to make its program delivery less asset-dependent by redesigning how it is able to deliver some services. For example, and subject to other operational or policy considerations, it may be possible for recipients to apply for the entity's services online, negating the need for it to maintain regional shopfronts.

Outsource arrangements

It may be beneficial to outsource aspects of program delivery, thus eliminating the need to acquire assets. Some advantages of outsourcing may include:

- lower service delivery costs;
- demonstration that the service delivery option is competitive and contestable;
- access to skills, experience and the latest technology;
- rationalisation and standardisation of services, possibly leading to better quality and more efficient service delivery; and
- a release of internal resources to focus on core service delivery objectives.

In deciding whether to outsource a service delivery, an entity would usually consider a number of matters including:

- the ongoing viability of the outsource provider;
- the costs and benefits of outsourcing;
- existing in-house skills, resources and expertise and whether the outsource provider can replicate these;
- the risks associated with outsourcing, including the loss of corporate knowledge and the impacts on business continuity; and
- the extent to which highly sensitive and protected information may need to be divulged to the outsource provider.

Leasing

Finance leases result in the recognition of an asset at the time the transaction (contract) is entered into, which gives rise to treatments similar to those if the asset was purchased outright. Alternatively, some of the advantages and disadvantages of entering into an operating lease for assets as opposed to outright purchase are listed below.

- Advantages:
  - costs are spread over the term of the lease as opposed to an upfront major capital outlay;
  - reduced disposal costs at the end of the useful life;
  - risks of ownership may remain with the lessor;
  - assets may be replaced more frequently over the lease term, allowing access to the latest technology; and
  - the entity may be able to access economies of scale from the lessor's purchasing power, leading to lower lease costs.
- Disadvantages:
  - the assets are not owned;
  - assets may not be able to be modified to suit changing business requirements without lessor approval and attracting fees;
  - lease terms are generally fixed so asset replacements and early terminations at the request of the entity may attract penalties and fees; and
  - there may be a capital outlay required if purchasing the asset at the end of the lease term.

Refer to Section 4.3 of this Guide for a summary of the key advantages and disadvantages of both leasing and outright purchase, and a lease-versus-buy calculator based upon net present value (NPV) analysis.

Reconfigure the existing asset base

As part of its strategic planning, an entity can use an asset divergence analysis to identify an optimal asset mix, and what is required to address any identified gaps. Asset performance indicators are also a key tool in accessing the functionality, operational importance and use of the existing asset base. This is discussed further in the following section on asset performance indicators. Asset condition audits are another useful tool to help determine the 'shelf life' remaining on existing assets that are identified as serving an ongoing purpose.

The outcomes from the asset divergence analysis and asset condition audits may include reconfiguring the asset base to:

- not replace existing assets at the end of their useful life as program delivery objectives can be achieved without them;
- replace assets at the end of their useful life with new lower capacity assets at a lower replacement cost;
- increase existing asset use;
- increase existing asset capacity;
- change the ability of an asset to meet its designated purpose in achieving program delivery outcomes;
- extend the useful life, thus deferring the need to replace an existing asset with a new asset; and
- relocate assets to achieve better use of them.

2.6 Asset performance indicators

Asset performance indicators allow for the asset portfolio to be reviewed in light of program delivery requirements.

Asset performance indicators provide an entity with a tool for managing its asset portfolio to assist it in meeting its program delivery requirements. Performance indicators typically take a multi-dimensional view of the asset's contribution to meeting program delivery requirements. This multi-dimensional view would include consideration of the functionality, operational importance and usage of the asset. These are described below in Table 2.2.

Monitoring asset performance can also assist in managing and building the performance of key individual assets or groups of assets, which contributes to the accountability, decision-making and governance arrangements of program delivery.

Entities will need to make an assessment of whether the costs of collecting asset performance information are justified by the benefits gained from the data. In most cases, asset performance indicators would be useful only for entities which maintain significant individual assets of groups of assets.

Table 2.2: Performance indicators

Functionality	'Fitness for purpose' describes how well a current asset matches the activities it supports.
Operational importance	Operational importance reflects how heavily the asset user depends upon the asset to meet service delivery needs. In determining an operational importance rating, consideration needs to be given to the immediate availability of alternatives, and the consequences of failure.
Use	An important part of determining the asset's relevance to business requirements is how intensively the asset is used.

Performance indicators rating scale

Individual assets play different roles, including direct or indirect contributions, to supporting program delivery requirements. One approach to ascertaining the level at which assets are performing, and hence assessing their relative degree of importance to an entity, is to assign each asset or asset class a rating. A typical rating scale that could be used is outlined in Table 2.3 below.

Table 2.3: Performance indicators rating scale

Functionality		
1	Ideal	Ideal indicates that the asset is ideally suited to the operation and is likely to continue to be so in the foreseeable future.
2	Satisfactory	This grading applies when the asset, while it may not be ideal, meets the core operational demands placed on it.
3	Not suitable	An asset that does not meet operational requirements, for example assets awaiting disposal.
Operational importance		
1	Critical	The asset's function is absolutely essential if the operations are to be continued as intended, for example a financial management information system.
2	Operational need	A high level of operational importance to operational needs without being critical, for example fit-out.
3	Non-essential	The asset is not considered as an integral part of the operations, for example a kitchen refrigerator.
4	Not required	The asset provides no contribution to the entity's objectives, for example redundant assets or assets awaiting disposal.
Use		
1	Standard	Considered to be the standard level of usage for which the area or asset has been designed, for example leasehold improvements.
2	Excessive	This grading describes an asset that is in constant or continuous use that is excessive, for example an asset running above its design specification limits.
3	Under-utilised	This asset meets service delivery needs but is not being used to its full extent possible, for example where service capacity of the assets exceeds demand.

The performance of physical assets changes over their life-cycles and ongoing monitoring of key assets is an important aspect of asset performance. Asset performance information is usually completed with other qualitative and quantitative information relevant to service delivery needs. In doing this, entities are able to develop asset performance benchmarks to assist in optimal service delivery outcomes. Asset performance benchmarks should consider the nature of the asset, its program delivery role and its relative importance.

Applying performance indicators to each key asset or asset class provides entities with a tool to assess the role of those assets on an ongoing basis. However, entities may also have valid reasons for currently maintaining assets with low ratings because of their importance to the future delivery of program outcomes.

The ratings for assigned performance indicators are then combined to determine a relative asset performance benchmark for each key asset or group of assets. An example of how asset performance benchmarks are assigned to each key asset or group of assets is provided in Table 2.4 below. The lower the total rating assessment the more critical the performance of the asset is likely to be to the entity.

Table 2.4: High-level summary of performance indicator benchmarks

Benchmarks		Example	Functionality rating	Operational importance rating	Use rating
A	High	Precious artworks/artefacts, critical systems	1-2	1	1
B	Normal	Office equipment, IT equipment, accommodation	1-2	2	1
C	Low	Items with some functional use but of little operational importance	2	3	1
D	Concern	A course of action is required to address an issue	1-3*	1-4*	1-3*

* A range of ratings is provided as different combinations across functionality, operational importance and use can provide an overall concern rating.

Performance indicators can also be collected by way of a capital management planning survey. An example of this approach is shown in Section 4.4.

Case Study 2.2 highlights how additional costs may be incurred if an entity does not regularly monitor its asset performance indicators for key assets or asset groups.

Case Study 2.2: Maintenance planning at the National Capital Authority

Through recent assessment of asset performance indicators, the National Capital Authority identified that, as a result of previous asset management practices, the condition of some elements of lighting infrastructure in the Capital Circle Tunnel, Canberra, was suboptimal. The previous management practice had involved only replacing faulty lamps once a threshold point had been reached and some components of a lower quality were used. This approach was not part of a comprehensive maintenance plan.

Due to the extended period that faulty lamps were left un-repaired, as well as the use of some lower quality components, excessive heat built up within the light fittings causing early deterioration and failure. The extra cost incurred replacing the additional components more than offset the initial savings gained from the use of lower quality components.

The National Capital Authority identified that preparation of a detailed maintenance plan, focused on asset performance indicators, could have identified the need to undertake regular, relatively low-cost, maintenance to avoid having to incur periodic high-cost repairs. This would also improve long term asset performance.

2.7 Capital investment decision

Program delivery requirements drive capital investment decisions.

An entity can use the capital budgeting process to evaluate potential asset solutions and to establish priorities in light of its program delivery requirements and its available funds. Capital funds can then be applied to asset acquisitions to obtain the best value for money that is also consistent with the strategic goals for the asset portfolio (which is described in the asset management strategy).

Capital investment framework

Development of a structured framework can assist entities in assessing their capital investment decisions. This framework could involve undertaking a business case that is assessed by the executive leadership team, to determine the extent to which an asset satisfies the strategic goals for the asset portfolio. This structured approach allows greater control over the asset acquisition process and facilitates the allocation of capital funds which is likely to be consistent with the entity's strategic business plans.

Incorporating an asset business case into a structured capital budgeting process can also provide the following benefits:

- formally documents the contribution to program delivery requirements;
- provides more accurate forward-year budgeting with all significant acquisitions signed off by the executive leadership team;
- identifies full life-cycle costs;
- is more likely to consider all aspects of capital acquisition, with respect to financial, human, information and physical resources; and
- formally assesses and manages of the associated risk.

Management may also apply investment logic mapping to develop a longer term investment focus. Case Study 2.3 provides an example of how investment logic mapping can be applied to a structured capital budgeting process.

