

- POLICY -  
**Asset Management**

## Policy Statement

TAFE SA is committed to maximising return on investments in physical and non-physical assets while complying with all legislative and regulatory requirements. TAFE SA is committed to ensuring that the portfolio of asset it owns are appropriately utilised and managed in a sustainable way to support the delivery of quality Vocational Education and Training (VET).

TAFE SA will ensure provisions meet the responsibilities and obligations of the long-term management of assets, service planning and delivery.

## Scope

This policy applies to all TAFE SA staff (including contractors, volunteers, hourly paid instructors (HPIs) and casuals).

This policy applies to the following assets:

<b>In Scope Assets</b>	
Type: Description:	<b>Land</b> Land parcels
Type: Description:	<b>Property</b> Site works, improvements and buildings
Type: Description:	<b>Plant and Equipment</b> Core and agency nominated plant and equipment
Type: Description:	<b>Fleet</b> Owned, leased, self-propelled, non-propelled (i.e. trailers) vehicles
Type: Description:	<b>Student Infrastructure</b> Physical equipment and assets associated with the delivery of education and training
Type: Description:	<b>ICT Assets</b> ICT hardware i.e. computers, servers
Type: Description:	<b>ICT Software</b> ICT software and licencing
Type: Description:	<b>Asset Management Data</b> Work Delivery Plans, asset management raw data and reports, campus maps

Any assets not listed in this policy are deemed to be out of scope. These include, but are not limited to, intellectual property, brand recognition, goodwill and trademark assets.

## Policy

This policy will align TAFE SA's asset portfolio to meet the service delivery needs of Vocational Education and Training and other statutory functions. This policy is based on the set of guiding asset management principles aligned with [ISO55001 Asset Management - Overview, Principles and Terminology](#).

## Policy Principles

Asset Management Principles	Description
Strategically Aligned	<ul style="list-style-type: none"> <li>Asset management and planning aligns with relevant TAFE SA and state government policy and instructions. Budgetary and evaluation processes are aligned with TAFE SA's objectives.</li> </ul>
Leadership and Accountability	<ul style="list-style-type: none"> <li>TAFE SA commits to ownership, control, accountability and reporting of assets. TAFE SA will develop its people, processes and systems to continually improve its management of assets and optimise asset performance.</li> </ul>
Whole of Lifecycle Approach	<ul style="list-style-type: none"> <li>Asset management decisions are made on a whole of lifecycle approach including design, construction, acquisition, operation, reactive and proactive maintenance and disposal costs.</li> </ul>
Quality and Compliance	<ul style="list-style-type: none"> <li>TAFE SA will manage its assets to meet compliance with legislative requirements. Asset management will aim to achieve ongoing improvements to the quality of assets, whilst considering funding and other strategic priorities of the organisation.</li> </ul>
Performance Evaluation and Monitoring	<ul style="list-style-type: none"> <li>Asset management performance and monitoring will be reported regularly to provide transparency and accountability for the management as assets.</li> </ul>
Data	<ul style="list-style-type: none"> <li>Data relating to all asset identification, tracking and health is required to be appropriately and accurately recorded within the asset management system. Asset management data will be used to guide evidence-based decision making.</li> </ul>

## Strategic Asset Management Framework

TAFE SA will continually improve the TAFE SA Strategic Asset Management Framework (SAMF) (or Asset Management System).

To ensure alignment with ISO55001 – Asset Management and best practice across the South Australian government, the components of the TAFE SA SAMF will include the following.

SAMF Component	Description of Component
Asset Strategy and Planning	<p>The Asset management strategy and planning provides a set of agreed principles and actions which determines how TAFE SA manages its assets over a defined period per the lifecycle delivery demand.</p> <p>Along with the Asset Management Policy (AMP), a suite of policies and procedures will formally guide and inform TAFE SA on its activities, obligations and management responsibilities.</p> <p>TAFE SA's Strategic Asset Management Plan will outline TAFE SA's Asset Management Objectives.</p>
Informed Decision-making	<p>Establishing an effective asset management decision-making process over the life of an asset. These include processes to support capital investment and operational maintenance activities that will assist in the realisation of value across the lifecycle of the assets.</p> <p>Planning and establishing the decision-making processes (and criteria) support TAFE SA in making decisions that balance asset related cost, risk and performance.</p>
Lifecycle Delivery	<p>A key and significant component of asset management, the lifecycle delivery phase will provide the appropriate implementation mechanisms to identify and establish contractual agreements with building service providers to undertake various aspects of the lifecycle works program.</p> <p>Successful delivery of the Asset Management Plans and systems will provide good control of activities and risks as most asset-related expenditure is incurred during the lifecycle delivery phase.</p> <p>Integration of activities across the lifecycle will enable TAFE SA to minimise avoidable costs and increase the reliability and availability of assets.</p>
Asset Information	<p>Collection and storage of information plays a crucial role in Asset Management. Quality data feeds into the decision-making processes ensuring effective management of activities across the asset lifecycle.</p>

