

UNIVERSITY OF TASMANIA

Strategic Asset Management Plan 2006 - 2011

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Approved by University Council

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Table of Contents

Executive Summary	3
1 Introduction	5
1.1 Purpose of the Strategic Asset Management Plan	5
1.2 Background.....	6
1.3 Approach.....	7
1.4 Reporting Against Plan.....	7
1.5 Assumptions	7
2 Asset Management Strategy	9
2.1 Objectives of Total Asset Management.....	9
2.1.1 Profile and Business Planning	9
2.1.2 Space Planning	10
2.1.3 Capital Asset Planning and Budgeting	11
2.2 Master Planning.....	13
2.3 Property Management.....	13
2.4 Strategic Asset Management Information Systems	14
2.5 Service Level Agreements	14
3 UTAS Business Objectives	16
3.1 UTAS Strategic Plan – 2005-07.....	16
3.2 Student Enrolments and Staffing.....	16
4 UTAS Capital Assets – Supply Profile	18
4.1 Asset Utilisation Analysis.....	18
4.2 Matching Supply and Demand.....	19
5 Asset Maintenance Budgets	21
5.1 Budgets.....	21
5.2 Annual maintenance.....	21
5.3 Backlog maintenance	21
5.4 Minor Works	22
6 Asset performance and benchmarking	22
Attachments:	
A Asset Management Responsibilities & Accountabilities	24
B Draft Space Management Policy	28
C Policy on Managing Teaching And Learning Spaces	29
D Governance Level Principles	30
E 2005-11 Capital Management Plan Financial Summary	31
F Commentary on Capital Expenditure and Summary of Major Capital Projects	32
G Maintenance Framework Plan	33
H 2005/6 Operational Plan	45
I TEFMA 2004 Self-Assessments	46
J McKinnon Walker Asset Management Related Benchmarks	49

Executive Summary

The Strategic Asset Management Plan (SAMP) highlights how the University of Tasmania approaches the management of the built and natural environment to ensure existing assets and potential future assets are managed effectively across their life cycle. The 2006-11 SAMP is to be reviewed annually. This is an inaugural document and further iterations will build upon the information in this document and contemporary practices in asset management going forward. This document primarily focuses on the built environment and physical assets however, it is envisaged that future iterations of the SAMP address issues in regard to major (dollar value) equipment assets and information technology assets.

The University has adopted the philosophy of Total Asset Management (TAM), which provides a framework to manage all assets from an organisational perspective. The key focus areas to manage assets under a TAM framework comprise:

- provide an asset base that matches and supports the business needs of the University;
- consolidate existing corporate capital assets and optimising asset utilisation;
- meet statutory compliance obligations; and
- align asset operating costs with business planning and service delivery requirements.

Cognisant of this linkage, the SAMP should be viewed as a subordinate document to the University's Strategic Plan and the 'Academic Plan'.

The University's master plan also guides future campus development. The master plan takes a 10-15 year view of how the University of Tasmania campuses and sites will develop in a planned and rational manner to meet the emerging needs of the University. The master plan does not aim to accurately define building footprints but rather define precincts where University activities; research, teaching, learning and administrative, will be situated to ensure efficient and economic use of land to meet emerging needs. Active management of the property portfolio to meet the needs of the University is a key aspect of TAM and as such requires consideration of the total costs of property management, including ongoing building and service delivery recurrent costs.

A key focus area for asset management is the effective and efficient use of spatial assets. The University has approximately 219,000m² of gross floor area and a space / EFTSU of 18.7m². Active management has seen a downward trend in this statistic however, continued effort to ensure an efficient use of space is required going forward. The University, via Planning and Resources Committee, will introduce a space management policy that will define how spatial assets are to be managed. Significant effort has focussed on teaching spaces with the intent of increasing utilisation of these core business assets. The University is moving toward more flexible learning space design to align with changing pedagogical practices.

Accurate and timely asset management data is essential to inform decision making. The University's asset management systems are being populated to ensure accurate and useful data is available when required. Processes are being reviewed to ensure future asset data is recorded and maintained appropriately.

The annual capital management plan (CMP) budget is \$9.150M for 2005, with this figure being indexed by 2.5% per annum to 2011. The CMP is supplemented by a VC strategic capital budget of \$2M and a roll-in of cash surplus of \$5M. The adequacy of the capital budget going forward and the implications to service delivery due to any budget cuts must be assessed against the outcomes of the master planning exercise and the aims and objectives of the broader University Plan and EDGE agenda. The annual maintenance budget for 2005 (corrective and preventive) is \$4.57M. The University has recognised the significant backlog maintenance liability (approximately \$11.5M[condition only]) and has allocated an additional \$1.2M per annum in the CMP for the 2005-10 period to commence reduction of the backlog liability.

The University benchmarks against other Australian, New Zealand and Pacific Rim universities and educational institutes under the Tertiary Education Facilities Management Association (TEFMA) benchmark process. The TEFMA benchmarking process draws upon the McKinnon Walker asset related work on best practice on Benchmarking in Australian Universities. The majority of the benchmarks are quantitative however, the University also undertakes a self-assessment in the areas of space management, strategic asset management and environmental sustainable development (ESD). While the University is making good progress into the two former areas, more work is required in regards to ESD.

1 Introduction

1.1 Purpose of the Strategic Asset Management Plan

The purpose of this Strategic Asset Management Plan, hereafter referred to as the ‘SAMP’, is to consolidate the University of Tasmania’s objectives, initiatives and strategies for management of the assets used by the University in delivering its core business services. The SAMP cascades from the 2005-07 University Plan, providing the link between UTAS assets and its corporate strategies and business plans. The 2005-07 University Plan has the following vision:

By 2010, the University of Tasmania will be ranked among the top echelon of research led universities in Australia. The University will be a world leader in its specialist, thematic areas and will be recognised for its contribution to State and national development. As Australia’s “natural choice for study”, UTAS will be supported by its high quality academic community, its unique island setting and its distinctive student experience.

The following Mission supports this Vision:

The University of Tasmania is committed to continuing its long tradition of excellence in the creation, preservation, communication, and application of knowledge and to scholarship that is global in scope, distinctive in its specialisations and reflecting the distinctiveness of Tasmania. The University will provide leadership within its community contributing to the cultural, economic and social development of Tasmania.

To realise the vision and mission, UTAS has identified the following four cornerstones for building a strong and vibrant institution:

1. **Excellence** – it must be a hallmark of all activities;
2. **Distinctiveness** – UTAS must develop its own distinctive, recognisable and attractive character;
3. **Growth** – the status quo is not a viable option;
4. **Engagement** – UTAS must serve its communities and become a sought after local, national and international partner across all its fields of endeavour.

The three common elements that bind the cornerstones are :

- a. Building Reputation
- b. Attracting and energising People (staff, students and partners).
- c. Creating an environment that Positions UTAS to achieve (a) and (b).

Hence, the longer-term Goals of the University can be distilled under the headings of ***Reputation, People and Position.***

The University is in the process of documenting an Academic Plan, which will also inform the SAMP and project priorities going forward. The SAMP is therefore

viewed as a subordinate document to the University Strategic Plan and the Academic Plan.

The SAMP is to be updated annually as part of the University's business planning cycle. This inaugural SAMP has a 5-year outlook. Significant effort has been targeted toward the capital and property related issues to meet the emerging needs of the university and, while the University has adopted a total asset management approach, the first iteration of the plan will focus primarily on the built environment and infrastructure rather than school / section specific equipment assets.

It is envisaged that the asset management plan will also include reference to major IT infrastructure initiatives and work will commence during 2006 on including this information in the future iterations of the SAMP. The level to which this plan needs to include all IT investment is still to be discussed and agreed.

The SAMP must therefore support the University Plan goals, objectives and strategies. The SAMP strives for best practice asset management and sets ambitious goals for the University, the Division of Finance and Administration and Asset Management Services (AMS) Section.

1.2 Background

The University's investment in its physical assets is significant. The property portfolio, located throughout Tasmania, has a gross floor area of approximately 219,000 m², usable floor area of 148,800 m² and an approximate current asset replacement value¹ of approximately \$526M. Schools and Faculties also control equipment worth in excess of \$70 million.

The University relies on these assets to deliver teaching and research programs and the cost of owning and using these assets is one of the highest outlays for the University. With property assets representing nearly 80% of the value of the total assets, the University's buildings, whether used for office space, teaching and research programs or simply storage, incur significant capital and recurrent costs.

The way in which the University uses and manages space is therefore a key factor in the efficient application of the resources at its disposal. If not used and managed effectively the cost of these assets will be a drain on available funds.

To address this the University has implemented a total asset management framework the principles of which embody:

- Integrating asset planning with UTAS business planning process;
- Exposing the full costs of assets in delivery of teaching and research programs;
- Assigning organisational responsibility and accountability for assets; and

¹ ARV is defined as the Asset Replacement Value for buildings, fixed equipment, services and systems is the best estimate of current cost of designing, constructing & equipping for its original use, a new facility providing equal service potential as the original asset & which meets currently accepted standards of construction & also complies with all contemporary environmental & other regulatory requirements. (National Committee on Rationalised Building.). The Tertiary Education Facilities Management Association provides further detailed definitions.

- Rationalising the methods of delivering asset and facility management services.