Case Study 2.3: Investment logic mapping

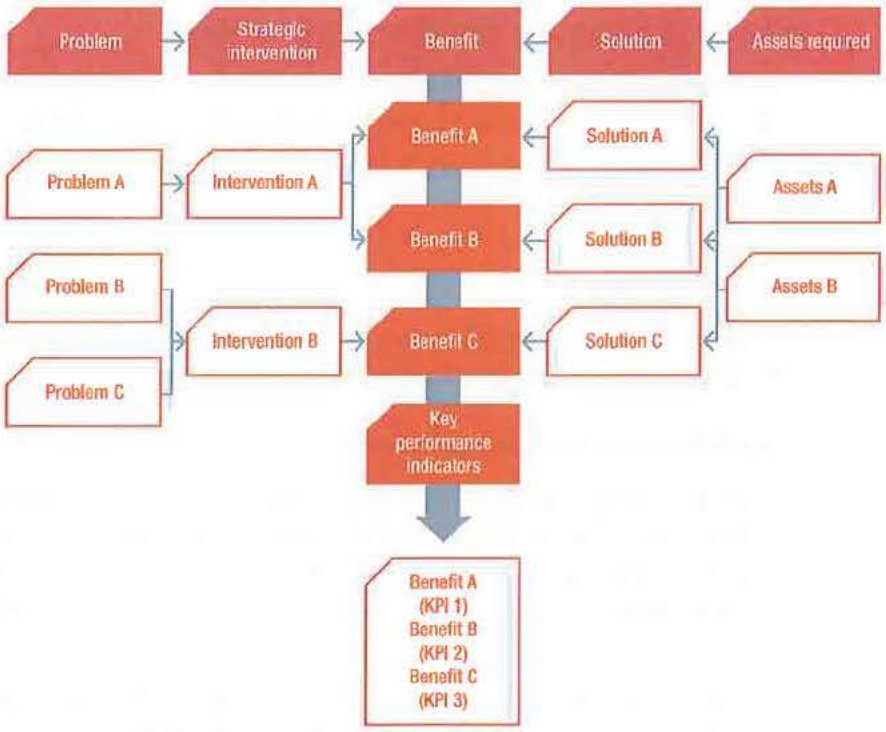
The methodology for investment logic mapping was developed by the Department of Treasury, Victoria, to promote activities through a longer term investment management focus rather than running a series of projects. Investments require the identification of a business need, finding a solution and then implementing the solution to ensure the desired benefits are delivered. A project is an activity undertaken to deliver a solution.

An investment framework clearly identifies and validates the business need and the benefits the solution is expected to deliver. Investment life-cycle phases are set out as:

- Concept and feasibility: Is the logic for the planned investment clear?
  - investment logic mapping (the problem, benefit and solution).
- Validation and planning: Is there a sound business case to proceed?
  - business case.
- Implementation: Does the logic for the investment remain valid?
  - investment reviews.
- Operation: Were the expected benefits achieved?
  - benefits reporting.

An investment logic map is illustrated in the diagram below.

Figure 2.5: Investment logic map



Case Study 2.3 (cont'd): Investment logic mapping

Through investment logic mapping a series of problems are identified and then, to address these problems, high-level strategic interventions are developed.

Key performance indicators are designed to monitor the extent to which the expected benefits are delivered from the strategic interventions.

Solutions are then developed, with associated asset requirements, to meet the intent of the strategic intervention and generate the benefits.

This analysis is typically set out in an investment concept brief containing the key elements required to deliver the solutions. The investment concept brief forms a high level summary that feeds into a capital investment business case.

Capital funding sources

Section 4.1 provides guidance on how the Australian Government's regulatory environment applies to major capital investments. Capital funding for FMA entities' asset acquisitions (as quantified by the Department of Finance and Deregulation) can only be provided from a New Policy Proposal, the Departmental Capital Budget or cash reserves. Part 3 provides guidance on how to determine the appropriate funding source.

Business case for capital investment

A well-structured business case for major capital investments will usually address a number of key elements including: strategic alignment with the operations of the entity; net present value (NPV) analysis; projected accrual impact on the entity's financial statements; and a cost-benefit analysis.

A key element of the business case that assists in ensuring value for money and in allowing a comparison of different asset solutions is a net present value analysis. Some of the assumptions that underpin the net present value analysis performed as part of the business case include:

- incremental cash flows;
- nominal terms; and
- comparability.

More information on the elements of a business case for capital investments and the assumptions underpinning the net present value analysis can be found in Section 4.5.

Accrual financial statement projections

Financial statements for all Australian Government entities are required to be prepared on an accrual basis. Under accrual accounting, income and expenditure transactions are recognised and recorded when incurred, regardless of whether the underlying cash amount or its equivalent is received or paid, resulting in transactions being recorded in the accounting records and reported in financial reports during the period to which they relate. A more detailed definition of accrual accounting is included in the Glossary at Section 4.10.

This creates challenges for entities who use an NPV analysis as part of the business case for a major asset acquisition. The challenge arises because the NPV analysis is undertaken on a cash basis and ignores any

non-cash accrual impacts. The implementation of a preferred capital investment option will have a number of non-cash accrual impacts that will affect the operating results and the balance sheet of the entity.

For example, the following are not usually included in the calculation of an NPV analysis:

- Depreciation—depreciation is an accrual expense and does not result in an actual cash flow;
- Financing costs—the procurement decision is fundamentally different to the financing decision (interest, repayment of principal, grants from governments); and
- Sunk costs—costs which have been incurred and are not recoverable in the event that the project does not proceed.

Given that the implementation of the preferred capital investment option will affect the entity's operating result and balance sheet, it is important that a business case includes a quantitative analysis of the impact on the projected results of the capital investment procurement. If adjusted forecast financial statements are prepared, entities should consider the potential accrual impacts on procurement cash inflows and outflows. A listing of more of the adjustments that may be required in such circumstances can be found in Section 4.6.

Risks associated with cash flows included in the NPV analysis can be addressed in part through a technique known as probabilistic estimation. Case Study 2.4 deals with an example of probabilistic estimation in the assessment of an asset development project.

Case Study 2.4: Probabilistic estimation technique

Probabilistic estimation technique is one approach to project costing methodology used by the Department of Finance and Deregulation. Probabilistic estimation provides greater certainty of cash flows as part of the project's financial management and assists in mitigating the risk of project cost over-runs.

Project cost estimates have an inherent level of uncertainty attached, and this level will reduce as the project advances towards completion. The overall estimate is maintained under a costing framework given that even though the base estimate may increase, the allowance for risk is likely to decrease.

There are two key components to project cost estimates:

- base estimate (construction and owner costs); and
- contingency allowance to cover a specified level of risk (the inherent risk, plus contingent risk, plus escalation).

Probabilistic estimation is used to calculate the value of a specific risk in that the outcomes are multiplied by a probability factor.

Example

Through a two-stage capital approval process as an example, at the First Pass, there is say a 50% chance that the total of the base estimate amount and contingency amount will not be exceeded. At the Second Pass, assume a more accurate 80-90% probability that the total estimated cost will not be exceeded could be used. The calculation of this probability is based upon professional experience and judgment at the time of the Second Pass assessment.

Case Study 2.4 (cont'd): Probabilistic estimation technique

Using these underlying assumptions, and in preparing cost estimates for a capital works project, a base estimate has been calculated by a qualified expert at $10m. The base estimate was calculated with reference to recently completed projects of a similar nature and size.

A risk is identified that there may be project delays due to finalising initial design issues.

As seen in the table below, a contingency of $8 million for these potential delays has been calculated based upon probabilistic estimation of predicted costs.

Table 2.5: Estimating the cost of the risk of delays due to finalising initial design issues

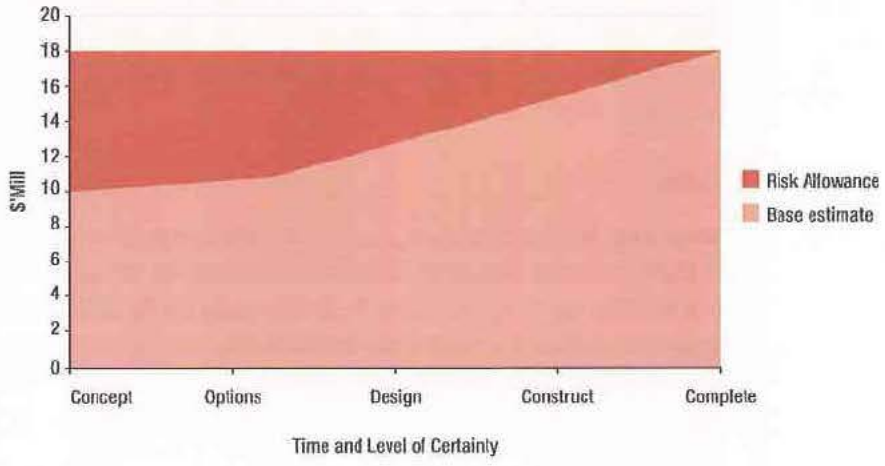
Impact	Consequence ($'mill)	Probability (%)	Risk Weighted Outcome ($'mill)
Lowest	0	5	0
Likely	1.6	60	1
Worst	2.0	35	7
		Risk based outcome	8

The total cost of the project is therefore estimated at $18m, being the contingency of $8m added to the base estimate of $10m.