Organisation and People	Effective organisational structure and leadership is a crucial enabler to foster a culture supportive of the delivery of good Asset Management. As such, it is necessary to expend time and effort to ensure that the people of the organisation have the capability and capacity to produce the desired performance and behaviours to successfully deliver Asset Management strategies and objectives.
Risk and Review	Risk and review processes outline the relationship between assets and TAFE SA risk appetite. To ensure assets continue to meet the required level of service, the approach taken is that asset management translates the strategic objectives into asset related decisions, plans and activities using a risk-based approach.

## Asset Management Objectives

TAFE SA will develop and maintain a series of objectives related to the management of its assets. These objectives will be outlined in TAFE SA's Strategic Asset Management Plan.

These objectives will be reviewed annually (or earlier if required) to ensure they align with other TAFE SA policy and strategies.

## Roles and Responsibilities

Position	Responsibility
TAFE SA Board	<ul style="list-style-type: none"> <li>• Stewardship of TAFE SA (South Australia Government VET) assets</li> <li>• Awareness of best practice asset management principles</li> <li>• Ensures commitment to sustainable asset management principles across the organisation</li> <li>• Ensures the management of assets is adequately resourced</li> </ul>
Chief Executive	<ul style="list-style-type: none"> <li>• Accountable for the management of assets at TAFE SA</li> <li>• Principal advocate for asset management within TAFE SA</li> <li>• Ensures adequate stakeholder involvement in asset management and financial sustainability of the business to provide quality VET services</li> <li>• Allocates appropriate resources for the management of portfolio assets</li> <li>• Escalates asset related risks to the TAFE SA Board or Minister, as required.</li> </ul>

Position	Responsibility
Strategy and Infrastructure Division	<ul style="list-style-type: none"> <li>• Responsible for the delivery of this policy, asset management strategy and plans</li> <li>• Provides a coordinated and collaborative approach to asset management and asset management improvement across TAFE SA</li> <li>• Establishes service provision to balance stakeholder expectations and affordability</li> <li>• Monitors, evaluates and assists in the delivery of asset management improvement plans or actions</li> <li>• Identifies opportunities and supports development for improvements relevant to planning, development and management of assets</li> <li>• Monitors and manages asset related risks, and escalates risks or issues as outlined in TAFE SA's Risk Management Framework.</li> <li>• Responsible for the management and delivery of the Annual Capital Program and allocation capital budgets.</li> </ul>
Executive Committee	<ul style="list-style-type: none"> <li>• Provides executive oversight and governance of the delivery of the Annual Capital Program</li> <li>• Escalates risks or issues related to the delivery of projects within the Annual Capital Program to the Chief Executive, as outlined in TAFE SA's Risk Management Framework.</li> </ul>
Facilities and Projects Directorate	<ul style="list-style-type: none"> <li>• Develops and implements this policy and strategy with agreed resources</li> <li>• Develops and implements the asset management plans for individual asset classes or facilities (excluding ICT Assets / Software)</li> <li>• Leads staff in their understanding of, and compliance with, this policy and other asset management guidelines</li> <li>• Develops and implements improvement plans for individual asset classes or facilities under its responsibility.</li> <li>• Develops and implements operations, maintenance and capital (renewal) works programs for assets under its responsibility.</li> <li>• Develops levels of service to agreed risk, asset performance, cost standards and agreed service delivery expectations for VET services related to assets under its responsibility.</li> <li>• Reviews service delivery performance, overseeing condition monitoring and asset revaluation</li> </ul>