Although the emphasis of this first asset management plan is on buildings the asset management framework applies to the management of all non-current assets owned or controlled by the University and used to support delivery of teaching and research programs.

1.3 Approach

This SAMP is the culmination of all actions associated with the development and implementation of the total asset management project at UTAS. The SAMP draws together information from the various components of this project and presents it in a working document that identifies UTAS future business objectives and sets out the strategies for managing assets to support these objectives.

The SAMP is iterative in nature and is to be reviewed and updated cognisant of best practice principles for strategic asset management. The UTAS Total Asset Management Framework is currently being revised to facilitate and support a process where the requirement for acquisition, upgrade, care and upkeep, or disposal of assets is aligned with the services provided, and these costs included in budget submissions.

Attachment A outlines the responsibilities and accountabilities for the management of all assets at the University of Tasmania under a TAM framework.

1.4 Reporting Against Plan

Reporting progress against the SAMP will be via the Built Environment Committee meetings during the calendar year. Individual projects culminating from the master plan or projects arising from emerging business needs and ongoing ‘best practice asset management’ initiatives will either seek Committee endorsement or be reported to the Committee in accordance with the Committee Terms of Reference. An ‘Implementation Plan’ will be created to ensure ease of tracking progress of projects/initiatives.

1.5 Assumptions

The following assumptions have been made in developing this Plan:

- Data used is based on information collected by AMS staff from university corporate information systems and surveys. Processes are in place to ensure an appropriate level of accuracy of the information;
- Plan revisions are to include valuations based on the three-yearly revaluation process managed by Financial and Business Services (F&BS) and property asset valuations are based on the fair value method. One off valuations may be required for case-by-case decision-making;
- Floor areas, space allocations and room maintenance standards have been derived from information provided from the UTAS space management system;
- Costs for capital acquisitions and refurbishment works are based on the amounts provided in the UTAS Capital Management Plan;

- The annual maintenance cost is based on the tendered price for the comprehensive maintenance contract for building and engineering services;
- The plan has been based upon projected student numbers provided by the UTAS Enrolment Plan. An increase in enrolment (or staff numbers) does not necessarily translate to an increase in usable floor space;
- Calculation of space requirements is based on the TEFMA Guidelines for space allocations for respective grades of staff, students and space types and
- No allowance has been made for inflation or cost escalation in building activities.

2 Asset Management Strategy

2.1 Objectives of Total Asset Management

Through the adoption of a total asset management approach UTAS will ensure that all physical assets are managed in a consistent manner that best supports the University's business aims with the optimum utilisation of both its short and long-term resources.

Total asset management will provide the required informed input that will contribute to making the University's budget planning cycle and process more effective. The University's asset management objectives are therefore focused on the following key areas:

- providing an asset base that matches and supports the business needs of the University;
- consolidating existing corporate capital assets and optimising asset utilisation;
- meeting its statutory compliance obligations; and
- aligning asset operating costs with business planning and service delivery requirements.

To ensure that these objectives are achieved in a structured and systematic way, an asset management framework has been developed that establishes a basis for considering the key issues and relationships between program delivery and assets.

2.1.1 Profile and Business Planning

The University Plan focuses on longer-term goals, goals and strategies for the triennium, as well as headline and operational performance indicators. All other subsidiary plans are based on these elements.

Council has endorsed a comprehensive Enrolment Plan for 2005–2010 and overall onshore campus-based targets for that period. This Enrolment Plan establishes a comprehensive profile for enrolments of both domestic and international students in research higher degrees, postgraduate coursework programs, and undergraduate courses. The Enrolment Plan also identifies these enrolments as either Commonwealth funded or fee-paying.

Based on the Enrolment Plan, UTAS is developing a Staff Profile Plan to identify key targets and strategies for staff recruitment to support and further its ambitious growth plans; and to develop a staff profile providing leadership and high quality committed staff with the capacity to achieve the goals set out in the University Plan.

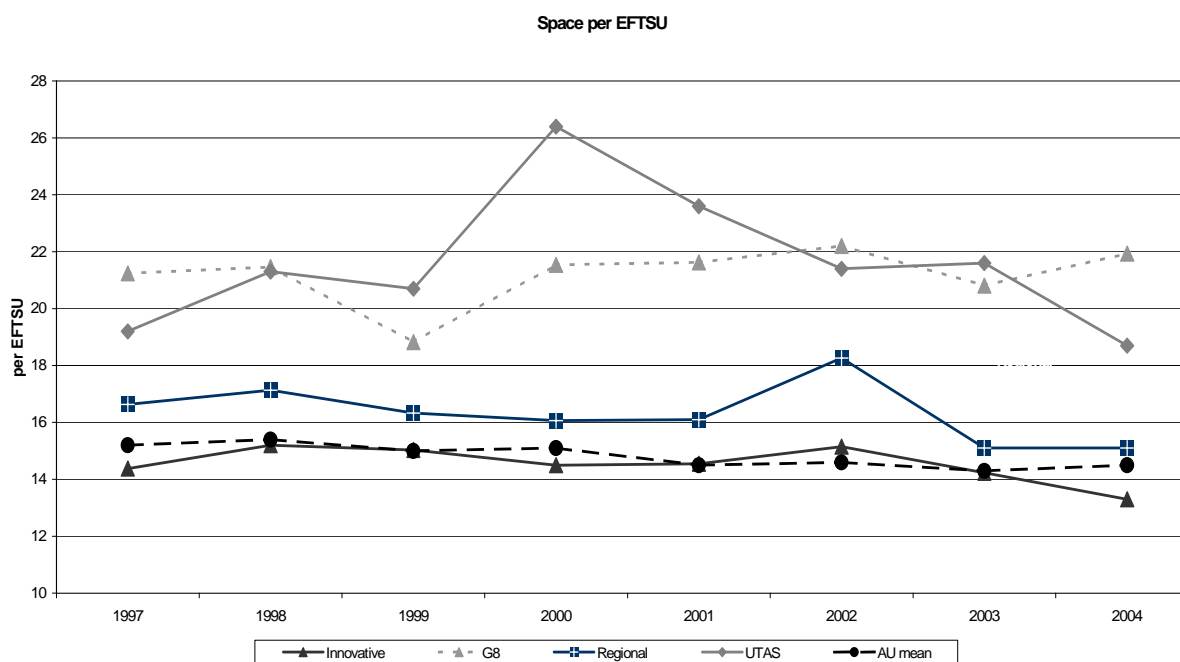
As part of the overall planning process, the University Council has adopted a fiscal planning framework and endorsed a set of financial planning parameters for the management of the University budget. The University has developed a longer-term Fiscal Forecast 2005–2010 that includes projected statements of financial performance (profit and loss statements), financial position (balance sheet), and cash

flows and capital management. This fiscal plan also identifies projected allocations for capital management planning.

The SAMP is based around planned enrolment and staffing targets, with a strong focus on effective space management and optimising utilisation of existing infrastructure across the full year, meeting increasing requirements for flexible delivery, and the need for flexible infrastructure which can be adapted quickly to changing patterns of demand. To this end, UTAS will explore all options for accommodating demand prior to building new facilities, including targeted space utilisation surveys to determine under-utilised space, collaborative use of space and leasing.

2.1.2 Space Planning

Through the Tertiary Education Facilities Management Association (TEFMA) benchmarking process, UTAS would appear to be well above the average space per EFTSU. The following chart provides an indication of where UTAS is positioned against the Go8, Innovative 6 Universities and other regional Universities. The effective management of space going forward must be a high priority for the University as the EGDE agenda evolves. The chart shows a positive trend in space management, with the 2004 figure of 18.7m²/EFTSU against a 2003 figure of 21.6 m²/EFTSU. This Australian mean for 2004 is 14.5 m²/EFTSU.



A draft space management policy is under consideration by the CMPRC and the P&RC. The draft policy is at Appendix B. Space will be assigned to Schools and Sections on the basis of a total net useable area to meet the identified service delivery requirements. This will be calculated using agreed space standards that reflect the space requirements of the individual Schools and Sections. The result of this process is a demand profile in terms of space type, dependency, location, specific requirements and infrastructure requirements.

AMS will utilise the space management information system, Archibus, the timetabling and resource allocation system, TARA, and the policy to best determine how space is allocated and reallocated to meet the emerging needs of the university consistent with the university plan.

AMS manages teaching and learning spaces designated as centrally managed learning spaces. The policy on teaching and learning spaces can be found at http://www.utas.edu.au/dept/ams/space_policies.htm and is at Appendix C.

2.1.3 Capital Asset Planning and Budgeting

The University's capital asset planning is undertaken via the P&RC and its sub-committee, the CMPRC; and the Built Environment Committee². The processes for the strategic screening, assessment and review, prioritisation and subsequent funding of capital submissions can be found at http://www.utas.edu.au/ams/capital_plan_process.htm. In summary, the general principles to guide future campus development are:

- The integration of UTAS with the cities in which its campuses and other assets are located. This will include consideration of the branding and imaging of the University, and of the 'image of the city' in each instance, in support of a spatial vision for the University;
- The integration of sustainable development into the building process (which includes environment, equity and economic considerations). This also offers a means of indicating responsible community service (and leadership) while reflecting the values being offered/taught;
- The pursuit of a people-centric approach to the use of space (including non-functional space), to take into account lifestyle/learning issues while reinforcing the benefits of 'place-based' learning;
- Recognition of the impact of an increasingly cross-disciplinary focus on the design of space;
- Appropriate technology and human interfaces: with a distinctive blend of face to face and technology-driven learning, UTAS can better utilise the resources and assets of its Tasmanian location;
- Recognition of international and off-campus development: campuses need to be considered part of extended communities, virtual and real; and
- The appropriate management of assets on a life-cycle basis.