Where the project is managed through proper planning the overall cost of the project should remain static. This is as a result of decreasing levels of risk and cost uncertainty as the project advances towards completion. As the cost consequences of risks eventuate and become part of the base estimate the residual level of risk will usually decrease.

The following graph illustrates the maintenance of the cost and contingency estimate:

Figure 2.6: Maintenance of the cost and contingency estimate



2.8 Risk management

Risk management is a part of everyday operations that for some entities is best integrated into aspects of asset management decisions.

Risk identification and mitigation are key aspects of the day-to-day management of most entities. Entities that have significant asset portfolios or whose assets are integral to their ability to deliver program outcomes, are more likely to also integrate risk management into aspects of the decision-making processes associated with asset management. Risk arises out of uncertainties about future events and their associated consequences, and is the chance of something happening that will impact on the asset portfolio's ability to meet the program delivery requirements of the entity. Table 2.6 details how an organisation could identify the key risks relating to asset acquisitions.

Table 2.6: Identification of asset acquisition risk

Factor	Description
Risk identification	Identify risk associated with the asset purchase or asset holding. What risk does the asset pose to the entity and what would cause this to occur?
Risk assessment	Assess the likelihood and consequence of the risk occurring.
Risk mitigation	Develop strategies for predicting and treating the risk.
Risk allocation	Allocate responsibility for implementing the risk treatment strategy.
Monitoring and control	Identify emerging risks and the consequent changes to existing risks that require changes to the risk treatment strategy.

Once the exposures for each risk have been identified they can be prioritised to determine if the exposure requires treatment, what risk mitigation strategies are required, and how the risks can be quantified. This can be achieved by looking at the likelihood of the risk occurring and the consequence if it does occur. The Commonwealth Procurement Guidelines advise that risks should be borne by the party which is best placed to manage them. The Comcover branch within the Department of Finance and Deregulation provides risk management advice, information and other services to assist entities in identifying and treating risk.

Having identified its asset management related risks an entity has several options available to treat exposures to risks that include acceptance, risk mitigation, avoidance and risk sharing. Table 2.7 details these options.

Table 2.7: Treatment of risk exposures for assets

Option	Outcome	Option rationale
Acceptance	Accept and retain the exposure to risk.	An entity may choose to make an informed decision to accept a risk associated with asset ownership, for example because of its specialised function.
Risk mitigation	Manage the effect of exposures to risk and losses.	This involves developing asset solutions that prevent or reduce the likelihood of a risk occurring or limit the consequence should it occur.
Avoidance	Avoid or reject the exposure to risk.	An entity may make a decision to not expose the organisation to the potential risk resulting from asset ownership, by, for example, leasing it.

Option	Outcome	Option rationale
Risk sharing	Share the risk exposure with another party.	It is mandatory for all general government sector entities to insure their property assets and the Commonwealth's Comcover fund is designed as the primary insurance cover for all government assets. An entity may also share the effects of exposure to risks if it is unable to manage them, through partnering arrangements (joint ventures, etc) and contracts (outsourcing, etc).

Quantification of risk can be achieved through analysing exposures against two predetermined criteria, and this is detailed in Table 2.8.

Table 2.8: Quantification matrix for asset risk identification and assessment

Matrix	Idenification	Assessment
Identification matrix	**Area of risk that may be exposed to loss:** health and safety, environmental conditions, legal, contractual, strategic, political, assets and property, financial and commercial, etc.	**Source of risk:** things that possess the potential to cause harm through their effect on those entities exposed to loss.
Assessment matrix	**Consequence:** the impact of the risk if it occurs.	**Likelihood:** that a risk may occur, i.e. the probability that the consequence will occur.

2.9 Life-cycle costing

The true cost of ownership can only be established if the full life-cycle costs are known.

Life-cycle costing is a key asset management tool that takes into account the whole-of-life implications of planning, acquiring, operating, maintaining and disposing (including makegood provisions if necessary) of an asset. It is a process that analyses the known costs over an asset's life, or that of a non-asset solution, to reflect the true overall cost of acquiring an asset. Life-cycle costing is best performed prior to acquisition to allow a comparison of costs to be made. Additional guidance can be obtained on life-cycle costs from the Australian National Audit Office's Better Practice Guide, *Life-Cycle Costing*, issued in *2001*.

When entities undertake strategic asset management it is important that they capture the life-cycle costs associated with the ownership of key assets, and that these costs are included in decisions relating to assets, including capital investment decisions and in determining the optimal mix for the asset portfolio. In certain circumstances it may be beneficial for an entity to develop a chart of accounts in its financial management information system that is used to track life-cycle costs, and project management modules can also be configured to capture this data.

To assist in making life-cycle costing more efficient, assets that have similar characteristics can be grouped together and profiled. The use of profiling across the whole of an entity's asset base can dramatically improve the life-cycle costing process. This can enable the entity to:

- identify the true costs of asset ownership more accurately and reliably; and
- enhance its ability to track life-cycle costs at the asset and program level.

Case Study 2.5 provides an example of how asset profiling may be developed.

Case Study 2.5: Asset profiling

Asset profiling is a useful tool in developing generic profiles aligned with individual assets that share similar characteristics to determine the life-cycle costs, including the capital and operational components.

Estimations of life-cycle cost incorporating maintenance regimes, are, depending upon the nature of the assets, based upon assessment of the design specifications by engineers, quantity surveyors or other relevant experts.

Asset profiling provides a robust and defensible methodology for developing budget estimates and is built into capital management planning. This methodology provides assurance to an entity's executive as to the likely resource demands for both its existing asset base and for proposed acquisitions. The New Policy Proposal capital bid process is strengthened by having life-cycle costs supported by a sound methodology and expert, independently sourced calculations.

Asset profiling can be illustrated through a fictitious example of an asset profile for a freehold building, although the methodology and examples are equally relevant to other assets which comprise a number of interrelated components. A building is made up of many components and associated life-cycle costs. For the purposes of the example inflationary movements and revaluations are ignored, the building will be replaced at the end of its useful life, and depreciation is maintained at a constant level based upon the original acquisition cost.

Table 2.9: Asset profile for a freehold building

Acquisition Cost			$25,000,000	Useful life: 50 years	
Component	Time period years	Last performed	Next task data	Capital	Operational
				($)	($)
Building condition assessment	5	15/03/2007	15/03/2012		10,000
Window cleaning	1	31/01/2009	31/01/2010		5,000
Heating and air condition maintenance	5	31/10/2008	31/10/2013		10,000
Painting	10	30/06/2005	30/06/2015		15,000
Upgrade stairs, railings, handrails and guardrails	30	31/03/1985	31/03/2015	150,000	
Replace roofing, guttering and flashing	40	30/04/1980	30/04/2020	100,000	
Lift inspection and maintenance	3	31/07/2007	31/07/2010		10,000
Upgrade building automation systems	2	31/03/2008	31/03/2010	5,000	

Case Study 2.5 (cont'd): Asset profiling

	09/10	10/11	11/12	12/13	13/14	14/15	15/16	Sub Total
Capital	5		5		5	150	5	170
Operational	5	15	5	15	25	20	5	90
Depreciation	500	500	500	500	500	500	500	3,500
Total	**510**	**515**	**510**	**515**	**530**	**670**	**510**	**3,760**

	16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24	Grand Total
Capital		5		105		5		5	290
Operational	15	15	5	15	5	5	25	15	190
Depreciation	500	500	500	500	500	500	500	500	7,500
Total	**515**	**520**	**505**	**620**	**505**	**510**	**525**	**520**	**7,980**

Aggregated with asset profiles developed for other asset types, a composite financial impact of an entity's asset base can be integrated into an Asset Management Strategy and a Capital Management Plan.

Actual costs incurred against an asset profile are tracked to assess whether the original estimates that were made based on design specifications were reasonable. Adjustments to estimates and methodologies can then be made through this feedback loop.

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APPENDIX 6.4
DRAFT SAM GUIDELINES (ACT TREASURY)

ACT Government
Chief Minister and Treasury

DRAFT STRATEGIC ASSET MANAGEMENT GUIDELINES

February 2013

Prepared by:

FINANCE AND BUDGET DIVISION
CHEIF MINISTER AND TREASURY DIRECTORATE

Contents

1. Introduction

The ACT Government Strategic Asset Management Framework (the Framework) has been developed to guide and assist in improving and enabling the prudent management of publicly owned assets in the ACT.

A structured and consistent approach to the long-term management of assets and associated practices will improve the performance of publicly owned assets, and the effectiveness, efficiency and quality of services delivered by the Government. It will provide greater transparency of future asset expenditure requirements that will inform and assist the Government when making future decisions on the allocation of financial resources.

The ACT Government is committed to improving and optimising service delivery outcomes in the Territory through efficient and effective use of its asset base. The purpose of establishing the Framework is to ensure that the Territory fulfils its social, economic and environmental obligations to the community; this involves improvement in the management, planning and acquisition of assets.

Appropriate management of assets is required of agencies' Directors-General under the provisions of the *Financial Management Act 1996* (FMA). Part 4 of the FMA states that Directors-General are responsible for the efficient and effective financial management of their directorates and Section 31(2)(e) states that adequate control is to be maintained over the assets of the Directorate.

These guidelines and a template have been developed with the status of guidance material for ACT Government agencies. Each agency has responsibility for the management of the assets it owns and controls, as well as the services it must deliver for the Government. The intention of these documents is to provide guidance for agencies to efficiently and effectively meet these responsibilities.

