Asset Management Policy

Implementation Standard for Asset Management

1. Purpose

This Implementation Standard identifies the minimum requirements that evidence the implementation of the Asset Management policy. It also identifies the responsibilities (and audit criteria) of individual positions in relation to these requirements.

2. Scope

This Implementation Standard applies to all Queensland Health employees, service providers and suppliers responsible for the planning, investment/procurement, management-in-use and disposal of assets owned and managed by Queensland Health.

This Implementation Standard applies to all non-current physical assets and includes all buildings, infrastructure, and equipment (including Health Technology and Computer equipment).

3. Supporting documents

Authorising Policy:

- Asset Management Policy

4. Related documents

- Financial Accountability Handbook
- Non-current Asset Policies for the Queensland Government Sector
- Strategic Asset Management Framework (SAMF)
- Capital Works Management Framework (CWMF)
- Maintenance Management Framework (MMF)
- Government Employee Housing Management Framework (GEHMF)
5. Requirements

5.1 Alignment to Strategic Objectives and Service Delivery

5.1.1 Asset management plans and decisions shall be made as part of Queensland Health strategic decision making, organisational planning and financial management.

5.1.2 Asset management plans and decisions shall only be made in response to service delivery objectives, plans and programs.

5.2 Asset Management Planning

5.2.1 Queensland Health shall have overall asset management responsibility to ensure effective asset performance throughout the asset life cycle.

5.2.2 A statewide asset management plan aligning to service delivery plans and all aspects of life cycle management shall be developed and maintained covering all asset portfolios under the control of Queensland Health.

5.2.3 Health service districts and corporate office divisions shall develop local asset management plans which align to local service delivery plans to inform and support the Queensland Health statewide asset management plan.

5.3 Asset Investment/Procurement

5.3.1 Capital acquisition and investment proposals shall be supported by structured service delivery and asset management planning and shall be evaluated with consideration given to health service objectives, whole of life cycle costs for both renewed and new assets as well as non-asset solutions.

5.3.2 Asset acquisition transactions shall be carried out in accordance with whole of government policies and legislation ensuring accountability and value for money asset solutions.

5.3.3 Asset replacement strategies shall be planned and effectively managed to ensure successful financial management of assets.

5.4 Asset Management-in-Use

5.4.1 Asset leasing transactions shall be carried out in accordance with whole of government policies and legislation ensuring accountability and value for money asset solutions.

5.4.2 Health service districts and corporate office divisions shall be primarily responsible for all asset management-in-use activities covering asset operations and maintenance.
5.4.3 Health service districts and corporate office divisions shall ensure adequate budget allocations are provided for asset management-in-use activities covering asset operations and maintenance.

5.4.4 Maintenance planning shall be carried out using the best available asset information, using analytical and demand management techniques and shall incorporate a life cycle approach.

5.4.5 Regular condition and performance monitoring shall be carried out to identify the condition and remaining life of assets and their components and to determine actions required to maintain the asset to ensure delivery of the required service outcome.

5.4.6 Maintenance programs undertaken on assets shall ensure life cycle cost benefits are achieved within financial constraints while ensuring that asset service levels are maintained.

5.4.7 Asset maintenance and life cycle replacement activities shall adopt best practice and align with the Maintenance Management Framework (where appropriate).

5.5 **Asset Disposal**

5.5.1 Surplus assets shall be identified using information from the components of the corporate asset management system with consideration given to departmental and local health service objectives and priorities.

5.5.2 Disposal of surplus assets shall be undertaken in a structured and prioritised manner to achieve value for money in accordance with market conditions and departmental priorities.

5.6 **Asset Accountability**

5.6.1 Asset accounting and accountability shall be in accordance with the Queensland Health Financial Management Practice Manual (FMPM).

5.6.2 Asset accountability measures shall be used to ensure:

- open and transparent asset acquisition, leasing and disposal transactions
- effective control and protection of assets
- effective and efficient use of capital and maintenance funds
- current and accurate asset and portfolio valuations, and
- identification of surplus assets.

5.6.3 Key performance indicators shall be used to measure both asset and asset management performance and assist in determining asset management directions.

5.7 **Asset Management Information**

5.7.1 Queensland Health shall provide processes and tools to manage asset information throughout the life cycle of the asset.
5.7.2 Accurate asset information shall be maintained to provide:
- whole-of-government asset reporting
- financial and key performance indicator reporting, and
- data for asset planning, maintenance planning and asset disposal.

