



New South Wales  
TREASURY

TOTAL ASSET MANAGEMENT

# Total Asset Management Capability Tool

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# Total asset management capability tool

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# TABLE OF CONTENTS

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<b>1.</b>	<b>The Asset Management Capability Tool and why it was developed</b>	<b>1</b>
<b>2.</b>	<b>Use of the tool across government</b>	<b>3</b>
<b>3.</b>	<b>The elements of the tool and its use</b>	<b>4</b>

# ASSET MANAGEMENT CAPABILITY TOOL

## 1. The Asset Management Capability Tool and why it was developed

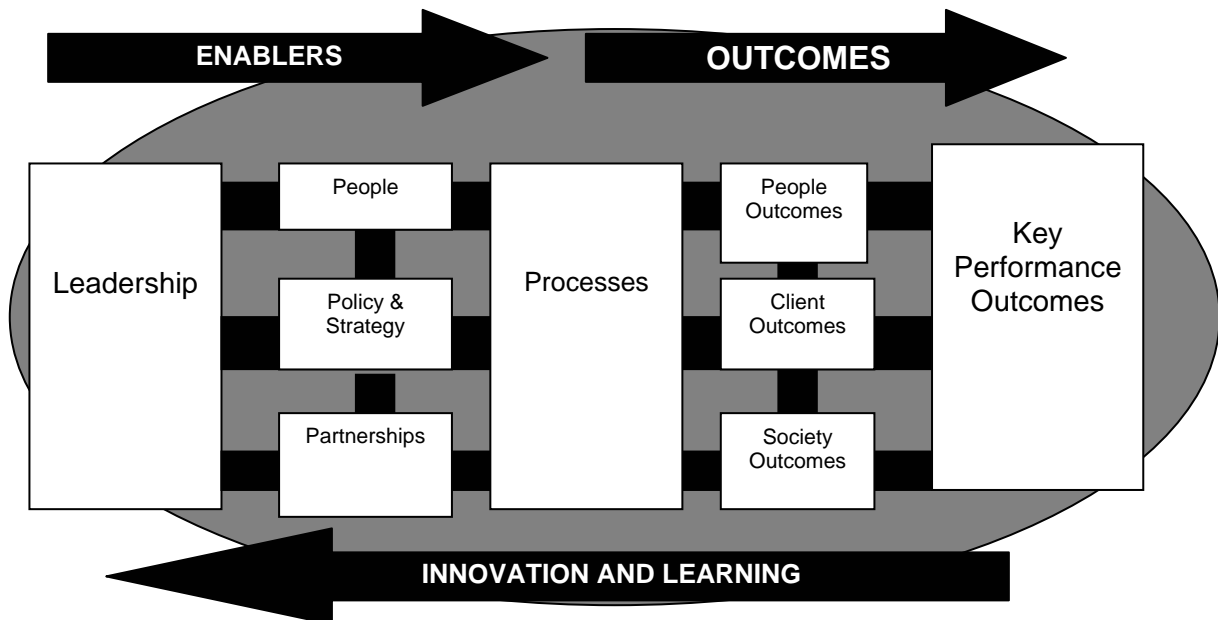
Total Asset Management (TAM) is a Government policy focusing public sector assets on supporting the delivery of government services to achieve the broad results sought by government. Effective implementation of TAM provides a significant impact on the cost efficient delivery of agency services, by managing the assets more efficiently and ensuring the asset base is best configured to support staff, technology and other resources required to deliver services.

Effective asset management requires the right mix of strong leadership, appropriate skills and resourcing, effective management, suitable policies and processes, good risk management and good measurement systems.

The Asset Management Capability Tool helps agencies understand their strengths and weaknesses and measure and improve their overall asset management ability allowing fuller implementation of TAM policy.

The tool is based on a process of self assessment. It enables organisations to measure themselves against nine criteria that determine sustainable high performance.

The EFQM Model



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The tool is based on the European Foundation for Quality Management (EFQM) Excellence Model (illustrated above) and shares characteristics with proven performance improvement models from around the world including the Australian Business Excellence Framework, the American Baldrige National Quality Program, and the European EFQM Excellence Model. The Office of Government Commerce in the UK adopted the EFQM Excellence Model for measuring procurement capability. The NSW Government's "Smarterbuying NSW" developed the material in this guideline for its Procurement Capability Tool. This has now been adapted for use as the Asset Management Capability Tool.

The first five criteria- leadership, people, policy and strategy, partnerships and processes are known as "enablers" as these are the practices that need to be in place to achieve good performance.

The other four criteria – people outcomes, client outcomes, society outcomes and key performance outcomes, are known as "outcomes" as these are the measurable results of an organisation's practices

The tool uses a detailed questionnaire that is filled in by a cross- sectoral team from the organisation to review capability against each of these criteria.

A workshop approach is used to discuss the results of the questionnaire including real examples of practices and outcomes within the organisation. In this way, actual capability, as well as perceptions of capability can be assessed.

This process is known as a Capability Review.

The Tool helps organisations to understand what is affecting their asset management outcomes and to act on any institutional weaknesses.

After undertaking a Capability Review, a report is drawn up on the outcomes. This provides a detailed assessment of the organisation's capability against each of the nine criteria. In this report key areas of strength and areas for improvement are highlighted.

The tool provides a template for organisations to produce this report.

On the basis of this report organisations are advised to make plans for improvements, ideally aligned with their existing planning cycles. The tool provides a template for organisations to produce an improvement

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## 2. Use of the Tool across government

The tool has three uses:

### Internal review and improvement

The Tool is a resource for individual organisations, allowing them to measure and improve their asset management capability and, ensuring their assets more effectively support their service delivery.

### Setting performance indicators

The Tool will be used to set critical success factors against which organisations can compare their own practices and outcomes. Organisations can use the Tool to set benchmarks against similar agencies or top performers as a means of driving up their outcomes.

### Raising the bar across the sector

Agencies should include an outline of their Capability Review and their improvement plans in their annual Asset management plans submitted to NSW Treasury. By reporting on the improvements they have made, organisations will indicate the sector's overall asset management capability. Learning from others will help organisations to plan for and measure improvements to the way they manage assets and will raise the standard across the sector.

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## 3. The elements of the Tool and its use

There are three basic components of the Tool:

### The Snapshot Capability Review

An abridged version of the full Tool, it leads agencies through a checklist of questions about their practices and outcomes. Using this guide, agencies can quickly assess their asset management capability, identify their strengths and weaknesses, and decide whether they need to conduct a full Capability Review.

### The Guide to Conducting a Full Capability Review

This is a step-by-step guide to conducting a Capability Review using the Tool. The review is based on a detailed questionnaire and workshop, in which participants assess the organisation's practices and outcomes and provide supporting evidence.

### The Capability Review Report Kit

This kit provides a template for writing up the outcomes of the Capability Review. Agencies can enter numerical scores into the macros included for a quick performance indicator. The kit also has a number of suggested templates for expressing the numerical scores and for writing up the full Capability Review Report. This report forms the basis for developing a plan for improvement. A template for an improvement plan is also provided as part of this kit.