1.1 Objectives and Principles of Strategic Asset Management

The objective of strategic asset management in the ACT Government is to improve the performance of publicly owned assets, and the effectiveness, efficiency and quality of services delivered by the Government. It involves assisting an entity to meet service objectives through guiding the acquisition, use, maintenance, upgrade and disposal of assets, and managing the related risks and costs over all phases of the asset life cycle.

Key principles guiding how Strategic Asset Management integrates with broader government and organisational planning are[1]:

- Assets exist to support service delivery. Therefore non-asset solutions should be considered.
- Agencies should manage assets consistent with whole-of-government policy frameworks and take into account whole of life costing, future service demands and, balance between capital expenditure and maintenance requirements.

[1] Australian Asset Management Collaborative Group (2011), *Guide to Integrated Strategic Asset Management*, Australasian Procurement and Construction Council Inc

- Asset management should be integrated with agency strategic and corporate planning.
- Asset management decisions should holistically consider sustainability outcomes: environmental, social, economic and governance.
- Governance arrangements should clearly establish responsibility for functional performance of, and accountability for, the asset and service delivery.

The adoption of whole-of-government strategic asset management planning can provide a number of benefits to the community including:

- promoting the best use and maintenance of existing assets including asset re-use and revitalisation;
- promoting value for money, accountability and transparency in the management and use of existing assets to service the needs of the community;
- promoting sustainable outcomes through consideration of whole-of-life factors;
- enhancing service delivery, in line with Government strategic policy;
- establishing a consistent approach to asset management planning and classification issues which will reduce costs for the Government;
- establishing a consistent set of core asset management principles across Government agencies to ensure that calls on public funding are assessed consistently;
- supporting decision-making for investment in existing and future assets, and planning for obsolescence;
- providing a framework for assessing non-asset service delivery models; and
- promoting sustainability and risk management.

1.2 ACT Government Asset Management Framework

An asset management framework is a set of policies and practices that provide guidance to all personnel involved in the management of assets, and in the delivery of services that are asset dependent. A framework needs to address topics such as:

- government objectives with respect to the management of assets including:
  - policies on the physical and financial recording of assets;
  - policies on the use and performance of assets;
  - asset management planning;
  - consideration of issues regarding the acquisition and financing of assets;
  - business case requirements for asset funding; and
  - accountabilities for the management of assets.
- service delivery needs (social, environmental and economic needs of the Territory) and associated asset management decisions.

Asset management planning is a core component of the Framework which involves the use of Strategic Asset Management Plans (SAMPs). SAMPs are to be prepared by all agencies that hold assets and should be reviewed annually. SAMPs are primarily to be used by agencies to establish the optimum form of the assets required for them to deliver, within resource limits, the results and services sought by the Government.

The place of asset management in the overall planning environment for an agency is outlined in the diagram below (Figure 1). It is evident from the diagram that a sound understanding of present and future service delivery requirements is essential before a meaningful SAMP can be prepared. This information is usually recorded in a Service Delivery Strategy document, or equivalent.

Figure 1: Context of Strategic Asset Management Framework

Service delivery strategies describe present service delivery needs and levels, their basis, and likely future demand for services. These need to be supported by reliable data. This will require an agency to:

- detail its statutory and other service obligations;
- determine the demand for services, substantiated by research and analysis;
- specify the nature of and drivers for service demands;
- analyse other relevant services within government;
- analyse alternative delivery methodologies; and

- quantify levels of service that can be achieved, relative to likely resources available.

1.2.1 Connection to the ACT Budget Process

The ACT Government is committed to securing the financial future of the Territory through sound financial management and accountability in the Public Sector. Government expenditure is broadly constrained by revenue streams, long-term fiscal pressures and emerging budget pressures.

To enable the Government, Treasury and all agencies to better focus on the strategic management of the Territory's asset base, in line with the Government's strategic policies and service delivery requirements, a partnership approach to better asset planning is essential. Improved asset planning will enable agencies to better manage their assets and work cooperatively with Treasury. This will assist in accurately forecasting the funding levels required to implement asset plans to support the efficient and effective delivery of services while obtaining value for money.

SAMPs are not requests for funding through the Budget process, nor does agreement by Treasury or Government to a SAMP equate to endorsement of the funding identified in a SAMP, if new funds are needed. Annual budgetary considerations take into account a range of factors from a whole-of-government perspective, including agency infrastructure requirements.

Agency claims for additional funding are more likely to be supported by the existence of a SAMP that accurately forecasts future spending required for agencies to maintain and/or develop its asset base, in the context of risk management, sound service demand requirements and inclusion of robust and verifiable assumptions. To assist the Government in developing capital budgets, it is a requirement that agency SAMPs provide reliable estimates of projected asset expenditure (to sustain and acquire assets) over a 10-year rolling period. Within this 10-year timeframe, detailed information on agency capital expenditure requirements must be provided for the first 5 years for each asset category, with indicative information provided from years 6 – 10 that can be reviewed annually.

Capital upgrades can be defined as exceptional activities intended to extend the effective useful life of an existing asset, or improve the asset's service potential. They do not include recurrent expenditure for repairs or maintenance. Annual allocations for capital upgrades are based on agency SAMPs. Allocations for capital upgrades are on a rolling basis, with the budget year funding reviewed annually as part of the Budget process. Where necessary, agencies, in conjunction with Treasury, will develop five-year capital upgrade expenditure plans for each budget.

Strategic asset management planning is an important component for agencies' Directors-General to acquit there responsibilities to use resources efficiently and effectively. Consequently, agencies will need to allocate the necessary resources to undertake the core role of managing assets, if this is yet to occur.

1.2.2 Strategic Asset Management Plans

These Guidelines have been developed to support a greater government focus on strategic asset management and seek to clearly link the management of the Territory's assets with service delivery to the community.

This suite of documents contains:

- Asset Management Guidelines – which seek to provide a description of the purpose, scope and contents of SAMPs (this document); and
- an associated SAMP Template to assist agencies in preparing SAMPs.

When preparing SAMPs, agencies should refer to these Guidelines for assistance and clarification on the requirements for SAMPs and the recommended level of detail.

1.2.2 Agency specific policies

Individual agencies and business units may have unique requirements for management of assets within their control. An agency may develop a Strategic Asset Management Policy to provide a consistent approach to the matters considered in preparing a SAMP. Agencies should ensure that any policies are regularly reviewed and updated to reflect process improvements.

1.3 Compliance Requirements

1.3.1 Which agencies are covered?

All ACT Government Directorates, Territory Authorities and Territory Owned Corporations are required to develop SAMPs as part of normal sound asset management practices.

All ACT Government agencies which receive Budget appropriated capital works or capital upgrade funding, are required to submit updated SAMPs to Treasury. Some agencies control large portfolios of assets, as such these agencies will need to consider how best to asses the condition of its controlled asset base. For example, a 3 years cycle may be appropriate for a certain class of asset within some larger agencies. This will depend on factors such as the value, significance, lifecycle and functionality of each asset.

For the purpose of simplicity, the term "agency" will be used throughout these guidelines and the SAMP Template to refer to all ACT Government Directorates, Territory Authorities and Territory Owned Corporations.

1.3.2 Which assets are covered?

An asset is a future economic benefit as a result of a past transaction, that is controlled, and can be measured reliably.

An entity is deemed to control an asset if it:

- has the capacity to benefit from the asset in pursuing its objectives;
- is able to deny or regulate the access of others to that benefit; and

- has the ability to secure the service potential or future economic benefit.

The ACT Government Asset Management Framework applies to all non-financial assets owned or controlled by agencies. "Non-financial assets" are physical items such as land, buildings, information technology, infrastructure, collections, equipment or fleet, and intangible assets such as intellectual property and computer software. Any assets controlled by an agency must have an associated business function supporting the delivery of services by the Government.

When developing SAMPs, each agency should have regard to the appropriate form of presentation having regard to both the number and classes of assets they own or control and the different services provided to the community. Agency SAMPs should enable readers to disaggregate the relevant information relating to various aspects of the agency's operations.

1.3.3 Which components are mandatory?

This document and the Strategic Asset Management Template have the status of guidance material for Government agencies.

All agencies will continue to have responsibility for the management of the assets they own and control, as well as the services they must deliver for the Government.

The intention of the Strategic Asset Management Framework is to provide guidance to assist agencies to efficiently and effectively meet these responsibilities.

SAMPs covering all assets held, or planned to be held, are required to be submitted to Treasury by **end-September** each year in line with 4-year forward programs. Agencies should notify Treasury if a SAMP is not in place for the next September deadline. It is anticipated that it may take some time before all agencies are fully compliant with the requirements of these guidelines.

1.4 Carbon Neutrality

In October 2010, the ACT Legislative Assembly passed the *Climate Change and Greenhouse Gas Reduction Act 2010* that establishes emissions reduction targets for the ACT.

In August 2012, the Government endorsed the *Carbon Neutral ACT Government Framework*[2]. The purpose of the Framework is to enable and coordinate a whole-of-government approach to achieving carbon neutrality in a cost-effective manner by 2020. By implementing the Framework and reducing its carbon footprint, the ACT Government can build its resilience to rising energy prices and the impacts of climate change.

Achieving carbon neutrality is the collective responsibility of all ACT Government Directorates. Asset management is to form an essential part of this policy, with asset management decisions to incorporate greenhouse gas emissions as a core consideration.