Position	Responsibility
	<ul style="list-style-type: none"> <li>• Reviews asset renewal, inspection, maintenance plans and performance</li> <li>• Reviews and recommends asset management improvement plans for assets under its responsibility.</li> <li>• Ensures that appropriate asset registers are developed and maintained.</li> </ul>
ICT Directorate	<ul style="list-style-type: none"> <li>• Develops and implements the asset management plans related to ICT Assets and ICT Software</li> <li>• Develops and implements improvement plans for individual asset classes under its responsibility.</li> <li>• Develops and implements operations, maintenance and capital (renewal) works programs for assets under its responsibility.</li> <li>• Develops levels of service to agreed risk, asset performance, cost standards and agreed service delivery expectations for VET services related to assets under its responsibility.</li> <li>• Reviews and recommends asset management improvement plans for assets under its responsibility.</li> <li>• Ensures that appropriate asset registers are developed and maintained.</li> </ul>
Finance and Performance Division	<ul style="list-style-type: none"> <li>• Provides financial assurance and reporting to support the management of assets.</li> </ul>
Work Health and Safety (WHS)	<ul style="list-style-type: none"> <li>• Provides work health and safety assurance and reporting to support the management of assets</li> <li>• Escalates risks or issues related to the delivery of all TAFES SA projects within TAFE SA's Risk Management Framework</li> <li>• Ensures a contemporary safety management system considers people's capabilities</li> </ul>

## Definitions

Term	Definition
Asset	<p>An item, thing or entity that has potential or actual value to an organisation.</p> <p>Assets include property, buildings plant and equipment.</p>
Asset Class	A group of assets of a similar nature and use.
Asset Criticality	Asset criticality is linked to the level of importance that the asset must service. If a critical asset was not available due to failure, removal or under-performance, it would have more severe consequences than a non-critical asset.

Asset Lifecycle	<p>Key milestone elements of the life of an asset:</p> <ul style="list-style-type: none"> <li>• Planning</li> <li>• Acquisition</li> <li>• Operation and maintenance</li> <li>• Review</li> <li>• Disposal</li> </ul>
Asset Management	<p>TAFE SA's coordinated activities to realise lifecycle value from assets in delivery of its objectives.</p> <p>Realisation of value will normally involve a balance of costs, risks, opportunities, and performance benefits.</p> <p>When asset outputs or service levels are pre-determined and non-negotiable, or when value is negative (for example dominated by risks or liabilities), 'realise lifecycle value' may represent minimising the combination of costs and risks.</p>
Asset Management Plans	<p>Documented information that specifies the activities, resources and timescales required for an individual asset, or a group of assets, to achieve TAFE SA's asset management objectives.</p>
Asset Management Policy	<p>The principles and mandated requirements derived from and consistent with TAFE SA's organisational / corporate plan, providing a framework for the development and implementation of the asset management strategic plan and setting the asset management objectives.</p>
Asset Management System	<p>A set of interrelated or interacting elements that allow TAFE SA to manage its assets and achieve organisational goals and objectives. Also referred to as the Strategic Asset Management Framework.</p>
Asset Performance Evaluation	<p>The level or maturity status of asset management will be assessed in accordance with the industry best practice guidelines established to evaluate ISO55001 Asset Management proficiency, considering affordability and criticality criteria.</p>
Best Practice	<p>A method or technique that has been generally adopted as being the best approach because:</p> <ul style="list-style-type: none"> <li>• it produces better results than those achieved otherwise, or</li> <li>• because it has become an accepted and "industry standard" way of doing things</li> </ul> <p>It may be supported by Australian Standards, Codes of Practice and acknowledged procedures.</p>
Digital Asset	<p>Any digital material owned by TAFE SA, of which TAFE SA holds the right to use.</p>
Environmental Management	<p>Management of any activity that has an impact on the environment. Typically, this will result in water conservation measures, energy conservation and waste management.</p>
Maintenance	<p>Combination of all technical and administrative actions, including supervision actions, intended to retain an item, restore it, or replace it so that it can perform a required function.</p>



