

ASSET MANAGEMENT PLAN - GUIDANCE AND TEMPLATE

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PURPOSE

The purpose of this document is to give community housing and crisis accommodation providers (funded providers) a guide and subsequent base template for preparing an Asset Management Plan.

WHAT IS STRATEGIC ASSET MANAGEMENT?

Strategic asset management is obtaining the best utilisation of an asset in the delivery of services. This includes the analysis, procurement, management, disposal and replacement of assets to meet the organisation's long term aims and objectives.

Housing providers are delivering housing and homelessness services using residential building assets, owned either by the department or the organisation.

Your asset management approach and processes should be focussed on getting the best utilisation of those property assets, which will include both regular maintenance to preserve the safety, cleanliness and good repair of a property, and also a longer term assessment of a property's suitability and viability.

WHAT IS AN ASSET MANAGEMENT PLAN?

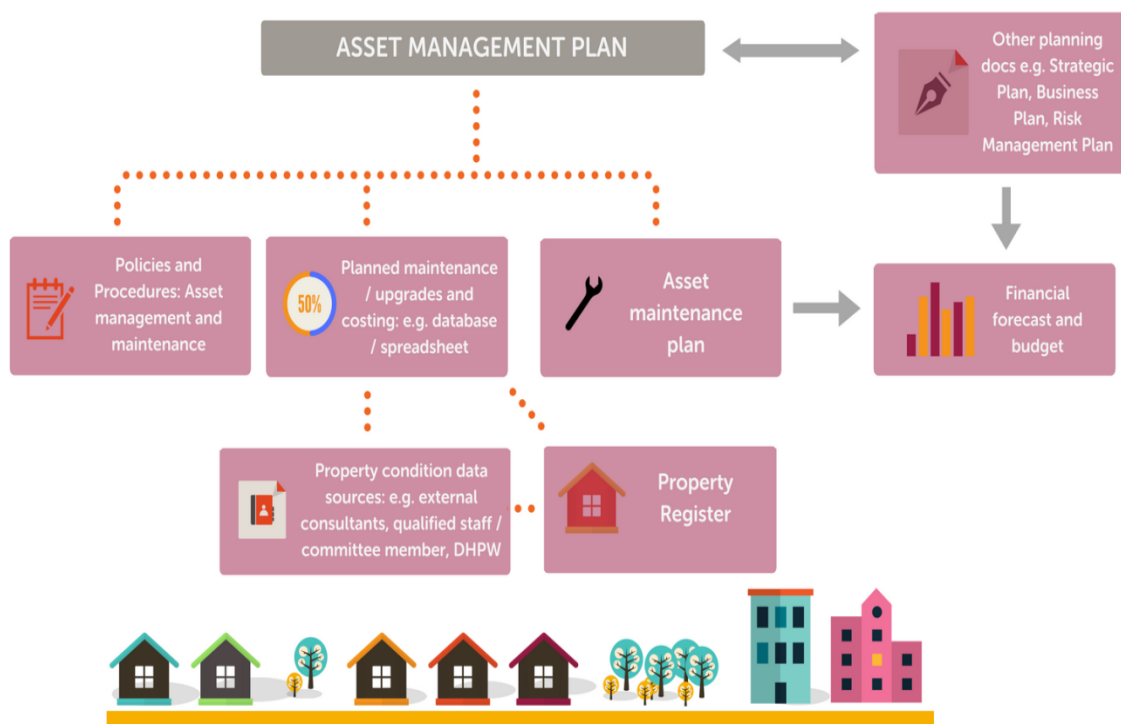
An Asset Management Plan is a strategic planning document that will sit alongside other key planning documents in the organisation eg a strategic plan, a business plan, a risk management plan, and financial budgets and forecasts.

It is a high level or overarching plan that sets out how assets will be managed in alignment with the organisation's asset management objectives for its portfolio, and in alignment with the length and level of responsibility the organisation has for the asset.