[2] The *Carbon Neutral ACT Government Framework* is proposed to be released in mid-2013 along with

2. Elements of Strategic Asset Management Plans

The following sections provide guidance to agencies on the essential elements that need to be included in SAMPs. Each section is incorporated into the SAMP template at **Appendix F** and can be adjusted to suit individual agency requirements.

2.1 Executive Summary

The Executive Summary table included in the SAMP Template allows agencies and Treasury to gain a clear overview of each agency's service delivery objectives, existing asset profile and the projected costs to maintain, upgrade or enhance the asset base in a condition to meet the service delivery objectives in the forward years.

The Executive Summary tables of *Existing Asset Profile* and *Future Asset Resource Forecast* also provides a high level summary of each agency's desired levels of future resourcing to enable it to meet its future service delivery obligations through its identified assets.

2.2 Agency Summary

To assist the Government in making informed resource allocation decisions about agency asset requirements, each agency's activities need to be considered in a whole-of-government context, as well as within the context of each portfolio.

Each agency should provide a summary of its activities and governance arrangements which includes the following information:

- A summary of its goals (or objectives) in the short and long term.
- A description of how the identified agency goals seek to deliver the Government's outcomes and priorities for the Territory outlined by the Government in *The Canberra Plan – Towards our Second Century* (www.cmd.act.gov.au/policystrategic/canberraplan), as well as other high-level policies as relevant.
- The output classes and individual outputs in place to achieve these outcomes for each agency.
- A summary of, or reference to, the agency's service delivery strategy (or equivalent) which outlines how it plans to deliver the services required under each identified output. If your agency does not have a formal service delivery strategy in place, it should summarise any equivalent document which outlines how it will deliver the services required by the Government.
- The governance and management arrangements the agency has in place to plan and manage its asset portfolio, including but not limited to, relevant management structures and a summary of the asset management procedures in place within the agency.
- Each agency should also provide a high level summary of its existing portfolio of assets summarised by asset category and including the overall value of each category of assets.

2.3 Existing Asset Base

2.3.1 Identification of Assets – Asset Registers

The integrity of asset information is crucial for each agency's financial reporting obligations with respect to its assets. In addition, comprehensive, accurate and up-to-date information on an agency's assets is vital to effective strategic asset management and planning.

The recommended minimum requirements for information to be included in agency asset registers are included at **Appendix A**. Additional information may be required depending on individual agency needs and service delivery requirements

Independent of financial reporting requirements, all agencies should have asset registers in place to enable effective planning and decision-making about each asset's utilisation.

These asset registers should be maintained by those areas that hold responsibility for the assets in question. It is important that these asset registers be reconciled with the asset information maintained for the general ledger on a regular basis.

Independent of the information required in asset registers for financial reporting purposes, asset registers should also:

- be comprehensive, and include all assets controlled by the agency;
- be structured in a way that allows different classifications of assets to be distinguished, and treated appropriately;
- capture each asset's value;
- capture details of all transactions affecting the assets, as they occur;
- have associated procedures, controls and audit trails to maintain the integrity of the information;
- identify the individual or organisational unit accountable for the asset and the location of the asset; and
- include the status of condition audits.

Agencies may elect to use separate asset registers for different classes or categories of assets (for example to distinguish the categories of assets it uses in financial reporting). If this approach is taken, common data standards should be employed so that consistent consolidated reports on assets can be readily prepared for the agency as a whole.

2.3.2 Condition of Assets

Agencies will need to assess the condition of all the assets they own or control.

Given that many agencies will control a large portfolio of assets, they will need to consider how best to assess the condition of these assets. This may require a phased approach to condition assessments and/or audits of various asset classes on a rolling basis. For example, a three year

cycle may be deemed appropriate for certain assets; this will depend on factors such as value, life cycle and functionality of each asset.

Condition assessments are important aspects of planning for asset maintenance. A proper condition assessment of an asset will involve:

- setting the required condition of the asset relative to its service delivery requirements and value (criteria should include those relating to operational efficiency, public health and safety risk , and amenity);
- inspecting the asset and comparing its condition with that required; and
- forecasting the future condition of the asset.

When assessing the condition of assets, agencies should consider elements such as:

- the expected life of assets;
- each asset's service potential and whether it is fit for purpose;
- the life cycle costs of each asset including:
  - historical and planned maintenance; and
  - historical and planned refurbishments;
- scheduled asset replacement; and
- asset valuations.

Where possible, asset condition should be assessed by each agency using established industry benchmarks.

It is important to note that many, if not most, government assets will not need to be maintained in "as new" condition in order to meet their service delivery requirements. In many cases assets will only need to be maintained in a functional state to meet service delivery requirements.

A five point scale outlining the range of possible service standards for agency assets is included at **Appendix B.**

The assessment of existing assets must also include those assets in the process of being acquired or that are committed to come into service.

2.4 Asset Planning Strategy

Once the details of the existing asset base of an agency have been finalised, and the linkages to its service delivery strategy have been established, this information will then form the basis of the agency's asset planning strategy for the future.

2.4.1 Links to Service Delivery Strategy

The need for assets is directly linked to the provision of services. Once an agency has identified the services it is required to deliver by the Government and determined how it intends to deliver

these services, it must clearly articulate the asset base it requires to deliver these services successfully.

An analysis should be undertaken of future asset needs and an optimal agency asset structure, in order to meet the identified level of services expected, as well as the resulting investment levels required to maintain the existing asset base in a condition where it can provide the required service levels.

2.4.2 Projected requirements for changes in service demand

The need for assets is directly linked to the provision of services. Each agency should consider a range of possible future scenarios for changes in demand (growth or decline) in its service delivery requirements. In considering possible future scenarios for service delivery, each agency should consider:

- the drivers of demand for its services;
- service levels;
- changes to government policy or priorities;
- demographic pressures – such as population growth;
- emerging technologies/innovation and/or other productivity enhancements; and
- changing community demands/needs.

In most cases predicting future demand and need will not be an exact science, therefore consideration should be given to high, medium and low scenarios when planning for the future.

Once a reasonable estimate of demand/need change has been established an agency will need to consider how it will respond, in the context of its assets. Examples of options that agencies can consider include:

- the status quo, that is not respond to the potential change in demand/need;
- plan to fully respond to the potential change in demand/need; or
- a middle ground approach.

In determining which approach should be recommended, consideration should be given to the level of resourcing required to fund assets, the risks associated with meeting or not meeting demand/need and any recurrent impact (ie to operate assets, depreciation and/or leasing costs).

2.4.3 Projected requirements for service or asset enhancement

For each of the options identified, the agency will need to project how each option will impact upon its overall goals and objectives, output classes and individual outputs, governance and asset management arrangements and service delivery strategy.

Ultimately, each agency will need to arrive at its preferred approach for the future, which can then be considered by the relevant decision makers.

A risk assessment should also be undertaken for each of the future options under consideration. Guidance for agencies in undertaking risk assessments is included at **Appendix C.**

2.4.4 Gap Analysis

Agencies will then need to identify the gaps between its existing asset base and the asset base it believes is required to ensure the levels of service identified in each future option.

This gap analysis should be undertaken for all of the options being considered by the agency.

Gaps between the existing asset base and the required asset base can arise as a result of any of the drivers or factors identified above in Section 2.4.2.

The asset strategy of an agency should consider various ways of achieving the desired results within the portfolio, and include an evaluation of the costs, benefits and risks associated with each option.

Agencies will need to carry out this analysis for all government services for which they are responsible, and establish which assets are:

- capable of meeting service delivery requirements (with or without modification);
- not currently available, and have to be acquired (in this circumstance a range of options must be considered); or
- surplus to needs.

2.4.5 Future Strategies

Following this assessment of an agency's strategic asset requirements for the future, the agency can then proceed to consider its approach to the three specific elements of its future asset management:

- sustaining existing assets;
- proposed asset sourcing; and
- proposed disposal of surplus assets.

2.4.6 Exploration of non – asset solutions

Service delivery options that reduce or contain the requirement for an agency to use assets should be considered in an effort to address agency service delivery requirements. The consideration of such "non-asset solutions" should challenge traditional assumptions about the delivery of services and consider the development of innovative methods.

Non-asset solutions that can be considered include:

- redesigning the service to reduce the need for assets (e.g. redesigning the location profile of emergency services facilities);
- increasing the utilisation of existing assets (e.g. community use of school buildings after hours);

- using the private sector to provide parts or all of the service so assets will be controlled and operated by contractors rather than the agency (e.g. waste collection services);
- innovation (e.g. purchasing service capability rather than assets); and
- asset re-use or revitalisation.

Once each service need is determined and the relevant service strategy devised, those services that need to be supported by an asset-based solution can be resolved, as can the performance requirements of those assets over the planning period.

2.5 Sustaining Existing Assets

ACT Government agencies have a responsibility to maintain public assets to assist in the effective and efficient delivery of services and establish management processes to regularly monitor and assess the assets under their control.

Agencies need to develop realistic estimates and projections of the costs they necessarily incur in operating and maintaining a portfolio of assets.

Generally, an agency's base funding (indexed annually) has the capacity to undertake routine maintenance; this should be quarantined and not redirected to other operational uses or offered up as savings.

2.5.1 Asset "Sustain" Strategies

The "sustain" category is designed to keep existing assets functional and effective at minimum cost, and enable their economic life to be realised. This category should be based on an agreed quality standard (usually short of perfection), and include:

- normal asset operating costs in total (routine maintenance, energy, cleaning, management, depreciation);
- the effective utilisation of the Capital Upgrade Program to extend the useful life of assets; and
- the projected costs of major periodic repair, refurbishment and/or replacement.

