



TOTAL ASSET MANAGEMENT (TAM) REQUIREMENTS FOR UPDATING THE STATE INFRASTRUCTURE STRATEGY

This Circular advises all government agencies (including Government businesses) of the release of the Policy Paper *Total Asset Management (TAM) Requirements for Updating the State Infrastructure Strategy TPP 08-2*.

The NSW Government has endorsed a new process for developing the 10-year State Infrastructure Strategy (SIS), for which the primary input is agencies' Total Asset Management (TAM) data detailing planned infrastructure expenditure (capital and maintenance).

This circular advises agencies of the release of NSW Treasury Policy Paper (TPP 08-2) outlining changes to TAM policy to support the new SIS process.

It should be read in conjunction with NSWTC 08/07, which advises of related changes to procurement policy thresholds for the submission of business cases and Gateway Reviews.

TPP 08-2 introduces the following changes to TAM policy:

- All agencies, including State Owned Corporations (SOCs) and other Government businesses, are required to submit TAM data in line with the processes and requirements described in TPP 08-2.
- For budget-dependent agencies, *Proposed* TAM submissions constitute the agency's formal Budget capital proposal.
- Agencies are no longer required to submit separate component TAM plans for capital investment, maintenance, ICT, office accommodation and disposals. However, once TAM submissions are received, Treasury will seek further information as required.
- Only *Nominated* agencies (listed on Treasury's TAM website) are required to submit an Asset Strategy. Treasury will determine and periodically review which agencies are *Nominated*.
- *Nominated* agencies are also required to report against specific maintenance measures.
- TAM submissions should be supported by business cases and Gateway Review reports for individual project proposals, as required by procurement policy. Only SOCs not on the *Nominated* Agencies list are exempt from this requirement.
 - All General Government agencies and Government businesses, including *Nominated* SOCs, are now required to submit preliminary business cases and Strategic Gateway Reviews for major and high-risk projects planned for future years.
 - Updated project size/risk thresholds for the submission of preliminary and final business cases, and Strategic and Business Case Gateway Review reports, are given in NSWTC 08-07 and supersede prior thresholds, including those for ICT.

TPP 08-2 is available on NSW Treasury's website www.treasury.nsw.gov.au and should be read in conjunction with the following memoranda:

- *Revised Project Size /Risk Thresholds for The Submission of Business Cases and Gateway Reports* NSWTC 08/07,
- *State Property Authority and Government Property Principles* (PM 2008-02);
- *Major Infrastructure Coordination and Delivery* (PM 2005-09);
- *Procurement Policy Reform* NSWTC 04/07; and
- *Information and Communications Technology (ICT) Capital Investment Process* NSWTC 06/23.

This Circular replaces *Total Asset Management (TAM) Policy – Reconfirmation* NSWTC 04/09.

John Pierce
Secretary