Master Plan	A graphic representation of the configuration and layout of buildings, infrastructure, pedestrian access, car parking, roadways, landscaping and any other structure that may be part of a development.
Minister	Minister for Education and successors.
Strategic Asset Management Framework (SAMF)	The SAMF aligns with recognised best practice, including the ISO55000-55001 suite of standards and is an approach to the development of asset management practices to support TAFE SA in managing assets appropriately, efficiently and effectively. The SAMF identifies the boundary of asset management including an overview of the main functions and activities that comprise asset management. The SAMF identifies the interrelationship with TAFE SA's overall management system. Also referred to as the Asset Management System.
Strategic Asset Management Plan (SAMP)	The SAMP specifies the: <ul style="list-style-type: none"> <li>• approach to conversion of organisational objectives into asset management objectives</li> <li>• approach for developing asset management plans</li> <li>• role of the asset management system in supporting achievement of the asset management objectives.</li> </ul>
Useful Life	<u>Economic Useful Life (EUL)</u> This is the depreciation rate used in the Financial Management System for taxation purposes. The EUL generally is based on Australian Taxation Office depreciation rates. <u>Actual Useful Life (AUL)</u> This is the useful life used by asset managers when establishing actual asset replacement plans. It may be the same as the EUL, taking into consideration that many assets may be fully depreciated but may remain in service with an indefinite Actual Useful Life.
Whole of Life Approach	Cradle to the grave approach to asset management.

## Associated Documents and References

Document/Reference Title
TAFE SA Asset Management – Acquisition, Movement and Disposal of Assets
TAFE SA Asset Management – Building Legislative Compliance Procedure
TAFE SA Asset Management – Building Performance Procedure and Framework
TAFE SA Asset Management – Fleet Management Procedure
TAFE SA Asset Management – Maintenance Procedure and Framework (including ICT Hardware)

TAFE SA Asset Management – Shutdown and Outage Procedure
TAFE SA Asset Management – Teaching Asset Information and Data Management procedure
TAFE SA Capital Allocation Policy and Framework
TAFE SA <a href="#">Delegations / Authorisations</a>
TAFE SA Enterprise (Portfolio) Governance Framework
TAFE SA <a href="#">Financial Management – Asset Accounting, Capitalisation, Valuation, and Depreciation Policy</a>
TAFE SA Plant and Equipment Management Operations Manual
TAFE SA Procurement Contract Development Disclosure and Management Policy
TAFE SA Procurement Process Policy
TAFE SA Resilience Planning Framework
TAFE SA <a href="#">Risk Management Policy and Framework</a>
TAFE SA <a href="#">Software Licensing Policy</a>
TAFE SA <a href="#">Software and Hardware Management Policy</a>
<a href="#">ISO55000 Asset Management – Overview, Principles and Terminology</a>
<a href="#">Building Code of Australia</a>
<a href="#">Code of Ethics for the South Australian Public Sector</a>
<a href="#">Crown Land Management Act 2009</a>
<a href="#">Planning, Development and Infrastructure Act 2016</a>
<a href="#">Heritage Place Act 1990 (SA)</a>
<a href="#">Work Health and Safety Act 2012</a>
<a href="#">Public Finance and Audit Act 1987</a>
<a href="#">TAFE SA Act 2012</a>
Premier and Cabinet Circular: <a href="#">PC013 Annual Reporting Requirements</a>
Premier and Cabinet Circular: <a href="#">PC015 Procedures for Submissions to Cabinet Seeking the Review of Public Works by the Public Works Committee</a>

Premier and Cabinet Circular: <a href="#">PC028 Construction Procurement Policy: Project Implementation Process</a>
Treasurer's Instruction 8: <a href="#">Financial Authorisations</a>
Treasurer's Instruction 11: <a href="#">Payment of Creditor's Accounts</a>
Treasurer's Instruction 17: <ul style="list-style-type: none"> <li>• <a href="#">Evaluation of and Approvals to Proceed with Public Sector Initiatives</a></li> <li>• <a href="#">Guidelines for the Evaluation of Public Sector Initiatives Part A</a></li> <li>• <a href="#">Guidelines for the Evaluation of Public Sector Initiatives Part B</a></li> </ul>
Treasurer's Instruction 18: <a href="#">Procurement</a>
Treasurer's Instruction 28: <a href="#">Financial Management Compliance Program</a>

## Document Control

Approved by			
Policy Owner	Mark Hayward	Title:	Executive Director Strategy and Infrastructure
Contact person:	Craig Patterson	Telephone:	0487 711 288
		Email:	<a href="mailto:craig.patterson@tafesa.edu.au">craig.patterson@tafesa.edu.au</a>
Responsible Unit		Facilities and Projects	
Version number		1.0	
Date of approval		4 November 2021	
Next Review Date		4 November 2023	
PPMF ID		PPMF TAFESA 1183	