These principles are enshrined in the University of Tasmania Council governance level principles (GLP) for the built environment and environmental management. These GLP are at Appendix D.

The following criteria³ have been adopted for priority setting for capital funding:

- Apart from statutory requirements, such as building acts and codes, OH&S and equity, there will be minimal or no refurbishment in areas that are not growing

² BEC Terms of Reference can be found at <http://www.utas.edu.au/universitycouncil/committees/bec.html>

³ Approved at Planning and Resources Committee in May 2004.

i.e. expenditure will be concentrated in growth areas. Should it be determined that an injection of capital funding has the prospect of growing numbers, priority setting should be adjusted accordingly;

- UTAS will maximise use of central teaching space i.e. build no new school/faculty general teaching space and aim for utilisation of 70-75% of all teaching spaces before building new. Collaborative arrangements with relevant external organisations for the joint use of facilities should be explored where practicable;
- There should be maximum sharing of resources by schools and sections;
- Infrastructure (i.e. buildings) is managed by the Centre and schools/faculties will not provide space for non university activities without prior approval; and
- When refurbishing or building new, life cycle costing analyses, including environmental sustainability, will be undertaken. These analyses may result in higher up-front capital costs, but reducing recurrent and operational costs over the longer term.

For new acquisitions the evaluation includes a feasibility study, to establish the most appropriate option (including non-asset solutions), supported by life cycle costing and asset investment analyses against the projected service delivery requirements.

This process will identify:

- existing assets that are required and are suitable to meet the service delivery requirements;
- existing assets that are required but are in need of refurbishment to meet the service delivery requirements;
- assets that are surplus to long term needs and can be disposed of or mothballed for future use;
- assets that are not currently required and should be mothballed for future use; and
- assets that must be acquired to meet the service delivery requirements.

Asset planning and budgeting brings together the asset-related activities (acquisition, refurbishment, maintenance and disposal) and identifies the funds needed to support service delivery. These are presented as four linked plans:

- the Acquisition Plan, which defines the type and timing of asset requirements, and sets out the proposed method of acquisition and financing;
- the Refurbishment Plan, which defines the facilities requiring refurbishment and identifies the requirements and proposed methods of procurement and financing;
- the Operation and Maintenance Plan, which defines the operating policies and resources required for managing assets; and
- the Disposal Plan, which defines the intended method, cost and timing of asset disposal.

The 2005-11 Capital Management Plan Financial Summary is at Appendix E and can be viewed as the planning document for capital asset acquisitions, refurbishments and

disposals. This CMP Financial Summary is a working document and while the SAMP is reviewed annually, it is intended that Appendix E will be updated at various times during any one year.⁴

The above plans are under development and will be gradually placed on the AMS website for wider university community reference. Appendix F provides a brief commentary on capital asset management planning at UTAS and a summary of the major capital projects. The UTAS maintenance framework plan (buildings and infrastructure) is at Appendix G and outlines the service delivery method of maintenance services at UTAS, rationale for facilities condition auditing, response times for corrective works and the backlog maintenance programme. This Plan will form the basis of the Operation and Maintenance Plan noted above.

2.2 Master Planning

The Master Plan is a component of the suite of documents guiding future campus development to meet the emerging needs of the University. The master plan is to be developed cognizant of the University Strategic Plan and the Academic Plan and should be reviewed every 10-15 years. Consultation with internal and external stakeholders is paramount to ensure the University's core service delivery needs are met and that the communities in which campuses are located develop in a sensitive, inclusive and environmentally sustainable manner.

A consultancy was awarded in May 2005 to undertake a comprehensive master plan review of the University of Tasmania's campuses and sites. The consultancy is a 12-month exercise and is being managed by the Director, AMS as Chair of the Project Team. The Built Environment Committee is the Steering Committee for the consultancy.

2.3 Property Management

Cognizant of the aims and objectives of the University Plan, the master plan and principles for campus development, management of university property (owned and leased) is undertaken by the Division of Finance and Administration and in particular by AMS. The University is a multi-campus university and has a number of 'sites' within the Hobart and Launceston central business districts and location throughout Tasmania. The University leases space from external property owners and also leases university owned space to external organisations.

The University is conscious that significant running costs are associated with each property and endeavours to rationalise properties, and facilities within the campuses, to the greatest extent possible, while meeting core business activities. The University will investigate the range of options for acquisition of facilities (external funding, philanthropic, lease schemes, BOOT schemes, etc) to manage the impact upon the limited capital management plan budget.

UTAS has a number of significant natural environment assets. The extensive Reserve at the Sandy Bay campus, some 42.4 hectares⁵ represents a living environment that is

⁴ The SAMP web version Appendix E will be updated as changes occur to ensure accuracy of the web based document.

⁵ The Reserve area represents approximately 40% of the Sandy Bay Campus total area.

a significant asset not only for the University, but the wider Hobart region. The Reserve is used by various University schools for teaching and research activities and the general public for more recreational activities, i.e. bush walking. The Hobart City Council also takes an active interest in the Reserve. Through AMS, bush fire mitigation management and fire trail maintenance is undertaken, the cost in the order of \$31,000 pa. AMS is investigating, within resources available, a regular weed management regimen to supplement the ‘as required’ weed eradication program undertaken on notification of noxious weed species. AMS has a working relationship with the Mt Nelson Bush Care Group who undertake activities at the lower end of inclusiveness such as cut-and-paste and hand pulling. Opportunities do exist for larger scale operations, but in consultation with AMS.

Through the revaluation of UTAS assets process, AMS and F&BS will separately value the Reserve to ensure that this asset is given the special importance that it deserves.

2.4 Strategic Asset Management Information Systems

The effective management of an asset portfolio is dependent on the availability of relevant, reliable and timely information. Asset management information must include the ability to:

- accumulate and report on the full costs of each asset;
- generate and record user charges;
- organise and monitor maintenance work; and
- record and report performance information.

At UTAS, a comprehensive strategic information system has been developed to allow informed asset decisions to be made in support of business management. The system integrates the University’s financial management system with separate systems for asset management and space management. Together these systems consolidate all information required for financial reporting, annual planning and budgeting, and day-to-day physical asset management. The primary asset management information systems are Pinnacle, Archibus, TARA and SISFM.⁶

While each specific asset management application provides system generated reports, AMS has created more user friendly and targeted reports in the MIRU data warehouse, utilising the data from the individual asset management applications. The MIRU reports can be tailored made to meet specific requirements and provides a useful tool for looking at the plethora of data in a more holistic manner. The asset management data in MIRU can be found at http://miru.utas.edu.au:9001/Ams/DW_ams.html

2.5 Service Level Agreements

⁶ Information on these systems can be found at the AMS website www.utas.edu.au/assets

Delivery of the range of asset management services will be provided under a Service Level Agreement (SLA). A pilot SLA will be prepared in consultation with a nominated stakeholder group and refined for whole-of-university use after an evaluation stage. The SLA will include basic parameters such as the nature of a minimal level of service and guaranteed response times for a given service, based on the agreed maintenance standard for the particular service.

The purpose of the SLA is to document the service provision relationship between AMS and the client/customer and to specify the services and commitments of AMS as well as the expectations and obligations of the client/customer.

The SLA will include the following:

- the services required to operate and maintain the University's sites and buildings to agreed standards;
- the level at which the services will be provided including response times, performance criteria, administrative arrangements and any fees which may be attached to the provision of some services;
- the responsibilities of AMS in providing the services; and
- the obligation of clients in using the facilities and services.

3 UTAS Business Objectives

3.1 UTAS Strategic Plan – 2005-07

The linkage between the 2005-07 University Plan and asset and facilities management issues are:

PEOPLE

UTAS will be renowned for its distinctive, quality student experience - ‘the natural choice’ for study in Australia and be a first-choice destination for local, interstate and international students.

17. Integrate student learning and lifestyle in vibrant campus environments, including enhanced infrastructure for student learning and “Island Experience” opportunities. [D]

POSITION

UTAS will have administrative structures, budget processes, business systems and infrastructure that effectively and efficiently support its strategic priorities.

33. Review all administrative areas to look at how current systems and processes will support quality, growth, internationalisation and compliance strategies; and be accountable to, and efficient for users. In particular, review the service needs of students in the light of projected growth. [Ex]

37. Ensure that infrastructure plans (e.g. capital development and asset management, information technology) are developed in a strategic and coordinated manner to support the University’s teaching, research and community service goals. [Ex]

The AMS 2005/6 Operational Plan cascades from these strategies and is at Appendix H. The Operational Plan⁷ sets out the priorities for the Section over the period. Progress against the plan is undertaken on a quarterly basis by the Director, AMS and issues are raised as required with the Executive Director, Finance and Administration.