All agencies when preparing their SAMPs should include a strategy for the maintenance or "sustaining" of their existing asset base. Current and future service levels should be considered when developing this maintenance strategy. Agreed quality standards should be determined for each class of asset when making an assessment of maintenance requirements.

2.5.2 Types of Maintenance

Maintenance can take several forms. The two major categories of asset maintenance are:

- routine maintenance; and
- major periodic replacements of asset components.

Further information on what is included in these asset maintenance categories is provided in **Appendix D.**

In developing asset maintenance strategies, agencies should have regard to other relevant factors including:

- the environmental and heritage implications of activities;
- the use of innovative asset solutions;
- the energy efficiency of assets; and
- the need to meet regulatory requirements with respect to their operations (such as occupational health and safety).

From this assessment of the maintenance requirements to sustain its asset base, each agency will be able to prepare consolidated sustain budget forecasts. These forecasts should be prepared for a 10-year funding period. Within this 10-year envelope, detailed information on asset sustain requirements must be provided for the first 5 years with indicative information provided from years 6 – 10 that can be reviewed annually.

2.5.3 Forecasting "Sustain" Costs

Planning and costing of the "sustain" category should be based on an intended maintenance standard. The aim is to keep the asset in optimal service condition all of the time, but this is rarely practical or necessary. Defining an appropriate standard of maintenance is a necessary preliminary to developing a realistic maintenance program.

As a guide, the annual maintenance costs for buildings can be expressed in terms of a percentage of the replacement value. Complex, heavily serviced buildings, such as hospitals, tend to be at the high end of the scale, while simple structures with minimal associated services (eg bus shelters, signage or street furniture) are at the low end of the scale. Other factors to consider when assessing maintenance costs include accessibility, existing maintenance contracting arrangements and the maintenance standard that has been agreed.

A useful device for establishing maintenance standards is the five point scale outlined in **Appendix B.**

Maintenance strategies should forecast planned maintenance work for the agency's existing asset base as well as the maintenance requirements of future agency assets.

Lifecycle costs should be identified for all existing and proposed assets and include the relevant maintenance component of these costs.

Information on typical expected lives of some assets is given in **Appendix E.** Further guidance on the typical expected lives of various assets (and depreciation methods) is included in the ACT Government's Model Financial Statements available at www.treasury.act.gov.au/accounting/html/statements.htm.

2.5.4 *Maintenance Priorities*

Agencies should limit their cost estimates for sustaining their existing assets to those categories of costs that can be demonstrated as essential to the ongoing operation of assets at the desired standard.

2.5.5 *Other Operating Costs*

Most assets incur other operating costs that, taken together, can often exceed the costs of maintenance. They include:

- **Energy consumption**
  Many assets consume energy in operation such as fuel for vehicles, and electricity, gas and water for buildings. Operating cost estimates should include energy costs, including provisions for likely changes in price.
- **Cleaning**
  This cost category includes routine cleaning, waste disposal, pest control and similar costs, including consumables.
- **Management**
  Management and administrative costs directly associated with operation of the asset must be estimated and included. This category includes security costs, managing agent fees and access control, among other things.
- **Depreciation**
  While depreciation is a "non-cash" cost it is necessary to consider it in assessing the full cost of operating an asset. While it does not form part of a funding request it is important in assessing non-asset solutions and in computing any user charges. Guidance on the depreciation of non-current assets is included in the ACT Government's Model Financial Statements available at www.treasury.act.gov.au/accounting/html/statements.htm.
- **Efficiency upgrades**
  "Sustain" costs do not normally include upgrades or improvements designed with the primary purpose of increasing efficiency and/or reducing emissions (such as to HVAC systems or lighting). However, actions can be incorporated into normal maintenance activities that improve efficiency and contribute to agency objectives to reduce greenhouse gas emissions. Opportunities for such investments should be actively sought and presented as a separate business case.

2.5.6 *Performance Criteria – Measures and Targets*

To assist in the ongoing strategic asset planning process, agencies should have the ability to record performance data for individual assets.

There are a number of measures commonly used to assess asset performance:

- an asset's physical condition (discussed above);
- utilisation;
- functionality; and
- financial performance.

An asset's **utilisation** is a measure of how intensively it is being utilised to meet service delivery objectives. Assessment of asset utilisation will identify any surplus capacity that could be taken up for other purposes. To assess utilisation, criteria and benchmarks appropriate to the services being delivered and to the class of asset being considered firstly need to be established. These criteria should be based, wherever appropriate, on best practice data as well as on the results of previous analyses.

The **functionality** of an asset is a measure of its operational performance against its service delivery objectives. To monitor and assess functionality, an agency needs to determine:

- the role each asset plays in achieving service delivery outcomes; and
- the functional characteristics required of each asset to support the specified activities.

The functionality of assets should be regularly reviewed.

Elements of each asset's **financial performance** should also be considered. This will enable each agency to determine whether or not each asset is providing economically viable services.

For example, each agency needs to monitor and assess its assets' operating expenses (to include, for example, cleaning and energy costs and maintenance expenditure);

All asset performance information should be appraised by agencies against relevant benchmarks to establish whether assets are being managed effectively.

2.5.7 Reporting

From these assessments of the requirements to sustain each class of assets, the agency can then prepare a consolidated sustain budget forecast. This consolidated forecast should be prepared for a 10-year funding period.

Within this 10-year envelope, detailed information on sustain requirements must be provided for the first 5 years for each category. Indicative estimates can be provided for years 6 – 10 which can be reviewed annually.

2.6 Capital Investments

2.6.1 Consideration of Asset Acquisition Options

Where a decision is made to acquire assets an asset purchase or the custom development of an asset to meet a specific purpose may be required. Assets may also be leased or hired.

Each capital investment seeking additional funding for agencies must be the subject of a business case as part of the Budget process which will need to demonstrate that the benefits of the proposed acquisition clearly outweigh the relevant costs.

The details of the Government's requirements for capital investment business cases as well as template documents to assist agencies with their capital projects are outlined in Treasury's Budget Development guidance papers as updated from time to time.

Asset acquisition plans should identify each type of asset to be acquired as well as the proposed location of new assets. For all proposed capital investments, agencies should identify the proposed contribution of each new asset to meeting its service delivery strategy, whether this is to meet an existing shortfall or a gap between existing and future enhanced service delivery.

Agency asset acquisitions should only be justified, and subsequently classified, according to one of three possible reasons:

1. to replace an existing asset at the end of its useful life;
2. to meet growth in the demand for the agency's services; or
3. to enhance the agency's service delivery.

An asset acquisition plan should also define the type and timing of future asset requirements, and set out the proposed method of acquisition and financing for each asset.

A risk assessment should be undertaken for all proposed asset acquisitions and mitigation strategies should be considered. Guidance for agencies in undertaking risk assessments is included at **Appendix C**.

From the identified asset acquisition plans, agencies will be able to prepare consolidated budget forecasts for asset acquisition. These forecasts should be prepared for a 10-year period. Within this 10-year forecast, detailed information on agency capital acquisitions must be provided for the first 5 years with indicative information provided from years 6 – 10 that can be reviewed annually.

2.7 Asset Disposals

2.7.1 Identification of surplus assets

After identifying the assets it requires to meet its service delivery strategy, an agency may find that it holds assets that are surplus to its service delivery requirements. Where this is the case, the agency should seek to dispose of the surplus assets rather than continue to own or control them.

In the case of real estate assets, timely identification of properties becoming surplus should occur. Agencies should provide adequate notification to ensure a long term whole-of-government approach can be taken to maximise the portfolio value of real estate assets. In many cases, agencies will be aware many years in advance of assets becoming surplus, for example when new assets are being planned or alternative service delivery models are being considered. Treasury and other areas of the Government (eg ACT Property Group in the case of real estate assets) should be notified when planned activities are likely to lead to an asset becoming surplus.

Agencies should refer to *Procurement Policy Circular PC06: Disposal of Assets* and relevant current policies when deciding whether to dispose of assets and how to manage these asset disposals.

2.7.2 Options to maximise disposal value

Once an agency has made a decision to dispose of an asset or assets, it should consider all of the disposal options available to determine which option will enable it to obtain the maximum value for the asset on disposal. When considering disposal options an agency should consider the timing of any disposal, the full costs of disposal, cash-flow impacts and any risks from the disposal.

2.7.3 Use of proceeds

Any forecast proceeds from asset disposals, as well as savings that can be achieved from ceasing to own or hold the assets, should be accounted for in the forward planning envelope for the agency in its revenue and cost forecasts which can offset potential future costs of asset ownership or acquisition. These forecasts should be prepared for a 10-year period. Within this 10-year forecast, detailed information on disposal proceeds must be provided for the first 5 years with indicative information provided from years 6 – 10 that can be reviewed annually.

The use of proceeds for assets should be discussed with Treasury.

2.7.4 Reporting

From the assessments of the existing asset base and identified surplus, agencies can then prepare a consolidated budget forecast for asset disposal. These forecasts should be prepared for a 10-year period. Within this 10-year forecast, detailed information on agency capital disposals must be provided for the first 5 years with indicative information provided from years 6 – 10 that can be reviewed annually.

2.8 Funding Implications

2.8.1 Consolidated Funding Forecasts

Finally, agencies can consolidate their 10-year funding forecast requirements after calculating their requirements to sustain their existing asset base, acquire assets and dispose of assets which are surplus to service delivery requirements.

