

Asset Management Policy TPP19-07

Implementation and Transitional Arrangements

1. When is the Policy become effective?

The Asset Management Policy for the NSW Public Sector (AM Policy) was released and published in October 2019. There is a 12-month implementation phase between the release date and the effective date of the policy. The effective date of the policy is **02 November 2020**.

2. Is there a transitional arrangement for agencies to prepare and comply with the Policy?

Yes. Agencies may wish to apply for 'Transitional Arrangements' under the Policy, which provides additional time (up to June 2024) to meet the core requirements of the Policy. Applications for transitional arrangements will be assessed on a case by case basis.

3. When should agencies apply for transitional arrangements?

Requests for transitional arrangements should be submitted by **1 Nov 2020**.

4. What are the details of such transitional arrangements?

- **For Existing Agencies** – Requests from agencies' Accountable Authority can be directed via a letter to NSW Treasury, care of the Director Capital Strategy – NSW Treasury; and, copying in Infrastructure NSW (Executive Director Asset Management) and the Office of the Government Chief Information and Digital Officer (Government Chief Information and Digital Officer) - (capitalbudget@treasury.nsw.gov.au, assetmanagementcop@infrastructure.nsw.gov.au, and digital.nsw@customerservice.nsw.gov.au)
- Agencies seeking transitional arrangements are to prepare an implementation plan ('**road map**') demonstrating the timeframe and annual milestones for how the agency will achieve compliance with the policy. These implementation plans are not required to be submitted with the letters requesting Transitional Arrangements; however, agencies should outline in their requests, the work undertaken to date to develop their implementation plans.
- **For New Agencies** – Those agencies that were stood up following the publication of the policy (31 October 2019), they will have an automatic or pre-agreed transition period of 24 months from the date of their inclusion in the Government Sector Finance Act 2018 to meet the requirements of the AM Policy. New Agencies are not required in 2020/21 budget cycle to lodge a formal request for Transitional Arrangements.

5. When will the review and approval process for the implementation plans occur?

Implementation plans are to be submitted as part of the ongoing Attestation process, which aligns with the State budget timeframes, which are announced in a separate communication each year. Implementation plans are required to be submitted to INSW by November of each year at the latest.

6. Do the implementation plans need to outline how the agency are to achieve full implementation of the new SAMP (Compliant with the new policy) or just for the development of a new AMP/SAMP by 2024?

- Implementation plans demonstrate an agency's ability to implement the NSW AM Policy by 2024. Previously, SAMPs and AMPs have not been very comprehensive, and this process is to discover ways of improving these documents.
- There will be two processes running in parallel; one will be the submission of the SAMPs and AMPs and the other will be the implementation of gaps identified through the assurance process of SAMPs and AMPs to ensure the achievement of the required level of the agency asset management maturity.

7. When are SAMPs and AMPs due?

In a normal budget cycle, the due dates are in line with the Treasury Budget Process timetable. **For 2020/21 Budget cycle**, a preliminary/draft AMP/SAMP will be required on 1 Nov 2020 to enable Treasury to conduct an initial assessment and review with a final AMP/SAMP to be due in Mid-Late Feb 2021 (for use in the 2021/22 Budget cycle). A detailed timeline and requirements under the policy is attached to this factsheet to assist agencies plan and prepare for coming submissions under the Policy.

8. Do agencies still need to submit an AMP and SAMP during the transitional arrangements?

- Agencies granted Transitional Arrangements are not absolved from adhering to the requirements of the Budget Process. An updated/new AMP and SAMP will be required to be submitted as part of the Budget Process timelines as stipulated each year.
- As part of Outcomes Budgeting, the Expenditure Review Committee (ERC) will consider the impact of the Agencies' individual SAMP and AMPs on their overall performance. This means Agencies will need to provide evidence of the connection between their SAMPs and AMPs to their outcomes and programs, as set out in their cluster Outcomes Business Plans.
- For further advice on Outcomes Budgeting, please refer to the NSW Treasury website for more information. (<https://www.budget.nsw.gov.au/outcome-budgeting>)
- AMP and SAMP templates and guidance are attached to this factsheet