3.2 Student Enrolments and Staffing

The asset management plans needs to be flexible to meet the emerging needs of the organisation’s growth objectives, currently outlined in the University plan and the EDGE agenda. The increase in staff and student numbers will have an impact on spatial assets. The existing principles and guidelines outlined above provide high-level direction and guidance on how the supply of physical assets, primarily space, is to meet demand. While not a precise science, the provision of space to meet requirements must be critically analysed to ensure efficient and effective use of available financial resources. Existing spatial assets must be rigorously assessed from a quantum and functionality perspective before decisions are made to increase the net floor space at UTAS. Where additional space is deemed appropriate, timely decision-making is required to ensure space is available to meet service delivery requirements.

⁷ The AMS 2005/6 Operational Plan can be found at http://www.utas.edu.au/dept/ams/restricted/op_plan.htm

AMS must work in close collaboration with the Executive Director, Policy and Planning to ensure submissions seeking capital funding are assessed against the strategic private of the university and meet the broad guidelines set for funding priority noted above. Where possible, all submissions for funding should be support by a business case from the Sponsor. The CMPRC process should them be followed. Student load targets are produced by the Executive Director, Policy and Planning and, while subject to constant change, provide AMS with information to inform initial desktop assessments and feasibility studies. Information on staff numbers and types is ascertained from the HRMS.

4 UTAS Capital Assets – Supply Profile

4.1 Asset Utilisation Analysis

The following table and chart shows the allocation of building space⁸, as at September 2005:

Faculty / Division	Occupancy / Ownership (m ²)	% Total Space
Arts	21,491	10.13
Commerce	4,303	2.07
Education	6,764	3.25
Law	1,649	0.79
Health Science	13,360	6.42
Science, Engineering & Technology	45,406	21.82
Learning and Teaching Spaces (Central)	11,734	5.64
Libraries	13,209	6.45
Vice Chancellor	1,464	0.70
Deputy Vice Chancellor	555	0.27
Finance and Administration	24,504	11.78
PVC Research	384	0.18
PVC Teaching and Learning	717	0.34
Building Circulation, toilets etc	59,387	23.30
English Language Centre	1,214	0.58
Non University activities ⁹	12,864	6.28
Totals	219,005	100

The figures provide an indication of current levels of space use and a baseline for comparisons against projected demands for space from the respective Budget Centre business plans. They have been obtained from the University's space management database, which is also used to generate the space reports that can be found in the MIRU Warehouse at http://miru.utas.edu.au:9001/Ams/DW_ams.html. The warehouse site also includes data about the types of space allocated to each faculty, for example, a comparison between the amount of space allocated to teaching, research, administration and other activities.

The following table (data from Archibus/MIRU) provides a snapshot of space allocated to the six faculties at UTAS as at September 2005:

⁸ Excludes Student Accommodation

⁹ Includes TUU and Student Association space.

Faculty	Teaching (m²)	Research (m²)	Other¹⁰ (m²)	Totals (m²)
Arts	16,381	428	4,682	21,491
Education	5,160	322	1,282	6,764
Commerce	3,055	107	1,375	4,537
Health Science ¹¹	6,696	2,581	3,034	12,311
Law	1,039	55	555	1,649
Science, Engineering & Technology	20,461	16,633	8,312	45,406
Totals (m²)	52,792	20,126	19,240	92,158

In 2004 and 2005 utilisation surveys were undertaken in centrally managed teaching spaces (lecture theatres and rooms, seminar rooms and tutorial rooms). The international benchmark is 75% use and 75% occupancy, which results in a utilisation of 56.25%. The following eight venues were found to have the highest utilisation in Semester 1 2005.

Venue	Capacity	Utilisation %
Sandy Bay		
Commerce LT2	126	62.45
Chemistry LT1	250	53.97
Social Science Room 209	99	52.39
Humanities Room 346	48	51.71
Social Science Room 212	24	49.94
Social Science Room 581	18	48.61
Commerce Room 202c	35	48.22
Newnham		
Lecture Theatre 5	270	59.6

More work needs to be undertaken to establish if there are any reasons why these venues are more highly used than others. Factors could include location, capacity and furnishings and fittings. The most recent utilisation analysis can be found at the above MIRU web address.

4.2 Matching Supply and Demand

Going forward, AMS will be comparing existing allocations on a faculty/school basis against the TEFMA space guidelines. It should be noted that the guidelines are just that, and allocations to a budget centre should be based upon actual need to meet service delivery requirements. The guidelines serve an important purpose to ensure a budget centre is not over or under supplied in regard to space allocation. TEFMA have established a working party comprising representatives from a number of higher education institutions to review the efficacy of the guidelines and ensure they are meeting the needs of the member institutions. The guidelines are being reviewed in the first half of 2006.

¹⁰ Includes meeting rooms, offices, resource rooms, etc

¹¹ Includes 1,079m² for Animal facilities under research space.

AMS, through the capital planning phases and future iterations of the capital management plan, will liaise with Faculties/Schools/Divisions/Sections to work toward an equitable allocation (supply) of space to meet service delivery requirements (demand). It is therefore imperative that AMS have policy and procedure in place to ensure the information and data is received in a timely manner to meet the business needs of UTAS.

Further to the section above dealing with business planning, it is imperative, as far as is reasonable and practicable, that early notification of strategic initiatives that will require additional space, usually in the form of a new building, are identified early. Noting that it can take up to three years to plan, document and construct new facilities, service delivery can be severely impacted should issues not be forecast in the University, Faculty and Division business plans.

5 Asset Maintenance Budgets

5.1 Budgets

The CMP budget is \$9.150M in 2005 and is indexed by 2.5% from 2005 over the next five years. In addition to the \$9.150M budget, a VC strategic capital budget of \$2M and a roll-in of cash surplus of \$5M from 2005 to 2011 has been allocated to support the capital program to meet the goals and objectives of the UTAS Plan and the EDGE agenda. The annual maintenance budget for 2005 (corrective and preventive) is \$4.57M.

5.2 Annual maintenance

Annual maintenance is based on the requirements needed to comply with maintenance of essential services in accordance with Building Regulations or to preserve a desired standard of accommodation for condition, functionality or asset value. Preventive and corrective maintenance costs are based on the current comprehensive maintenance contract for UTAS facilities.

The framework provides a policy statement for maintenance as *'maintenance programs and plans will be aligned with the business planning and service delivery requirements of the University. Maintenance will be managed to ensure the most efficient and effective expenditure of limited resources to optimise life-cycle costs of assets'*. Assets will be graded on their importance to achieving the University's business needs and strategic priorities and against statutory obligations. Grading will be against *condition* (exceptional - 'AAA' to Mothball - 'C'), *criticality*, *utilisation*, *functionality* and *risk* (of failure) to the organisation. To date, condition audits have been completed on building assets, with fixed plant and equipment assets (chillers, boilers, fire systems, etc) to be undertaken going forward.

The University allocates a maintenance budget of approximately 0.7% asset replacement value, which is slightly below the sector average of 0.73%. The ARV (2003 valuation) estimated for 2003 was \$467M. Industry best practice suggests that organisations should be allocating a maintenance budget approaching 1.5% ARV. P&RC have noted this discrepancy and have taken action to reverse the trend by allocating an additional \$1.2M per annum for five years, commencing 2005, to target the backlog maintenance liability¹².

5.3 Backlog maintenance

This category deals with works that require immediate attention to items that have a direct impact on the safety of users of the facility or will lead to further deterioration if not attended to. The backlog maintenance program is under development and work-to-date is included in the maintenance framework plan at Appendix G.

¹² Paper (INT03/2946) outlines the need to increase annual maintenance budget allocation.

5.4 Minor Works

Minor work / repairs are defined as those activities that are required to enhance assets/facilities to standards suitable for their intended function. This includes refurbishment. The minor work budget allocation is decentralised to all faculties and school during budget deliberations. The process for managing minor works is currently under review by AMS in an effort to streamline the ad-hoc approach to managing minor works. Processes are expected to be in place for 2006.

6 Asset performance and benchmarking

Performance measurement and benchmarking of assets and asset management requires more than the presentation of information or statistics. To be useful the measures must provide signals about the efficiency, effectiveness and economics of these areas and allow comparisons and trends to be made against specific targets and industry norms.

The measurement of inputs alone will not reflect the overall performance of UTAS assets against other comparable properties. In benchmarking any activity it is important to consider the processes used, the outputs achieved as well as the inputs. For example if a comparison of the maintenance cost per unit area is made:

- A low \$/m² may not necessarily mean an efficient maintenance service delivery, it may equally indicate a low level of maintenance activity resulting in poor asset condition; and
- Conversely, a high \$/m² may not necessarily indicate an inefficient maintenance service delivery – it may be the result of a policy to maintain high standards, such as low failure rates, short fault rectification times and preservation of asset performance.

Other factors, which reflect the results of the inputs in the provision of the asset management services, must be taken into account to provide information that can be used for monitoring and improving these services. In terms of the overall performance of UTAS assets, these factors should reflect:

- The returns, in terms of how efficiently assets are used in supporting teaching, learning and research programs delivered by UTAS;
- The protection of the investment in UTAS assets, in terms of the effectiveness of the asset management regime and overall condition maintained; and
- The level of service provided to ensure availability of assets and management of risk exposure to users of the assets.