Underneath the Asset Management Plan will sit other planning tools, resources and documents, which may include:

- A policy and procedure manual that sets out the organisations processes for administering it's asset management responsibilities
- Property condition information – a way of collecting and analysing the data relating to the current and anticipated – eg a spreadsheet or reports provided by an external party, eg a building inspector, or DHPW
- An 'asset maintenance plan' which sets out in more detail how maintenance activities will be scheduled and delivered, and how detailed budgets will be set and monitored – usually on an annual basis.

Q Shelter has resources to support these areas – www.qshelter.asn.au



AN ASSET MANAGEMENT PLAN

Whilst the format and structure of a Plan can be the same, the content can vary for each funded provider. This is because:

1. Funded providers deliver different services.
2. The portfolio they manage (size or number of properties, the age of the portfolio, the types of properties) are different.
3. The geographical spread of the portfolio as well as the condition of the properties is different; and
4. The maintenance obligations and responsibilities the funded provider has for the properties they own, and or manage, can be different.

The purpose of the Plan is to articulate your organisation's approach to preserving the condition of property assets you are responsible for. The Plan should be relevant for your whole community housing portfolio.

This would include any properties funded under crisis, transitional or long term DHPW programs (whether leased or owned), but could also include any other community or affordable housing that does not have DHPW funding.

FIT FOR PURPOSE

The Plan should be relevant to your organisation's property assets and responsibilities. The Plan for a small funded provider (Tier 3 or CAP only provider) will be significantly different to the Plan of a large funded provider (Tier 1 or 2). The level of sophistication, automation and control in the processes and procedures of a large funded provider will differ greatly to that of a small funded provider.

The Plan should reflect the approach of the organisation in practice, and be appropriate for the property assets under management. Only include things that are relevant and reflect the processes and activities that are already in place, or are being implemented.

Housing providers have different levels of responsibility for asset management and maintenance depending on whether they own, or lease, the property. However even for properties that are leased (where long term responsibility for upgrades, full refurbishment or disposal of a property may not be the organisation's responsibility), providers should still review the viability of the property in terms of alignment with current and future needs of tenants, location and amenity, and projected costs to maintain the property over the short to medium term.

So the Asset Management Plan should contain a section that describes the organisation's processes and decision making mechanisms for this strategic assessment of properties.

It should also contain information relating to any Major Projects that are planned during the period of the plan, eg the refurbishment of a property. The Plan should at the minimum set out the approval, monitoring and review processes relating to a Major Project.

SETTING ASSET MANAGEMENT GOALS

The Plan should contain some strategic goals relating to the asset management of your organisation's property portfolio. These can sit alongside your Strategic Plan goals, or underneath them. For example, you may have a Strategic Plan goal to improve the financial viability of the organisation, and an asset management goal to improve the cost effectiveness of your maintenance programs.

The Plan will also need to set out how those goals are going to be achieved – including some Key Performance Measures, and who has responsibility for delivery within the organisation, and who has responsibility for monitoring outcomes.

FUNDING AND REGULATORY REQUIREMENTS

HOUSING REGULATION 2015

This guide and template have been drafted to meet the requirements of Section 12 of the *Housing Regulation 2015* in relation to asset management plans as follows:

12 Asset management plans

- (1) A funded provider must keep, and implement, a management plan (an **asset management plan**) for each of the provider's funded property.
- (2) The purpose of an asset management plan is to—
 - (a) maintain the long-term viability, and value, of the funded property; and
 - (b) ensure the funded property is appropriate for—
 - (i) the type of housing service the funded provider provides; and
 - (ii) the needs of people using the housing service; and
 - (iii) the circumstances in which the funded provider provides the housing service.
- (3) An asset management plan must include financial strategies for the plan's implementation

NATIONAL REGULATORY SCHEME COMMUNITY HOUSING (NRSCH)

Organisations registered under the NRSCH must meet the requirements of *Performance Outcome 2: Housing Assets*. Performance requirements include:

- 2a: Determining changing housing needs and planning asset acquisitions, disposals and reconfiguration to respond (strategic asset management)
- 2b: Setting and meeting relevant property condition standards
- 2c: Planning and undertaking responsive, cyclical and lifecycle maintenance to maintain property conditions (asset maintenance)

The *Registration Return Guide* Appendix A provides 'a broad guide' to evidence sources providers may supply to demonstrate capacity to meet and comply with Performance Outcomes. This guidance is not intended to be prescriptive. Those relevant to asset management planning are set out in

[Attachment 1: NRSCH guide to relevant evidence sources](#)

In addition to the specific legal and regulatory requirements of your organisation, this guide recommends including decision making processes for managing the whole lifecycle of a property, including retaining or disposing of properties you own or manage on behalf of another owner e.g. Queensland Government.