As the need for assets is directly linked to the provision of services, it is recommended that agencies summarise their asset funding requirements by the services they provide for the ACT community. This will require agencies to identify which assets are dedicated to providing each of its specific services. In some cases this will require agencies to make estimates to apportion asset funding requirements where assets are used in the provision of multiple services.

For each service an agency provides, its asset funding forecasts should also be broken down into four categories:

1. **Sustaining** the existing assets.
2. Assets required to meet **growth** in service demand.
3. Assets required to **enhance** agency service delivery.
4. Asset **replacement**.

This information will be included in the Executive Summary.

This information will enable agencies to accurately identify their funding requirements for each element of service delivery, and will assist Treasury to develop an accurate picture of the Territory's asset funding requirements and implications.

The funding requirements and sources for individual asset management activities will be a necessary component of agency business cases.

2.8.2 Sources of Funding

Agencies will need to identify the proposed funding mechanisms to be used for the acquisition of each asset, regardless of whether it is to be budget funded.

Decisions on funding sources should be made while having consideration of:

- operating cost savings that can be achieved using new assets;
- leasing options;
- private-public partnerships;
- agency funded; and
- proceeds from the disposal of assets to be replaced.

The funding requirements and sources for all new capital acquisition will be a necessary component of an agency's business case.

Advice on asset procurement can be obtained by contacting Shared Services Procurement, which is the ACT Government's centre of expertise for procurement matters, providing procurement-related services to ACT Government agencies.

2.8.3 Prioritise New Investments

Based on the identified requirements for service delivery and the risk assessments undertaken, each agency should prioritise any future investments it has identified to meet its service delivery requirements and address gaps between its current and optimal asset bases.

This prioritisation of new investments, along with the analysis undertaken in agency SAMPs will inform discussions on future agency funding with Treasury.

2.8.4 Reporting

This consolidated information, divided into sustain, growth, enhancement and replacement categories, is to be reported by service area or category, will be included in the Executive Summary of this SAMP.

As with each of the components of the asset management strategy, this consolidated forecast should be prepared for a 10-year funding period. Within this 10-year envelope, detailed information on asset management requirements must be provided for the first 5 years with indicative information provided from years 6 – 10 that can be reviewed annually.

Appendix A: FINANCIAL ASSET REGISTERS

The purpose of this Appendix is to establish the minimum asset information to be recorded in the Financial Asset Register for asset financial reporting purposes.

The integrity of asset information is paramount to improving the relevance and reliability of asset financial reporting at agency and whole-of-government levels. Therefore, a whole-of-government approach for establishing asset information requirements is required to ensure there is consistency in the asset information used for reporting purposes. This is also required to enable the capture, storage and provision of asset information in the most efficient, effective and economical manner.

The purpose of this Appendix is to establish the minimum asset information to be recorded in the Asset Register **for asset financial reporting purposes**.

Additional information should be carried in asset registers to enable effective asset management to occur and this is outlined in the body of this Guideline's document. It is recognised that agencies may have specific business needs that require additional asset information to be collected and recorded. Agencies need to ensure the appropriate processes are established to manage asset information over its full lifecycle to support their business needs. This includes processes to ensure integrity, accuracy, currency, and completeness of asset information collection, storage, access, use and disposal.

An Asset Register is a fundamental management tool used to record the description of the asset, location, ownership details, quantity, condition and certain financial information relating to the asset valuations.

Each Agency must record in its Asset Register, assets which:

- have a useful life greater than one year; and
- are valued over the $5,000 (GST exclusive) default threshold of other approved threshold; and /or
- are individual units which may cost less than $5,000 (GST exclusive) but may combine to form an operating unit or network or have the same or similar nature, where the total unit of the combined assets is material in amount.

Asset Registers should contain asset information necessary for financial reporting purposes. A list of the asset details that should be recorded in the Asset Register is provided below.

Not all of the information fields will be relevant for some assets, for instance, lease details will not be relevant in the case of owned assets.

The Asset Register should be reconciled with the general ledger on a regular basis.

Asset Registers are reviewed by the Auditor-General as part of the audit of agencies annual financial statements.

Minimum Information Requirements for Financial Reporting Purposes

Asset Details
Asset number
Asset description
Manufacturer's identification number (e.g. Serial number)
Asset category class (e.g. Land or buildings)
Units (e.g. Quantity)
Component information (where applicable)
Location
Ownership (owned or leased)
Lease details (where applicable) (e.g. Lease number, lessee)
Date in service (e.g. Date of acquisition)
Source document reference (e.g. Purchase order number, supplier invoice number)
Warranty information (e.g. Warranty end date/conditions)

Valuation
Original cost or value
Current cost or value (e.g. Revaluation)
Date of last revaluation
Estimated useful life
Salvage / residual value
Revaluation reserve

Depreciation
Depreciation method (e.g. Straight line method)
Rate of depreciation
Year to date depreciation
Accumulated depreciation
Net book value / carrying amount

Disposal
Impairment
Date of disposal (e.g. Date of transfer)
Method of disposal
Net book value at date of disposal
Proceeds of disposal
Gain or loss on disposal

Performance Information
Use, location, maintenance, current condition (condition audit information and lifecycle costs
Additional data may be required to address

- Environmental and heritage requirements
- Specific service requirements (e.g. Health assets)

Appendix B: SERVICE STANDARDS

Service Standard Level	Service Standard Definition	Service Standard Visual	Service Standard Functional	Service Standard Legal	Service Standard Financial
A - Exceptional	The highest standard and used for very high risk facilities.	As new, or highest quality reasonably achievable.	All elements must function as intended at all times, with no down time tolerated during periods of intended use.	All legal responsibilities must be met.	Financial and economic criteria are not primary considerations in planning maintenance programs for buildings of this type. Maximum efficiency of maintenance operations is required to minimise expenditure in achieving the desired outcomes.
B - High	A high standard that reflects the importance of the facility to the organisation.	Minor signs of visual deterioration may be tolerated when viewed closely. No deterioration when viewed from normal distance. Some deterioration may be tolerated for short periods of time.	All elements must function as intended during periods of intended use, with a low probability of failure.	All legal responsibilities must be met.	The primary aim in this category is to maximise the long term economic performance of the facility. Refurbishments, equipment replacements and maintenance planning should be in a strategic framework and decisions taken on a life-cycle basis.
C - Normal	A default standard which reflects on operational needs.	In this category, physical appearance is not the major consideration and some minor signs of deterioration when viewed from normal distance are acceptable.	All required elements should function as intended during periods of intended use. Minor failures, excluding those which bring threat to safety or security, can be tolerated.	All requirements with respect to health, safety and the environment must be met. Other responsibilities should be achieved to the maximum extent feasible.	The primary aim in this category is to maximise the long term economic performance of the facility. Refurbishments, equipment replacements and maintenance planning should be in a strategic framework, and decisions taken on a life-cycle basis.
D - Low	A low standard that reflects a lesser priority on appearance, yet still meets OHS&R and statutory needs.	Some signs of deterioration are acceptable	All required elements should function as intended during periods of intended use. Minor failures will be tolerated except for security.	Legal responsibilities with respect to health, safety and the environment should be met.	Limitation of short term maintenance costs is the primary objective. Some assets may be nearing the end of their useful life and require decisions about their disposal.
E – Very Low	Mothball standard for a facility which is not longer used or about to be disposed of in the short term.	Not important	No requirement to retain any functional performance except to avoid degradation of asset value.	Only essential responsibilities with respect to safety and the environment should be met.	In this category the limitation of maintenance costs in the short term is the primary objective.

Appendix C: RISK MANAGEMENT

The ongoing ownership and management of assets carries inherent risks which, if not considered can result in additional construction costs, delayed occupancy, late delivery of services, below standard facilities and increased costs to the Territory budget.

In contrast, effective management of these risks can result in significant resource savings, better delivery of services and better facilities for the Government and the community.

The ACT Government has endorsed the Enterprise Wide Risk Management Framework which promotes a standardised approach to managing risk across all Territory agencies, directorates and entities. The ACT Insurance Authority (ACTIA) has developed handbooks and toolkits to assist all Territory employees to assess and manage risks relating to Territory business. These guides and toolkits are available from the ACTIA website http://www.treasury.act.gov.au/actia/ and are based on AS/NZS ISO 31000:2009.

ACTIA arranges an extensive insurance coverage for all declared ACT Government assets as well as the associated liabilities. Risk management is a very important part of asset management relating to the Territory's insurance arrangements. Robust risk management practices involving systemic identification of risk and the management of reduction strategies and treatments is essential to maintain the existing arrangements for managing the Territory's insurable losses.