The UTAS asset management strategy aligns with the McKinnon Walker Best Practice Manual on Benchmarking in Australian Universities. Further, the TEFMA benchmarking process also guides asset and facilities management practices at UTAS. The McKinnon Walker best practice manual provides the following comment on asset management:

“The first test for identifying good practice in the management of physical assets is the extent to which an institution has identified, developed and implemented key policies and processes.

The key qualitative indicator of good practice is the presence of an institutional strategic asset management plan. All facilities should be managed within a quality assurance framework with a strong focus on customer satisfaction.... The effective use of (built) assets has become one of the hottest issues in the (higher education) sector in recent years.”

Accordingly, this SAMP compliments other UTAS Council plans, in particular the Built Environment and Environmental Management governance level principles (Appendix D), and should be referenced and updated in line with strategic changes to the overall University Plan.

TEFMA has developed self-assessment checklists, based upon McKinnon Walker criteria, for member institutions and the UTAS 2004 self-assessments are at Appendix I. The two main areas are strategic asset management and space management. Ecologically Sustainable Development is one area where UTAS requires improvement and a UTAS governance level principle on Environmental Management was approved at the UTAS Council meeting of 20 May 2005 to provide guidance in this area.

While the assessment is to a degree subjective it provides a useful check of progress being made in introducing and implementing improvements in asset management. As the results for other contributing Universities are published by TEFMA it is also provides a means of external benchmarking these initiatives.

The priority benchmarks for UTAS for 2005-07 are space management, utilisation and strategic maintenance. The McKinnon Walker benchmarks applicable to asset management are at Appendix J. The following provides a brief description of the performance measures to be used for UTAS asset management together with benchmarks from relevant TEFMA results.

Attachments:

- A. Asset Management Accountabilities and Responsibilities
- B. Draft Space Management Policy
- C. Policy on Managing Teaching And Learning Spaces
- D. UTAS Council Governance Level Principles for the Built Environment and Environmental Management
- E. 2005-11 Capital Management Plan Financial Summary
- F. Commentary on Capital Expenditure and Summary of Major Capital Projects
- G. Maintenance Framework Plan
- H. Asset Management Services 2005/6 Operational Plan
- I. Tertiary Education Facilities Management Association 2004 Self-Assessments
- J. McKinnon Walker Asset Management Related Benchmarks

Attachment A

University of Tasmania

Asset Management Responsibilities & Accountabilities

1. RESPONSIBILITIES & ACCOUNTABILITIES

1.1 *Governance Level*

The Built Environment Committee (BEC) is the UTAS Council Committee delegated responsibility to ensure campus development occurs in a rational and planned manner. The terms of reference for the BEC can be found at <http://www.utas.edu.au/universitycouncil/committees/bec.html>. At a strategic level, campuses are developed cognisant of the master plan. Accordingly, the master plan sets the scene for future campus development and is to be referenced when developments are planned.

1.2 *Management Level*

At an operational level, Asset Management Services (AMS), a section with the Finance and Administration Division, are directly responsible and accountable for the management of the built environment. By management, this includes acquisition, operation and maintenance, refurbishment and disposal. In general, AMS is structured to focus on strategic planning for the built environment and contract management, while day-to-day activities (maintenance, cleaning, security, grounds, etc) are outsourced. This model of in-house strategic direction setting and management and out-sourced service delivery is seen as the most appropriate model given the size of the university and the requirement to support core business.

Operationally, AMS is responsible for managing the Capital Management Plan (CMP) and delivering projects from the Plan. The Capital Management Plan Review Committee (CMPRC), a sub-committee of Planning and Resources Committee (P&RC) prioritises projects. The approvals process is template based whereby submissions are to be documented highlighting how bids support the goals and objectives of the University Plan. The primary role of the CMPRC is to review proposals seeking capital management plan funding against the wider strategic direction of UTAS and make recommendations to the P&RC.

Decision making by the CMPRC must be cognisant of the goals and objectives of the University Plan and EDGE agenda to meet the strategic capital issues facing the University and make every effort not to promote 'self interest' above organisational requirements. In reviewing and advising P&RC on projects requiring capital funding, the CMPRC will refer to the priorities for funding agreed by the P&RC and relevant governance level principles approved by UTAS Council and the Built Environment Committee.

The CMP lists current projects, projects under consideration and potential projects. Projects are moved within the CMP following review by the CMPRC and P&RC. The AMS structure to meet the asset management strategy can be found at http://www.utas.edu.au/ams/documents/publications/AMS_Structure2.pdf

A key contract is the general building and facilities maintenance and fixed plant and equipment maintenance contract. This form of contract is innovative and believed to be the first implemented in the sector. It is a performance based contract, with key performance indicators, risk sharing and operates on a managed budget concept. The existing contract is a '3+3' year term and is presently in the fourth year of operation.

Teamwork between Asset Management Services facilities management staff and the contractor is paramount for successful service delivery. The provision of maintenance services will be re-tendered prior to the expiry of the second three-year term, that is mid 2007.

2. ORGANISATIONAL RESPONSIBILITY FOR ASSETS

The University's assets can be broadly categorised under two major types of assets – building assets, including all associated fixed plant and equipment and School or Section specific equipment assets. While a strategic framework and associated policies can be universally applied to all assets, there is a need to recognise and accommodate the autonomy in custodial responsibilities associated with the respective types of assets.

Decisions regarding School/Section specific assets are made at a Faculty/Division level, whereas decisions regarding the provision of accommodation and the procurement or disposal of facilities need to be considered in a University wide context.

The objectives of a 'portfolio' approach to asset planning are to provide:

- a strategic view (assets selected and used in context of services supported);
- a basis for informed decisions (when to acquire, upgrade or dispose);
- more efficient allocation of resources (where assets are needed); and
- opportunities for the University to use their purchasing power and to achieve economies of scale by establishing acquisition, operations and maintenance contracts for multiple assets or sites.

Such an approach requires clear assignment of responsibility for the custody and operation of assets. From an organisational perspective the UTAS Total Asset Management Framework:

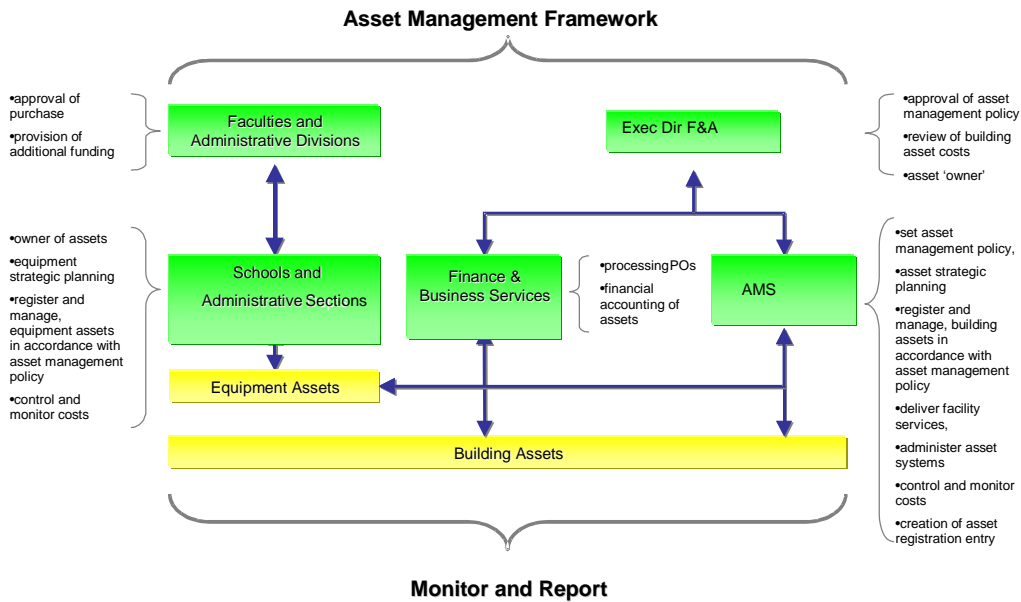
- assigns organisational responsibility for UTAS assets in terms of ownership, use and management; and
- defines the organisational and business relationships and processes for implementing the framework.

Under these arrangements:

- Overall responsibility for assets under the University's control rests with the Vice Chancellor and University Council – i.e. the 'owner' of all UTAS assets;
- The Executive Director, Finance and Administration has delegated responsibility for management and control of all University assets – this includes:
 - development of and implementation of the UTAS Total Asset Management Framework and associated asset management policies;
 - financial management and reporting through the Director, Financial Services and Business Services;
 - physical management and reporting of building and property assets, including space, through the Director, Asset Management Services; and

- Budget Centre Heads have responsibility for management of the equipment assets under their immediate control.

The following diagram sets out the ‘accountability and responsibility’ for the two major types of asset identified above.



3. SAMP REVIEW

This SAMP is to be reviewed on an annual basis. The Director, AMS will review the Plan in consultation with the Executive Director, Finance and Administration. The revised Plan will be tabled at the second quarter meeting of the Built Environment Committee every year commencing in 2006.