5.7.3 Asset management information shall include asset identification, acquisition costs, asset condition and maintenance information, life cycle replacement timeframes, tenancy management data, water and energy consumption and whole-of-government reporting information.

5.8 Risk Management

5.8.1 Management of risk shall be integrated into decision-making and organisational processes at all stages in the asset management life cycle.

5.8.2 Risk management shall include identification and analysis of risks, recognition of the risk owner, a proactive approach to management and mitigation measures and use of the Queensland Health Risk Analysis Matrix.

6. Review

This Standard is due for review on 30 June 2014.

Date of Last Review: New Standard
Supersedes: New Standard

7. Business Area Contact

Asset and Property Services Branch, Health Planning and Infrastructure Division
8. Responsibilities

<table>
<thead>
<tr>
<th>Position</th>
<th>Responsibility</th>
<th>Audit criteria</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chair, Health Infrastructure and Projects Executive Committee (HIPEC)</td>
<td>• Endorsement of policy and implementation standards.</td>
<td>• Endorsement within governance arrangements.</td>
</tr>
<tr>
<td>Deputy Director-General Health Planning and Infrastructure Division</td>
<td>• Approval and publication on QHEPS of policy and implementation standards</td>
<td>• Approval in line with Policy Management Policy</td>
</tr>
<tr>
<td>Senior Director, Asset and Property Services Branch, Health Planning</td>
<td>• Policy custodian for policy and implementation standards</td>
<td>• Policy developed and maintained in line with Policy Management Policy</td>
</tr>
<tr>
<td>Division and Infrastructure Division</td>
<td>• Maintain the policy and implementation standard</td>
<td></td>
</tr>
<tr>
<td>Health Service District CEO (or their delegate). And Corporate Office</td>
<td>• Implementation of policy and implementation standards</td>
<td>• Adherence to policy and implementation standard requirements</td>
</tr>
<tr>
<td>Divisional Heads (or their delegate) who have building asset ownership</td>
<td>• Appropriate resources (including allocation of budgets) to ensure implementation of policy and implementation standards for assets under their management and control</td>
<td>• Policy implementation is appropriately resourced</td>
</tr>
<tr>
<td>responsibilities</td>
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9. Definitions of terms used in policy and supporting documents

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition / Explanation / Details</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asset</td>
<td>A resource controlled by the entity as a result of past events and from which future economic benefits are expected to flow to the entity.</td>
<td>Queensland Health Financial Management Practice Manual</td>
</tr>
<tr>
<td>Asset Disposal</td>
<td>Asset disposal is implementing processes and procedures to ensure appropriate asset disposal planning of government buildings which have been identified as surplus to departmental service delivery requirements</td>
<td>Strategic Asset Management Framework (2012)</td>
</tr>
<tr>
<td>Asset Life Cycle</td>
<td>The asset life cycle is the entire life of the asset (i.e. planning, investment/procurement, management-in-use and disposal phases).</td>
<td>Strategic Asset Management Framework (2012)</td>
</tr>
<tr>
<td>Asset Management</td>
<td>Asset management of government buildings is the concept of aligning an organisation’s assets with its service delivery needs.</td>
<td>Strategic Asset Management Framework (2012)</td>
</tr>
<tr>
<td>Asset Planning</td>
<td>Development of management strategies that will contribute to the best utilisation of assets in the delivery of services to the community in line with strategic plans, operational plans and service delivery strategies</td>
<td>Strategic Asset Management Framework (2012)</td>
</tr>
</tbody>
</table>
### Investment/procurement

Capital investment/procurement planning and project delivery is defining capital investment projects, preparing budget documentation and formulating investment/acquisition plans.

| Strategic Asset Management Framework (2012) |

### Management-in-use buildings

Management-in-use of buildings is the process required to achieve and sustain defined levels of building performance during building occupancy, building operation, building maintenance and building upgrades.

| Strategic Asset Management Framework (2012) |

### Non-current assets

Non-current assets are broadly classified as reportable assets (capitalised to the Statement of Financial Position), and portable and attractive items (recorded for asset tracking purposes only).

| Queensland Health Financial Management Practice Manual |

## 10. Approval and Implementation

### Policy Custodian

Senior Director, Asset and Property Services Branch, Health Planning and Infrastructure Division

### Responsible Executive Team Member:

Deputy Director-General, Health Planning and Infrastructure Division

### Approving Officer:

Deputy Director-General, Health Planning and Infrastructure Division

### Approval date:
07 June 2012

### Effective from:
07 June 2012