Risks in Asset Management

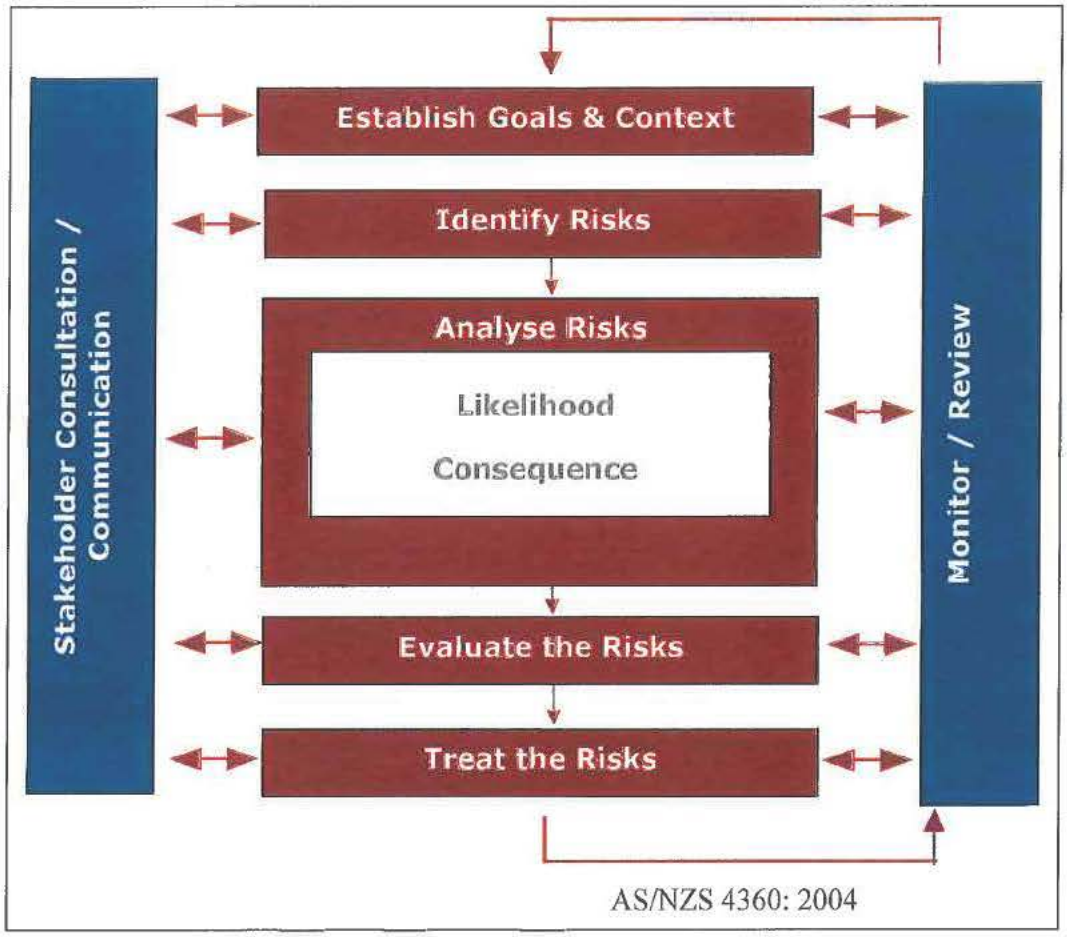
The Table below shows examples of common risks.

Examples of Risks Associated with Assets

Type of Risk	Description of Risk
Contractual	Loss or delays due to contractual disputes with contractors
Environmental	Damage to biophysical environment
Financial	Delayed (or cancelled) project delivery due to price or interest rate fluctuations affecting the cost of supply or the cost of funds
Intellectual Property	Misappropriation of intellectual property rights where innovative solutions have been incorporated into an asset
Investment Risks	Over-capitalisation, under-utilisation, opportunity costs, future obsolescence and reduced flexibility for future uses
Operational	Risks inherent in the operation of the asset
Public Liability	Damage to property belonging to parties outside of Government or personal injury to third parties.
Physical Damage	Damage to the asset from physical influences such as fire, storm, earthquake, flooding etc, rendering the asset unusable by Government or the community.

Managing risk is a priority across the ACT Government and is the responsibility of all ACT Government employees at all levels of the Government's operations.

The process for risk management can be explained by the following diagram:



Agencies and Territory entities are required to declare accurate insurance replacement values of all assets on a yearly basis so suitable re-insurance arrangements can be made for the Territory as a whole. All assets from the ground up are to be declared to ACTIA every year with no deduction for depreciation and the like. Values should reflect the full current replacement value with allowances for aspects such as CPI increases, extra costs associated with more stringent building regulations and contingencies. In the case of large physical assets, such as buildings and infrastructure, it will be necessary to engage the services of a professional valuer where determining the insurance replacement values.

Appendix D: MAINTENANCE/UPGRADE/REPLACEMENT INFORMATION

Types of Maintenance

Routine Maintenance

- "Breakdown" maintenance – sometimes called "reactive", "unforeseen" or "call-out" maintenance, is work done in response to a reported failure or request for service. It is normally the most expensive way to have work done, since pre-planning and pre-scheduling promotes greater efficiency and the more productive use of maintenance resources.

  A sound planned preventive maintenance program (see below) can be expected to reduce the frequency of "breakdowns".

- "Preventive" maintenance – sometimes called "planned", "cyclic" or "scheduled" maintenance – is a planned program of servicing, inspections and maintenance work that is undertaken on a periodic basis determined by the nature of the components of the asset.

  It includes compliance type activities (such as the inspection of fire hoses) and predictable cyclic tasks (such as lubrication and the replacement of fan belts).

Breakdown maintenance and preventive maintenance, taken together, are often referred to as "routine maintenance". It should be noted that a relationship exists between routine maintenance and capital upgrades, with the level of routine maintenance heavily impacting on the timing, type and cost of capital upgrades. A more frequent and comprehensive routine maintenance program may, to an extent, forestall the demand for and frequency of capital upgrades. However, a level of routine maintenance that avoids the need for capital upgrades may be cost prohibitive.

Whole-of-life costing, the systematic consideration of all relevant costs and revenues of asset acquisition and ownership, is typically employed to identify the most beneficial economical balance between routine maintenance and capital upgrade expenditure.

Major Periodic Replacement of Asset Components

Major periodic replacements involve the repair or replacement of components of an asset that have a life shorter than that of the asset itself. As an example, a building may have an intended economic life of 30 years, while one of its components - an air conditioning unit – has an expected life of 12 years.

This type of work is predictable, and does not increase the service potential of an asset (i.e. it does not increase functionality or extend life). It simply ensures that the planned life of the asset as a whole is realised. Work of this kind is sometimes undertaken in conjunction with refurbishment or other enhancements that do increase service potential, and when this occurs it is necessary to distinguish between the costs of the two types of work.

It should be noted that refurbishments, enhancements and "capital upgrades" are not maintenance. They are capital expenditure works that extend asset life and/or improve asset functionality.

Forecasting Maintenance Requirements

Routine Maintenance

Preventive maintenance is pre-planned and can be scoped and costed closely (in terms of labour, use of plant and materials), but the costs of breakdown maintenance, by definition, can only be estimated based on past experience.

Routine maintenance work may be outsourced to a single contractor. Such contracts may be "performance-based' – i.e., the contract is framed on the basis of achieving and keeping a defined maintenance standard throughout the contract period. The routine maintenance cost is then simply the cost of the contract.

Asset managers may choose to organise maintenance with their own work force and/or with a number of specialist contractors. In such cases the estimates of maintenance costs have to be built up from the components.

Some specialised assets require rare or unique spare parts to be held because they would not otherwise be readily available in the event of failure. The costs of acquiring and storing these components should be included in the maintenance costs.

Established maintenance standards and management of equivalent asset categories in other jurisdictions can both be used as guides in estimating the necessary maintenance expenditure for each asset class. In addition, agencies should refer to their own historical maintenance costs as an indicator of future funding requirements.

Annual maintenance costs can be expected to be reasonably constant over the life of an asset if a maintenance regime based on the desired maintenance standard is consistently applied and realised.

Major Periodic Replacements

Projected expenditure for this purpose is usually "lumpy" as it is to cover a small number of large items that have to be replaced or repaired at sporadic intervals. The expenditure profile is developed by scheduling out the likely works over time, using the expected lives of the components.

Guidance on useful asset lives is given in **Appendix E**. These works are still classified as "maintenance" because if they are replaced "like with like"' no increase in value (life extension or functionality increase) occurs.

An alternative approach is to recognise these components separately as assets, to depreciate them at the appropriate rate (higher than the major asset of which they are a part), and provide for their replacement in the expenditure forecasts as before.

Appendix E: GUIDANCE ON ASSET USEFUL LIVES

The ACT Government policy on depreciation of non-current assets outlines the following useful guidance on asset useful lives.

- The useful life commences when an asset is ready for use.
- Land and some community and heritage assets have an unlimited useful life and are therefore not depreciated.
- Leasehold improvements and leased motor vehicles are depreciated over the estimated useful life of each asset, or the unexpired period of the relevant lease, whichever is shorter.

Depreciation for non-current assets is determined as follows:

Class of Asset	Depreciation Method	Useful Life (Years)
Buildings	Straight Line	5 - 100
Leasehold Improvements	Straight Line	2 – 10
Plant and Equipment	Straight Line	2 – 20
Infrastructure	Straight Line	5 - 100
Externally Purchased Intangibles	Straight Line	2 – 5
Internal Generated Intangibles	Straight Line	2 – 5
Community and Heritage	Straight Line	5 – 100

Other useful information can be found in the following accounting standards:

- AAS 4 Depreciation;
- AASB 116 Property, Plant and Equipment; and
- AAS 29, Financial Reporting by Government Entities.

APPENDIX F: Template Strategic Asset Management Plan

These Strategic Asset Management Plan Guidelines outline the requirements for developing SAMPs by individual agencies to support management of publicly owned assets.

A template format has been developed which would incorporate the basic level of information that would be included in a SAMP. Agencies may utilise this template format or can develop a format that best presents the information for their agency. Each agency has responsibility for the management of the assets it controls, as well as the services it must deliver for Government.