Attachment B

University of Tasmania

Draft Space Management Policy

(for discussion at the February 2006 meeting of Planning and Resources Committee)

Please refer to the hardcopy of the *Strategic Asset Management Plan 2006-2011*
or to this web page-

http://www.utas.edu.au/universitycouncil/plans_structure/draft_spacemgmtpol.pdf

Attachment C

University of Tasmania

Policy on Managing Teaching And Learning Spaces

(Approved by Planning and Resources Committee – September 2004)

Please refer to the hardcopy of the *Strategic Asset Management Plan 2006-2011*
or to this web page-

http://www.utas.edu.au/ams/documents/policies/AMS_4-Management_of_CMLS_16_Sept_2004.DOC

Attachment D

Governance Level Principles

Built Environment and Environmental Management

Please refer to the hardcopy of the *Strategic Asset Management Plan 2006-2011*
or to these web pages-

<http://www.utas.edu.au/universitycouncil/legislation/glp10.html>

(Built Environment Principle)

<http://www.utas.edu.au/universitycouncil/legislation/glp9.html>

(Environmental Management Principle)

Attachment E

University of Tasmania

2005-11 Capital Management Plan Financial Summary

(as at October 2005)

Please refer to the Director Asset Management Services
Email: M.A.Smith@utas.edu.au

Attachment F

Commentary on Capital Expenditure and Summary of Major Capital Projects

Please refer to the Director Asset Management Services
Email: M.A.Smith@utas.edu.au

Attachment G

University of Tasmania

Maintenance Framework Plan

ASSET MANAGEMENT SERVICES MAINTENANCE FRAMEWORK PLAN

1. INTRODUCTION

The University of Tasmania has a property portfolio with an asset replacement value in the order of \$526M. These assets are used in support of the University's core functions of teaching, research and community service.

The University aims to grow its student population from 11,510 EFTSU in 2003 to 15,000 EFTSU in 2010. This will have significant implications for how we manage our physical asset portfolio. We will need assets that excel in meeting the needs of teaching and research and which will create a distinctive environment that will attract students and staff.

Asset Management Services (AMS) have an important role by ensuring that limited maintenance and capital works resources are managed to obtain the best possible outcome for the University. Decision about assets, including acquisition, maintenance, operating costs, and disposal costs will need to be made on information on the existing asset base and on the projected needs of the University.

By engaging in a strategic approach to maintenance we will increase and enhance the effective use of the University physical assets. At the same time, we will decrease the risk of a reduction in services and future financial burdens that will occur as a result of the lack of maintenance.

2. OBJECTIVES

The Maintenance Framework Plan (MFP) will provide the structure within which to strategically manage the maintenance and to optimise the life cycle of the University's assets in accordance with the business needs of the University and service delivery requirements. Its key objectives are:

- Assets are maintained to perform at optimum levels during their life cycle, reducing service disruptions and losses due to failure.
- Critical areas and risks are identified and managed.
- Performance of assets is reviewed to suit service delivery and to ensure assets are fit for purpose.
- The cost of maintaining assets over their life cycle is quantified.
- Information is gathered to assist future decision-making and budgeting.

3. SCOPE

The MFP applies to the University's building assets and associated fixed plant and equipment. It includes building fabric and structure, fixed plant and equipment that are part of a building's services, civil works (roads, paved areas, fencing etc) and site services (water, gas, electricity, stormwater drainage, sewerage). The Plan only applies to assets for which AMS have been assigned responsibility. It does not apply to computers, telephones, vehicles or to specialist equipment under the control of Heads of Budget Centres.

4. DEFINITIONS

Assets: the University’s maintainable building assets and associated fixed plant and equipment.

Backlog Maintenance: maintenance that is necessary to prevent the deterioration of the asset or its function but which has not been carried out.

Corrective Maintenance: the actions performed, as a result of failure, to restore an item or asset to its original condition, as far as practicable. Corrective maintenance may or may not be programmed.

Criticality: the measure that defines how critical the function of an asset is in respect to the delivery of the University’s core service delivery outputs.

Deferred Maintenance: maintenance which is due to be carried out in the current financial year but which intentionally will not be carried out because of shortage of funds or unavailability of parts. Such maintenance should be added to the Backlog Maintenance awaiting attention.

Functionality: the measure of how well a current asset fits in with the operation of the business and the design of the space for its current use.

Life cycle costs: the full cost of maintaining an asset during its life time and includes procurement, operating and maintenance, as well a, disposal costs.

Maintenance: all actions necessary for retaining an item or asset in or restoring it to its original condition. Maintenance excludes building cleaning.

Maintenance Provider: The University’s head Maintenance Contractor

Maintenance Standard: a measure of the condition that an asset is required to meet.

Minor New Works: works/repairs that are required to enhance assets/facilities to standards suitable for their intended function. This includes refurbishment.

Preventive Maintenance: the actions performed to retain an item or asset in its original condition as far as practicable by providing systematic inspection, detection and prevention of incipient failure. Preventive maintenance is normally programmed.

Utilisation: the measure of determining an asset’s relevance to its business requirements by defining how intensively the asset is used.

5. MAINTENANCE MISSION

To maintain the physical infrastructure to the greatest benefit of the University and to contain costs.

6. MAINTENANCE POLICY

Maintenance programs and plans will be aligned with the business planning and service delivery requirements of the University. Maintenance will be managed to ensure the most efficient and effective expenditure of limited resources to optimise life-cycle costs of assets.

Maintenance funding is prioritised within allocated resources as follows:

- Statutory compliance
- Occupational Health and Safety
- Business Needs
- Cost of asset
- Asset life cycle
- Consequential damage

7. MAINTENANCE STANDARDS

Each asset will be allocated a grading to identify the maintenance standard that is required for that particular asset. Maintenance standards, conditioning auditing and frequency of servicing / maintenance will vary depending on the importance of an asset in achieving the University's business needs and strategic priorities. The actual asset condition will be compared against the desired maintenance standard, or in the case of legislation, the required maintenance standard, on a three-year basis. Variations from the standard that are identified will form part of the planned corrective and/or backlog maintenance plans.

8. GRADING OF MAINTENANCE STANDARDS:

AAA - "Exceptional"

In such areas the requirement to preserve the asset in "as new" condition continuously and indefinitely, and to correct unacceptable conditions swiftly and unobtrusively.

AA – "High"

In such areas the requirement to preserve the asset in good condition both visually and functionally, and to respond promptly in the event of failures. An example would be the audiovisual equipment in a main lecture theatre.

A – "Standard"

This standard is the "default" standard, which should apply if no special conditions are present. It is aimed at preserving essential functionality, complying with statutory health, safety and environmental obligations, and rectifying faults before consequential damage incurs additional cost. In such cases the requirement is to preserve the operational capacity of the asset as much as possible. This standard does not in itself require close attention to physical appearance except in so far as it is desirable in order to meet the other criteria.

B – "Minimal"

This standard applies to assets that have a limited life or are in use on an interim basis. Maintenance is aimed at minimising current operational costs whilst continuing to

preserve essential functionality for operational purposes and complying with statutory obligations to the maximum extent possible. The standard is normally applied where the expected remaining life of the asset is less than five years or where little use is expected.

C – “Mothball”

This standard applies to assets that are not in current use, either being closed or relocated. Maintenance is aimed at maintaining safety and security, protecting against vandalism or other damage and limiting any cost penalties.

9. CRITICALITY OF ASSETS

Each asset will be allocated a grading to define how critical their function is in respect to the delivery of the University’s core service delivery outputs. The rating will inform the level of preventive maintenance and response rate in the event of failure.

Grading of Criticality:

Essential – This grading indicates that the asset’s function is absolutely essential if the core business is to continue functioning as intended. An example would be a freezer storing ice core samples.

Important – This grading still allows for a high level of criticality to core business requirements without being extreme. An example would be the failure of a fume cupboard in a chemistry lab.

Desirable – This grading applies when the basic needs of the service delivery are met. An example would be staff training rooms, meeting rooms, offices etc.

Non-Essential – This grading applies to an asset that may have limited life span or is not considered to be an integral part of the basic core business requirements. An example would be a material storage room.

Not Required – This grading applies to an asset that offers absolutely no return to the basic core business requirements.

10. UTILISATION

Each asset will be given an utilisation grading which reflects the current utilisation of the asset. The level of utilisation will effect the life cycle of the asset and as a result the asset’s maintenance requirements.

Grading of Utilisation:

Continuous – This grading describes an asset that is in constant or continuous use, i.e. 24 hrs/day, 7 days a week. An example would be the security surveillance system.

High – This grading applies to assets that may be used on a regular basis and for extended periods. An example would be the University’s libraries.

Normal – This grading applies to standard level of usage such as office administration areas.

Rare – This grading applies to an asset that no longer meets the business requirements and is therefore not being used to the full extent. Examples include disused storage areas.

Over utilised - This grading applies to an asset that is being used beyond its intended capacity.

11. FUNCTIONALITY

Each asset will be given a functionality grading to reflect how well a current asset fits in with the operation of the business and the design of the space for its current use. This information will assist in forecasting replacement and/or refurbishment needs and will influence the level and nature of maintenance.

Grading of functionality

Ideal – This grading applies to an asset that is perfectly suited to the core business and is likely to be so in the foreseeable future. An example may be lecture theatre.

Appropriate – This grading applies to an asset that still has a high level of suitability but its suitability may change in the future. An example may be the fire detection system.

Usable – This grading applies to an asset that suits the basic needs of the business. An example would be an electrical system.