9. What is expected from Agencies between now and the next Budget Cycle?

An outline has been prepared and is attached to this Factsheet. In summary;

- INSW will be issuing data requirements for State of Infrastructure Sector review to support the development of the 2022 State Infrastructure Strategy to agencies in early August 2020
- The data requirements sought is what is expected to be included in an agencies Asset Management Plan and includes, asset portfolio, asset expenditure and State of Infrastructure Sector Performance metrics data.
- Agencies must return the data back to INSW by end of September 2020.
- The draft SAMPs and AMPs are due to Treasury to by 1 November 2020 must be robust enough to support budget advice to Government and should enable INSW to commence an asset management assurance review process.

10. What is the proposed Asset Management Assurance Framework?

In accordance with the recommendations of the State Infrastructure Strategy 2018-2038, Infrastructure NSW is developing an Asset Management Assurance Framework that will objectively assess the maturity of an agency's asset management framework and its performance.

11. In relation to the Asset Management Assurance Framework, when are Stage 1 and 2 assessments to be undertaken?

Stage 1 and 2 assessments will typically occur when SAMPs and AMPs are received by INSW. Once received, the assurance process will begin. In a typical budget process, this is anticipated to be sometime in Nov/Dec. The results of the review and assurance process are then fed back through to Treasury and made available to support the budget priorities for that budget year.

12. Are INSW engaging with individual agencies to talk through this process?

- Consultations have been occurring with agencies since 2018. There are quarterly forums where representatives from agencies come together to gain insight into how to improve the process. The forum, known as Asset Management Community of Practice, uses half a day to engage agencies and provides a platform for broader discussion of asset management.
- However, as we progress through this process, greater communication between Treasury, Customer Service and Property NSW will be required. As part of the initial stages, Transport for NSW will be the first participant of the assurance process. For anyone wishing to join the Asset Management Community of Practice, please contact Bopha Lam (Bopha.Lam@infrastructure.nsw.gov.au).

13. Which clusters have achieved the required level of maturity and which ones still need support?

Within clusters there are many challenges. For example, Transport has a certain level of maturity, however this differs at an agency level. Therefore, this process will be driven at an agency level. For further details on how this will impact your cluster, please contact Bopha Lam (INSW).

14. Why it is critical that Agencies improve their Asset Management Capability?

Building and sustaining a level of asset management capability is necessary to allow agencies to deliver the following improvements to state outcomes:

- Increase the level of asset management maturity of NSW public sector agencies in line with accepted industry standards to be able to manage the State’s growing asset base
- Demonstrate and increase economic and social benefit of current assets through better asset management and planning
- Decrease life cycle operating costs through risk-based preventative maintenance regimes.
- Increase return on assets through improving commercial value and performance of assets
- Prospectively identify the optimal asset maintenance regime and any upfront expenditure required with consideration to criticality and economic outcomes.

15. What other support and assistance measures available to Agencies on their Asset Management Journey?

The following are some of the measures, tools and systems available to Agencies to assist them with building and improving their Asset Management culture. The following programs are available to support agencies build their asset management capability:

NSW Asset Management Community of Practice	Asset Management Maturity Assessment	Development of Guidelines and Support Material
A quarterly asset management forum for NSW agencies to improve their capability, knowledge and practice	Access to the tool used by industry and developed by the Asset Management Council of Australia to quantify, baseline and benchmark agency maturity across NSW Government	Guidance material, case studies and access to industry experts available to NSW agencies in partnership with the Asset Management Council of Australia

Asset Management Community of Practice (AMCoP)

Infrastructure NSW has partnered with the Asset Management Council of Australia to establish a NSW Asset Management Community of Practice (AMCoP). The objective the AMCoP is to develop a shared understanding of good asset management practices and raise the maturity level across government, while supporting the implementation of the new asset management assurance framework.

The AMCoP has members across NSW Government and their commitment for this initiative is critical to lifting asset management capability across the State. Events are held quarterly and include guest speakers from industry and government showcasing leading practice.

