

Asset Management Policy TPP19-07

Implementation and Transitional Arrangements

1. When will 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. Therefore, the effective date of the policy is **02 November 2020**.

2. Can agencies request additional time to 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 must 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') outlining 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) will have an automatic 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. Generally, the Attestations are due at the end of each financial year.

- 6. As the policy is effective from 2 Nov 2020, does that mean that agencies don't need to submit their first Attestation under Requirement 3 of the Policy until Nov 2021 (i.e. for the previous financial year), including their implementation plan if they have sought a transitional arrangement?**

 - Attestations are generally due from all agencies on 30 June each year following the effective date of the policy (regardless of whether and agency is in transition or not). Updated implementation plans must be submitted along with attestation statements.

- 7. What is needed to meet Requirement 1 of TPP19-07? Do Agencies have to provide a statement to Treasury indicating they have adhered to the 5 asset management principles, or just attest to it under Requirement 3?**

 - Agencies will provide an indication of meeting Requirement 1 through the attestation process.
 - Verification that the five asset management principles have been met will be done through the **Asset Management Policy Assurance Process**, which is led by INSW.
 - This process will appraise the extent to which agencies have met the requirements of the policy based on the robustness of their SAMP and AMP. The appraisal will also require agencies to undertake an asset management maturity self-assessment.

- 8. Is an agency's Asset Management Policy a separate document? i.e. 'statement of leadership commitment' – p13 of TPP19-07 – or does it form part of the Asset Management Plan (collective SAMPs/AMPs)?**

 - The Asset Management Policy TPP19-07 is a Whole of Government Asset Management Policy. Individual agencies still must formulate their own Asset Management Policy ensuring that it is in line with TPP19-07 requirements. The asset management policy developed by the agency is a separate artefact from the SAMP and AMP.

- 9. Has a decision been as to whether Capital Investment Plans (CIPs) are still required to be updated and submitted in Prime for 2020-21?**

 - CIPs will be required to be submitted as per the Budget Process guidelines.
 - For 2020-21, CIPs will be due in mid-late Feb 2021. Further advice will be communicated in due time.

- 10. What are the agencies implementation plans intended to achieve?**

 - Implementation plans are intended to outline the process by which agencies will achieve all the requirements of the Asset Management policy.
 - They must detail the milestones that will be met over the course of the transitional period, which demonstrates the agency's increased capability and maturity in asset management.

11. 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/SAMPs will be required on 1 Nov 2020 to enable Treasury to conduct an initial assessment and review with final AMP/SAMPs 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.

12. 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>)
- **For 2020/21, a preliminary/draft SAMP and AMP to be submitted by 1 Nov 2020 and then a final version in Feb 2021.**

13. 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 mid-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 mid-late 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.

14. It was indicated that agencies are preparing data for INSW for the purposes of SIS and the same data is expected to be included in agencies Asset Management Plans. Is an agency's Asset Management Plan the collective name for the SAMPs/AMPs?

- Asset Management Plan refers to 'AMPs'. The content required for AMPs is much more detailed than that for Strategic Asset Management Plans (SAMPs) and would contain the data INSW is seeking for the State Infrastructure Strategy (SIS).

15. Will agencies having ‘transitional arrangements’ impact on their ability to produce data necessary for SAMPs and AMPs?

- *Being ‘in transition’ does not preclude agencies from needing to adhere to the budget process which requires submission of SAMPs and AMPs.* It is expected that the SAMPs and AMPs from agencies that are ‘in transition’ will not be as robust as those from agencies that are fully compliant. Those areas in the SAMPs and AMPs that need work should be identified in agencies’ implementation plans and will be improved as agencies progress through their transitional period.

16. 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.

17. 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.

18. Is INSW engaging with individual agencies on the Asset Management Assurance Process?

- Yes, INSW are in the process of consulting with agencies on the Asset Management Assurance Framework, individually and collectively via the Asset Management Community of Practice
- For anyone wishing to join the Asset Management Community of Practice, please contact assetmanagementcop@infrastructure.nsw.gov.au

19. What is the recommended threshold if small agencies wish to seek an exemption?

- A policy position on this issue is currently under consideration – some of our thinking will make allowance for and take account of the agency size, asset base value but also the criticality of services delivered by the agency – any request for exemption to the policy will be considered on a case-by-case basis and it should be directed in the first instance to capitalbudget@treasury.nsw.gov.au

20. 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.

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

The following are some of the measures available to Agencies to assist them with building and improving their Asset Management culture:

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

For more information visit <http://www.infrastructure.nsw.gov.au/expert-advice/asset-management/>

AMP TPP19-07 Implementation and Transitional Arrangements Timeline

AMP TPP19-07 Implementation and Transitional Arrangements Timeline (25 Aug 2020 v6.0)		
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
Mid 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)
Mid - Late Sept 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
2 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.
17 Nov 2020	State Budget Released	NSW State Budget Released
Mid-Late Feb 2021	Final AMP/SAMP CIPs	<ol style="list-style-type: none"> 1. Final version of the AMP/SAMP due back to Treasury cc INSW and O-GCIDO. 2. Agency CIP is due 3. Treasury to review and incorporate into the 2021/22 Budget Process 4. 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