Inappropriate – This grading applies to an asset that may be used currently but does not suit the core business. An example would be a classroom being used as a storeroom.

Not suitable – This grading applies to an asset that does not meet the operation of the business. An example would be a chemical store in an administration building.

12. RISK RATING

A risk rating is assigned to an asset that has failed or where an inspection demonstrates that an asset does not meet its ascribed maintenance standard. Risks may include but is not restricted to statutory, occupational health and safety issues, interruption to service delivery, consequential damage to other assets.

Grading of Risks

RI – This rating applies to an asset that has failed or does not meet the ascribed maintenance standard and should not be used in its current condition. An example is where the asset does not meet statutory requirements and is a high risk to health and safety or where continued operation will result in significant financial loss. The rating

will also automatically apply to any asset which has failed and which has a **Criticality Grading 1 Essential**.

R2 – This rating applies to an asset that has failed or does not meet the ascribed maintenance standard and requires high levels of intervention. An example is where the condition of the asset provides a high risk to health, safety or property or where a failure would result in a high financial loss.

R3 - This rating applies to an asset that has failed or falls below the ascribed maintenance standard and requires regular checking and monitoring. An example is where failure will result in intermittent disruptions and inconvenience to operations, but the risk to health, safety or property is minor.

R4 - This rating applies to an asset that has failed or where the ascribed maintenance standard has not been met, but where the probability of risk to health and safety or property is slight and where financial loss is slight.

R5 - This rating applies to an asset where the ascribed maintenance standard has been met and there is no effect on service capability.

13. LIFE CYCLE COSTING

In acquiring an asset, the whole of life costs of an asset are taken into account. This includes procurement, operating and maintenance and disposal costs.

An asset will deteriorate over its life-time. During this process some part or elements of the asset will fail before others. An effective maintenance program will ensure that the asset is maintained to achieve its full life potential by a preventive maintenance program that preserves and by a corrective programme that restores and replaces the elements which have failed.

An effective maintenance program assists in maintaining the value of an asset during its lifetime, but it will not be able to maintain the asset indefinitely in an ‘as new’ condition. Maintenance expenditure will increase as elements fail. At the same time, improvements to the asset may be required to meet changed service requirements.

As an asset ages or becomes outmoded, decisions will need to be made as to the cost/benefit of expenditure in maintaining the asset, refurbishing, replacing or disposing. Such decisions must take into account the life cycle costs of the current asset and alternative maintenance solutions.

14. MINOR NEW WORKS

When assets are no longer able to meet their functional service delivery requirements, consideration needs to be given as to whether improvements to parts, elements or to the whole asset can achieve the desired outcomes. Minor New Works funding is typically used where improvements result in the enhancement of the asset or where an asset is refurbished.

The linkages between Maintenance and Minor New Works are close and at times blurred. This in turn may affect the judgment as to which funding source applies. In order to ensure the strategic application of limited funds and regardless of funding source, it is important that a Backlog Maintenance Plan incorporates works which may be classed as Minor New Works¹³.

15. RESPONSE TIME TO AND COMPLETION TIMES OF CORRECTIVE MAINTENANCE REQUESTS

All job requests for re-active corrective maintenance and that do not require immediate attention are submitted electronically to the Help Desk. The Help Desk assigns the priority to the request. The Help Desk determines the priority in the first instance based on information received by the requestor and where relevant by checking the criticality status and maintenance standard of the asset. If after attending the fault, the Maintenance Provider finds that the priority is not appropriate, the Maintenance Provider will consult the Help Desk to change the priority.

Each priority has a response time and a completion time as indicated below. A response time is the time it takes to first respond to the work request. Completion time is the time it takes to rectify the fault and to complete the actual works.

Completion of a job request may be affected by factors outside of the control of the Maintenance Provider, for example parts may need to be ordered. The Maintenance Provider will indicate in the ‘comments’ field of the work order the reasons why a job request cannot be completed within the assigned completion time and will advise the requestor and report to AMS.

16. PRIORITY RATINGS

There are three Priority Categories used to distinguish the level of urgency required to rectify the fault.

Immediate

Faults classified as “Immediate Works” include any faults:

- which represent threats to health and safety;
- which severely affect the normal business operation of the facility; or
- which will result in the loss or damage to valuable research or educational materials, if the fault is not rectified.

Maximum Response Time	2 hours
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Completion Time	4 hours
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Urgent

Faults classified as “Urgent Works” include any faults, other than those defined for immediate works that affect the facility operating conditions, for example replacement of a damaged GPO.

¹³ Minor New Work processes are currently under review.

Maximum Response Time	3 days
Completion Time	4 days

Routine

Faults classified as “Routine” include faults to minor equipment or component failure, where the equipment or component does not overly affect normal operation.

Maximum Response Time	2 weeks
Completion Time	3 weeks

17. RESPONSE TIME AND COMPLETION RATES FOR MINOR NEW WORKS

Job requests for Minor New Works or Quotes are submitted electronically to the Help Desk. The request should indicate the date when the works are to be completed by. The Help Desk will assign it a Priority “Planned”. The Maintenance Provider will contact the Requestor to discuss and clarify the Requestors needs and agree on a program of works and a completion date. The Maintenance Provider will enter the agreed completion date into the Management Information System.

The Maintenance Provider will enter reasons of any changes to timelines in the ‘comments’ in the Management Information System and will advise the Requestor and report to AMS.

18. PRIORITY RATING

Planned

This priority includes all works that are planned and includes routine corrective maintenance, preventive maintenance, quotes and minor new works.

Maximum Response Time	1 week
Completion Time	As agreed with client.

19. MAINTENANCE MANAGEMENT INFORMATION SYSTEM

The effective management of the University’s assets is dependent on the availability of relevant, reliable and timely information. The University’s Maintenance Management Information System (Pinnacle) is used to schedule and monitor maintenance and minor new works. It is a key tool in planning maintenance, minor new works, budgeting and in the day-to-day management of maintenance.

20. MAINTENANCE MANAGEMENT RESPONSIBILITY

AMS are responsible for overall maintenance policy and the management and planning of the maintenance of the University’s buildings and associated infrastructure.

21. MAINTENANCE OPERATIONS

The University has engaged a Maintenance Provider to provide maintenance services for the general building fabric and fixed plant and equipment. The Maintenance Provider's scope of services include the management, administration and co-ordination of maintenance services; routine Preventive Maintenance, Corrective Maintenance, Minor New Works and the collection of asset data.

The Maintenance Provider reports to the University Facilities Manager who is supported by regional maintenance managers in Hobart and Launceston.

22. MAINTENANCE BUDGET

The University, on the advice of the University's P&RC, allocates an annual maintenance budget to AMS. AMS then breaks the budget down into its sub-components and manages the budget for each Project under its control, eg corrective, preventive, minor new works, audio visual, operations etc.

The Maintenance Provider is responsible for planning and managing the preventive and corrective maintenance services within a "Managed Budget". Payments are made to the Contractor on receipt of a monthly Invoice. The Maintenance Provider is responsible for 50% of cost in the event the annual Managed Budget is overrun.

23. PERFORMANCE INDICATORS

The following performance indicators are used to measure broad maintenance outcomes.

- Preventive and Corrective Maintenance expenditure as a % of Asset Replacement Value
- Preventive and Corrective Maintenance expenditure per square metre
- Preventive and Corrective Maintenance Expenditure per EFTSU
- Backlog expenditure as a % of Backlog Liability
- Backlog liability as a % of Asset Replacement Value
- Backlog expenditure per square metre
- Preventive and Corrective Maintenance Budget as % of Asset Replacement Value
- Corrective Expenditure as a % of Maintenance Budget
- % Failure Rate of Assets designated as Critical
- Achievement of Specified Response Times as a % of Job Requests
- Achievement of Completion Times as a % of Job Requests

24. FRAMEWORK MAINTENANCE GOALS AND STRATEGIES

The following framework maintenance goals and strategies outline the broad strategies that will be implemented to achieve the key objectives of the MFP. The strategies will form the basis of Maintenance Operational Plans. . FMG stands for Framework Maintenance Goal. FMGS stands for Framework Maintenance Goal Strategy.

FMG1: Assets are maintained to perform at optimum levels during their life cycle, reducing service disruptions and losses due to failure.

- FMG1-S1: Assets will be defined in accordance with an established asset hierarchy.
- FMG1-S2: The maintenance standard of assets will be determined to meet University business needs.
- FMG1-S3 The actual utilisation of assets will be assessed on an annual and ongoing basis.
- FMG1-S4 The condition of assets will be assessed on an annual and ongoing basis and compared with the required maintenance standard
- FMG1-S5 Condition assessments will be used to project and to determine when an asset is at the end of its life cycle and maintenance expenditure is no longer a cost effective strategy.
- FMG1-S6 Short and long term maintenance plans will be developed.
- FMG1-S7 Response and completion times will be executed in accordance with the service delivery requirements of the University.

FMG 2: Critical areas and risks are identified and managed.

- FMG2-S1 Assets will be reviewed and assigned a criticality grading reflecting the business needs of the University.
- FMG2-S2 Assets will be assessed upon failure against criticality grading and for risks.
- FMG2-S3 Performance monitoring will be undertaken of and the condition of critical assets with a grading of 1 or 2 will be regularly assessed and assessed for risks.
- FMG2-S4 Preventive maintenance plans will develop a schedule of maintenance for each critical asset with a grading of 1 or 2 at a sufficiently high level to prevent failure from occurring.

