

# Asset Management: Strategic Asset Plan Policy

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## 1. Purpose

The *Asset Management: Strategic Asset Plan Policy* (Policy) sets out the mandatory requirements for the preparation and submission of a Health Service Provider Strategic Asset Plan (SAP) to ensure the effective and efficient management of assets. The development of a SAP assists Health Service Providers to identify their asset management investment priorities on an annual basis.

The Policy supports the Western Australian (WA) Government's mandate to strengthen links between business decisions and asset planning and is consistent with the Department of Treasury's *Strategic Asset Management Framework*. A WA health system SAP is prepared by the Department of Health for submission to Government on an annual basis.

The Policy is a mandatory requirement under the *Infrastructure (Asset Management) Policy Framework* and is issued pursuant to section 26(2)(d) of the *Health Services Act 2016*. The Framework establishes a high level set of principles for strategic asset management whilst this Policy provides Health Service Providers with mandatory requirements for the preparation of their SAP.

## 2. Applicability

This Policy is applicable to all Health Service Providers.

## 3. Policy requirements

All Health Service Providers must:

- nominate a representative member to attend the Strategic Asset Planning Steering Committee which assists the implementation of strategic asset planning policy and practice, and provides advice to the Department Executive Committee on asset planning and management.
- prepare an annual SAP.

The SAP is a document that outlines the Health Service Provider's proposed service objectives and investment priorities for the next ten years. Consistent with the overarching *Strategic Asset Management Framework* (Department of Treasury), a Health Service Provider's SAP must at a minimum contain the following:

- the Health Service Provider's proposed:
  - service delivery objectives
  - demand drivers and projections (for example, demographic profiles, population projections, clinical demand)

- asset profile (including fixed assets and intangible assets)
- core infrastructure issues that are currently experienced by the Health Service Provider
- a set of identified and ranked investment priorities that reflect capital and recurrent funding requirements over the short term (two years), medium term (five years) and long term (10 years). These priorities can include asset and non-asset solutions.
- identification of how investment priorities link to service delivery objectives over the next ten years
- information regarding the likely scope, benefits, costs and risks of the Health Service Provider's newly proposed investment priorities. Risks may incorporate key risks associated with infrastructure condition, service delivery requirements, compliance, location and functionality. Strategies to mitigate these risks must also be addressed
- information regarding all asset types such as buildings (including minor works), medical equipment, Information and Communications Technology (ICT), land, leasing, furniture, fittings and equipment, and fleet.

**Note:** Minor works and medical equipment requirements should align with priorities identified as part of the WA health system Medical Equipment Replacement Program and Minor Works Program.

Health Service Providers must:

- adjust the SAP to address changes in service delivery objectives, specific decisions or funding provided for an asset during the interim years
- follow the approved Department of Health's Budget Processes to seek funding for identified priority projects outlined in the SAP. The SAP is for planning purposes only and is not to be utilised as a funding mechanism.

#### 4. Compliance monitoring

Health Service Providers are responsible for ensuring compliance with this policy.

Health Service Providers must submit their SAP to the Department of Health Infrastructure Unit (via [adminassistant.healthinfrastructure@health.wa.gov.au](mailto:adminassistant.healthinfrastructure@health.wa.gov.au)) by the last business day of June each year. The individual SAPs will be assessed for compliance with this policy and to identify the WA health system's 10 year priorities.

#### 5. Related documents

The following documents are mandatory pursuant to this Policy:

- Nil

#### 6. Supporting information

The following information is not mandatory but informs and/or supports the implementation of this Policy:

- [Strategic Asset Plan Template](#)
- *WA health system Strategic Asset Plan 2019-2029* (available by request to the Department of Health Infrastructure Unit).

## 7. Definitions

The following definition(s) are relevant to this Policy.

Term	Definition
Asset	An asset is a resource controlled by the Health Service Provider from which future economic benefits are expected to flow to the Health Service Provider. <sup>1</sup>
Fixed asset	Fixed assets are tangible items that are acquired by the <i>Health Entity</i> for use in the provision of goods and services, or for administrative purposes, and are expected to be held for more than two (2) years. Common examples of fixed assets include: land, buildings, leasehold improvements, computer equipment, furniture and office equipment, motor vehicles, plant and equipment, works of art, work in progress. <sup>1</sup>
Intangible asset	An intangible asset is an identifiable non-monetary asset without physical substance. <sup>1</sup>
Strategic Asset Planning Steering Committee	A Department of Health steering committee comprising Departmental and Health Service Provider representatives which meets on a quarterly basis. The steering committee provides advice to the Department Executive Committee about matters relating to asset planning and investment priorities. The steering committee assists in the implementation of strategic asset planning policy and practise and provides advice and direction on asset planning and management. The Terms of Reference may be made available by contacting the Department of Health Infrastructure Unit.

## 8. Policy contact

Enquiries relating to this Policy may be directed to:

Title: Director, Infrastructure Unit  
Directorate: Strategy, Policy and Planning  
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## 9. Document control

Version	Published date	Effective from	Review date	Effective to	Amendment (s)
MP 0109/19	24 June 2019	24 June 2019	September 2020	Current	Original version

## 10. Approval

Approval by	Dr David Russell-Weisz, Director General, Department of Health
Approval date	31 May 2019

<sup>1</sup> WA Health Financial Management Manual 2016

**This document can be made available in alternative formats on request for a person with a disability.**

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