


Public Sector Asset Management in Victoria is governed by the following principles:

- *Service delivery needs are to guide asset practices and decisions.*
- *Asset planning and management are to be integrated with corporate and business plans, budgetary and reporting processes.*
- *Asset management decisions are to be based on evaluations of alternatives that take into account full life cycle costs, benefits and risks of assets.*
- *Ownership, control, accountability and reporting requirements for assets are to be established, clearly communicated and implemented.*
- *Asset management activities are to be undertaken within an integrated Government asset management policy framework.*



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*Prepared by the Victorian Government
as part of the Management Improvement
Initiative, November 1995*

ISBN 0 7306 7499 1

Parts 1, 2 and 3 in a three-part series

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All quotations taken from

Dictionary of Quotations, collected and
arranged with comments by Bergen

Evans,

New York, Avenel Books, 1978

Foreword

The Victorian Government is committed to providing quality services to the community. An adequate portfolio of assets is fundamental to the provision of these services, and to our present and future social and economic well-being.

Victoria's assets are an investment in Victoria's future, and, if not properly managed, a potential source of onerous financial obligations.

It is important to continuously appraise our approach to the provision and utilisation of infrastructure for delivering services to the community. To meet service commitments, we must provide essential social and economic infrastructure in the most efficient manner possible.

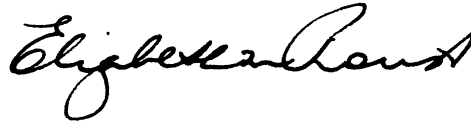
The approach to asset management (set out in this document) is part of the policy of continuous improvement of overall public sector performance. To this end the performance of departments, senior management and staff should include assessments of asset management activities.

The principles guiding this improvement are:

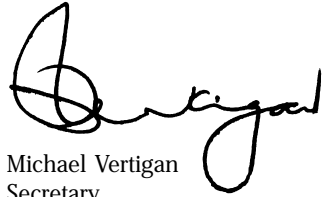
- › a clear focus on responsibility and accountability for results;
- › the empowerment of consumers of public services;
- › a focus on core business with minimal bureaucracy;
- › the use of market mechanisms and disciplines; and
- › professionalism in the management of public agencies.

For asset management, this means a focus on service delivery outputs and outcomes, as well as on the assets themselves.

A comprehensive and integrated approach to infrastructure and asset management will provide both quality services and a sound future for this State. This Asset Management Series provides a foundation for this approach.



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The emphasis placed on commercial principles in the delivery of public services in Australia is increasing. Administrations are becoming more streamlined, the 'user pays' principle is gaining ground, and public sector managers are being made more directly accountable for the management of the resources under their control. These elements include not only the programs and human resources involved in the delivery of public services, but also the diversity of assets used to provide those services.

This three-part Asset Management Series has been produced to help Victoria's public sector financial managers and asset managers become more aware of their responsibilities and of the information networks that they can use for help. The series is not exhaustive in its coverage. Rather, it represents the first step of an evolving process of reform directed at establishing a cohesive and workable body of practice for best managing the State's assets.

The series is intended for application to physical assets with a potential service life of more than one year. In the public sector, these physical assets may be classed as land, buildings, infrastructure, plant and equipment, cultural collections and natural resources. Financial, human and information assets (including intellectual property) are not covered.

Part 1 of the series, *Asset Management Principles*, describes the purpose and fundamental principles of effective asset management in public sector agencies, and provides a strategic framework through which these can be effectively implemented.

Part 2, *Asset Management Policies and Practices*, sets out the policies and practices for asset management that apply to all Victorian Government departments and agencies wholly or partly funded through the State budget. It provides assistance for asset managers to interpret policy requirements in the light of their particular situation. It was developed in line with the principles and key activities set out in Part 1 and in the context of applicable legislation and policy.

Part 3, the *Asset Management Catalogue of Reference*, details some of the relevant documentation that currently exists on asset management (in both the public and private sectors).

The three parts of the series are shown diagrammatically in Figure I.

Regular reviews of the series will ensure its continuing relevance to both the current environment and the achievement of superior asset management practice. A forum comprising major stakeholders in the public sector has been established to coordinate the ongoing development of asset management policy and practices.

Asset Management Series

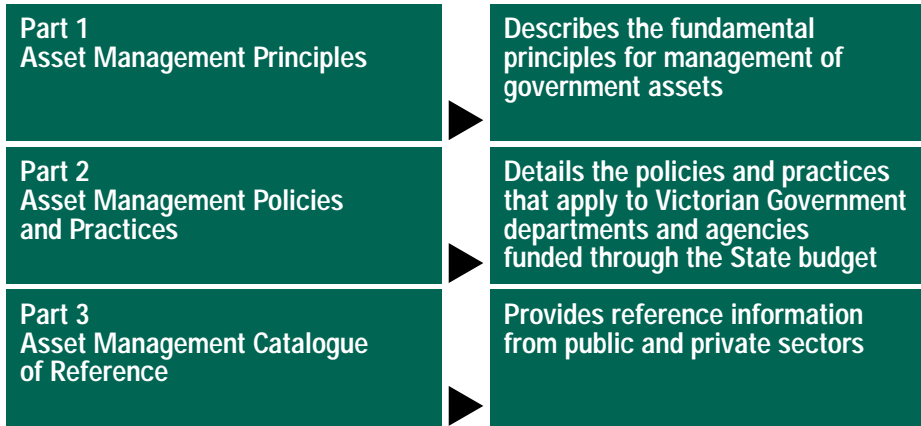


Figure 1
The Asset Management Series