FMG 3: Performance of assets is reviewed to suit service delivery and to ensure assets are fit for purpose.

- FMG3-S1 Heads of School/Section are requested to confirm the criticality grading of assets that support their service delivery at the time of their initial assessment.
- FMG3-S2 A desk-top audit of the criticality grading of assets is undertaken on a three year rolling basis.
- FMG3-S3 Heads of Schools/Section are requested to confirm the criticality grading of assets on a three-year rolling basis.
- FMG3-S4 Annual and ongoing condition assessments of assets will be compared with operational requirements.
- FMG3-S5 Service Delivery Agreements will be entered into with each Faculty and Division.

FMG4: The cost of maintaining assets over their life cycle is quantified.

- FMG4-S1 All maintenance costs are captured against each asset.
-

- FMG4-S2 Maintenance costs will be measured against criticality of the asset.
- FMG4-S3 Maintenance costs will be measured against utilisation of the asset.
- FMG4-S4 Maintenance costs will be measured against revenue from the asset.
- FMG4-S5 Operating costs will be measured against facilities.

FMG5: Information is gathered to assist future decision-making and budgeting

- FMG5-S1 The Asset Management Information System will be used to systematically record information and to prepare reports.
- FMG5-S2 Condition Assessments will be undertaken to identify current and future maintenance liabilities.
- FMG5-S3 Information will be gathered to provide reports on key performance indicators.
- FMG5-S4 Customised reports will be developed in conjunction with IT Services to meet the specific reporting need.

Attachment H

Asset Management Services

2005/6 Operational Plan

(for UTAS staff only)

Please refer to the hardcopy of the *Strategic Asset Management Plan 2006-2011*
or to this web page-

http://www.utas.edu.au/ams/restricted/op_plan05-06.htm

Attachment I

University of Tasmania

TEFMA 2004 Self-Assessments

Space Management

Background to Assessment Tool

The self-assessment tool below is based on the 1999 benchmarking work of Professor Ken McKinnon in collaboration with Brian Fenn at Queensland University of Technology. Its purpose is to measure, using a range of compliance statements, the extent to which an institution has embraced space management principles. A high score is indicative of an institution that has successfully developed and implemented an accurate and well-managed space data-base. Management systems are in place, and space norms used, for allocating space; space utilisation rates are measured; and space is mapped electronically and linked to the FM operational data-base.

2004 TEFMA Benchmark Survey					
Space Management					
<p>Note: indicate your scores below by deleting the four scores in each line that <u>don't</u> apply (eg if you wish to award yourself "4" for "Accessibility/Disabled access" please delete 1, 2, 3 and 5 and so on)</p>	Compliance with Statement				
	Institution is yet to develop systems in this area (0%)	Institution at early stages of developing & implementing systems in this area (1-39%)	Statement is only partially true with further work/refinement to system required (40-79%)	Statement is generally true but with some minor exceptions or omissions (80-99%)	Statement is true in all regards (100%)
Statement					
<i>An accurate and well managed database of space exists and includes information on:</i>					
Types of space				4	
Ownership of space				4	
Space facilities and attributes				4	
Accessibility/Disabled access				4	
Condition			3		
Building Code compliance/H&S			3		
Functionality		2			
Safety features & equipment			3		
= 27/40					
<i>All university space is mapped electronically (eg AutoCad) and is linked to the FM operational database</i>				15	
= 15/15					
<i>Space norms used to quantify space needs taking into account student numbers & specialist space needs</i>				12	
= 12/15					
<i>A system for measuring space utilisation rates (eg space utilisation surveys)</i>		6			
= 6/15					
<i>Space is allocated using space allocation/timetabling software (eg Syllabus Plus)</i>		6			
= 6/15					
Space Management - TOTAL = 66/100					
SELF EVALUATION					
Score	Rating				
>90	Best Practice				
81-90	Good Practice				
61-80	Average Practice				
41-60	Below Average Practice				
<41	Poor Practice				

Strategic Asset Management (SAM)

Background to Assessment Tool

The self-assessment tool below is based on the 1999 benchmarking work of Professor Ken McKinnon in collaboration with Brian Fenn at Queensland University of Technology. Its purpose is to measure, using a range of criteria, the extent to which an institution has embraced strategic asset management principles. A high score is indicative of an institution that has developed, documented and implemented comprehensive plans across all FM functional areas. These plans are regularly reviewed and have institutional support.

2004 TEFMA Benchmark Survey					
Strategic Asset Management					
Note: indicate your scores below by deleting the four scores in each line that <u>don't</u> apply (eg if you wish to award yourself "12" for "Capital Development" please delete 3, 6, 9 and 15 and so on) - see example	Compliance with Statement				
	Plan does not exist or is yet to be considered	Partial/draft plan exists, is undergoing further development and is yet to be implemented	Plan exists but is basic; requires further refinement or is only partially implemented	Plan is well developed, is fully documented and regularly reviewed and updated	Comprehensive plan exists, is fully documented, implemented and regularly reviewed. Plan has institutional support
Plan					
Capital Development			12		= 12/15
Facilities Management:					
Property & Security			4		
Cleaning and Waste removal			4		
Environmental Management	2				
Minor Works, alterations & additions			3		
Management of utilities			3		= 16/25
Maintenance:					
Preventive Maintenance			4		
Corrective Maintenance			4		
Deferred and Backlog Maintenance			3		
Condition Assessments/Facilities Audits			3		= 14/20
Disposal & Adaptation					
			4		= 4/5
SAM - TOTAL					= 46 /65
SELF EVALUATION					
Score	Rating				
>60	Best Practice				
50-59	Good Practice				
40-49	Average Practice				
30-39	Below Average Practice				
<30	Poor Practice				

Attachment J

University of Tasmania

McKinnon Walker Asset Management Related Benchmarks

5.3 PHYSICAL ASSETS AND SPACE UTILISATION

In the last few years government capital funding policy has changed from project grants available to a few institutions to a capital ‘roll-in’ which provides some capital every year for every institution. The revised policy also allows institutions to use the funding for capital expenditure of their choice. There has always been a need for strategic management of the substantial capital assets of universities. The capital roll-in, the changing needs of disciplines, and new teaching delivery methods have moreover brought old norms of space provision and efficiency of usage into question.

For instance, there is a need to consider the trade-off between extra buildings and additional communications technology, before additional capital investment is considered. Additional considerations are the intensity (efficiency) of usage of teaching, laboratory and office space. Despite the functional diversity of the typical facilities management organisation, institutions can and should embrace a strategic benchmarked approach to asset management. Although several additional performance indicators (Key Performance Indicators) are already available to Facilities Managers, in this Manual a choice has been made of a relatively small number of strategic quantitative benchmarks supported by a checklist of qualitative measures.

5.3.1 Physical assets

The first test for identifying good practice in the management of physical assets is the extent to which an institution has identified, developed and implemented key policies and processes. The key qualitative indicator of good practice is the presence and application of an institutional strategic asset management plan.

All facilities within the institution should be managed within a quality assurance framework with a strong focus on customer satisfaction. A strategic asset management plan, as defined above, comprises a number of supporting plans. These include, but are not necessarily limited to:

- a capital development plan;
- facilities management plans, including:
 - property and security;
 - cleaning and waste removal;
 - environmental management;
 - minor works, alterations and additions;
 - management of utilities;
- maintenance plans:
 - preventive maintenance;
 - corrective maintenance;
 - deferred and backlog maintenance;
 - condition assessments/comprehensive facilities audits; and
- disposal and adaptation plans.

The first physical assets benchmark is **Benchmark 5.8: Strategic asset management.**

In addition to this benchmark, two quantitative benchmarks, **Benchmark 5.9:**

Recurrent maintenance funding, and Benchmark 5.10: Facilities maintenance backlog, are important in the assessment and management of physical assets.

5.3.2 Space Utilisation

In 1998, the university sector in Australia owned and operated almost nine million square metres of built assets with a current replacement value of over \$16 billion. The effective and efficient use of these valuable assets has become one of the hottest issues in the sector in recent years (although DETYA collection of this information was dropped in the early nineties). The Tertiary Education Facilities management Association has developed space and planning guidelines, space norms and indicative space utilisation rates for higher education institutions.

The key to good practice is incorporated in **Benchmark 5.11: Space management.** The space management plan comprises a number of sub-parts. These include:

An accurate and well-managed database, including information on:

- types of space, tenancy of space and space facilities;
- electronic mapping of all university space with links to the facilities management operational database;
- capacity to measure space utilisation; and
- a system of space allocation using software programs.

A quantitative benchmark, **Benchmark 5.12: Central teaching space usage and efficiency** is recommended for space management. Initially the benchmark is limited to measuring space utilisation, using as measures hours booked against hours available and the number of seats used against room capacity. Space should include all centrally controlled teaching spaces with a seating capacity of fifty seats or more and, where appropriate, include laboratory space. Future enhancements would include:

- the inclusion of faculty controlled teaching spaces;
- the inclusion of other spaces (eg libraries, computer laboratories, offices, research areas and the like);
- additional efficiency measures including;
- hours booked against hours used; and
- measures to achieve economical use of space, such as charging out.