If you are interested in joining the Asset Management Community of Practice or would like further information, please contact assetmanagementcop@infrastructure.nsw.gov.au

AMP TPP19-07 Implementation and Transitional Arrangements Timeline

AMP TPP19-07 Implementation and Transitional Arrangements Timeline (July 2020 v4.0)		
Due Date	Milestone/Item Due	Agency submissions or actions required
31 Oct 2019	Policy Released	<ol style="list-style-type: none"> 1. Apply (via Letter to Treasury, cc INSW and O-GCIDO) for Transitional Arrangements (if needed) - The letter should also outline the extent of work done to date to develop an implementation plan 2. Commence preparation of the Agency implementation Plan
Early Aug 2020	Call for SIS Asset data requirements (INSW)	INSW will issue relevant guidelines, data definition schedules and templates for agencies to complete as part of the SIS 2022 development process (Note: this data is what is expected to be contained in your agency Asset Management Plans)
Late Sept / Early Oct 2020	SIS Asset Data Requirements Due	<ol style="list-style-type: none"> 1. Completed SIS Asset Data Requirements due back to INSW. 2. Treasury will use the same data set to inform the 2020/21 Budget Process
1 Nov 2020	Policy Effective	<ol style="list-style-type: none"> 1. Closing date for receiving applications for Transitional Arrangements 2. Start of Transition Period 3. Policy implementation reporting period commences
1 Nov 2020	Draft AMP/SAMP	A draft/preliminary version of the New/Updated AMP and SAMP is due for submission to Treasury cc INSW and O-GCIDO.
Mid Nov 2020	State Budget Released	NSW State Budget Released
Mid-Late Feb 2021	Final AMP/SAMP	<ol style="list-style-type: none"> 1. Final version of the AMP/SAMP due back to Treasury cc INSW and O-GCIDO. 2. Treasury to review and incorporate into the 2021/22 Budget Process 3. Treasury to check and update progress against the Agency outcomes budgeting plans
30-Jun-21	1st Attestation and Implementation Plan due	Agency implementation plan and attestation statement is due for submission to Treasury cc INSW and O-GCIDO including an outline of implementation milestones achieved to date. Agencies have 2 working weeks to submit their 30 June 2021 Attestation.
1-Nov-21	AMP/SAMP	<ol style="list-style-type: none"> 1. New/Updated AMP and SAMP due as per the 2022/23 Budget Process timeline 2. Treasury to check and update progress against the Agency outcomes budgeting plans
30-Jun-22	2nd Attestation	<ol style="list-style-type: none"> 1. Updated Agency implementation plan and attestation statement is due for submission to Treasury cc INSW and O-GCIDO including an outline of implementation milestones achieved to date. Agencies have 2 working weeks to submit their 30 June 2022 Attestation. 2. End of 1st Year of Transition Period
1-Nov-22	AMP/SAMP	<ol style="list-style-type: none"> 1. New/Updated AMP and SAMP due as per the 2023/24 Budget Process timeline 2. Treasury to check and update progress against the Agency outcomes budgeting plans
30-Jun-23	3rd Attestation	<ol style="list-style-type: none"> 1. Updated Agency implementation plan and attestation statement is due for submission to Treasury cc INSW and O-GCIDO including an outline of implementation milestones achieved to date. Agencies have 2 working weeks to submit their 30 June 2023 Attestation. 2. End of 2nd Year of Transition Period
1-Nov-23	AMP/SAMP	<ol style="list-style-type: none"> 1. New/Updated AMP and SAMP due as per the 2024/25 Budget Process timeline 2. Treasury to check and update progress against the Agency outcomes budgeting plans
30-Jun-24	4th Attestation	<ol style="list-style-type: none"> 1. Agency implementation plan and attestation statement is due for submission to Treasury cc INSW and O-GCIDO including an outline of implementation milestones achieved to date. Agencies have 2 working weeks to submit their 30 June 2024 Attestation. 2. End of Transition Period 3. Full compliance with Policy Requirements commences
1-Nov-24	AMP/SAMP	<ol style="list-style-type: none"> 1. New/Updated AMP and SAMP due as per the 2025/26 Budget Process timeline 2. Treasury to check and update progress against the Agency outcomes budgeting plans