PROPERTY CONDITION STANDARDS

The Department of Housing and Public Works require providers to assess any Department owned properties against the Property Condition Standards set out in the State Government's [Maintenance Management Framework](#) (the 'S1' to 'S5' standards – see page 7). These are also provided in Attachment 3 of the Asset Management Plan Template.

In practice, providers employ a range of property condition standards to assess their properties, depending on whether the assessment is carried out utilising proprietary asset management software, or by external consultants employing their own methodology, or by other means.

NRSCH Performance Outcome 2 requires providers to detail the property condition standards that they are using, and requires them to meet or exceed the State's standards.

For department owned properties, providers will need to have a way of mapping whatever property condition standards they utilise against the DHPW S1 to S5 rating system, in order to comply with quarterly performance reporting and the annual Community Housing Annual Financial Return (CHAFR).

For Department Owned properties, where providers do not currently carry out Property Condition Audits, and these are carried out by DHPW on a 3 yearly basis, enquiries should be made to access this information from the Department via your Contract Manager.

ASSET MANAGEMENT PLAN TEMPLATE

The [Asset Management Plan Template](#) is provided as an accompanying document to give a suggested structure for the plan, and further guidance on the content for each section.

ACKNOWLEDGEMENT

Q Shelter would like to acknowledge the significant contribution to the Department of Housing and Public Works to this document, and the accompanying Asset Management Plan Template. We are also grateful for the contribution of sector representatives to the formation and review of these documents.

Disclaimer

This document is intended as a guide only. It is not a definitive list of requirements and it may not suit the circumstances of every organisation. Organisations using this document (and any or all of the information or layouts provided) are entirely responsible for the asset management plan or other documentation produced.

ATTACHMENT 1: NRSCH GUIDE TO RELEVANT EVIDENCE SOURCES: PERFORMANCE OUTCOME 2: HOUSING ASSETS

The *Registration Return Guide* Appendix A provides 'a broad guide' to evidence sources providers may supply to demonstrate capacity to meet and comply with Performance Outcomes. This guidance is not intended to be prescriptive.

Those relevant to asset management planning include:

Asset maintenance plan - Asset or property management planning refers to the provider's processes for ensuring properties are well maintained as well as the provider's business and strategic goals in relation to its property portfolio.

Asset management involves knowing accurately the value of an asset, protecting the value of an asset, maintaining the value of the asset, ensuring proper use of the asset and ensuring obligations of funding agreements are met. The appropriate level of expenditure per property can vary due to factors including age and type of property as well as tenant/resident type. The best evidence that a property is well maintained is its condition.

Asset maintenance plans typically:

- identifies and covers all properties for which the provider has maintenance responsibility.
- is based on condition inspections and lifecycles of major items
- identifies projected annual maintenance work
- identifies total costs per year (for at least the first 10 years) for each property and for all properties which link with financial budgets/cash flow projections in the financial performance report
- has an annual budget for all costs, which includes inflation that is based on the actual maintenance requirements of each property
 - links to annual targets, as set by the provider, for average per property maintenance costs and actual expenditure

Strategic asset management plan (for Tier 1 and Tier 2 providers)

Strategic asset management plans typically is long term and covers strategic and operational issues, including:

- long term portfolio strategy
- managing the full lifecycle of properties such as procurement, maintenance, disposal
- local demographics and housing needs analysis
- future demand
- efficient use of assets
- policies and procedures covering maintenance planning, including regular condition inspections