

Asset Strategy Development

DPTI Process Overview



Asset Strategy Development

The Asset Strategy Development phase requires agencies to develop asset strategies and specific asset proposals based on a whole-of-life approach that considers life cycle costs, benefits and the risk of ownership.

The underlying assumption upon which this approach is based is that assets exist only to support service delivery objectives as determined in the Corporate Planning Phase.

To facilitate this approach, a structured and systemic decision-making process which integrates decisions on capital investment or management of assets (e.g. assets use and maintenance) or disposal is proposed.

Concept Development and Option Evaluation

❖ Concept Development

Concepts should emerge from broad service delivery strategies and longer term planning. The concepts are refined into specific project options. Assumptions should be tested; measured against benchmarks and the impact on the project and performance objectives determined.

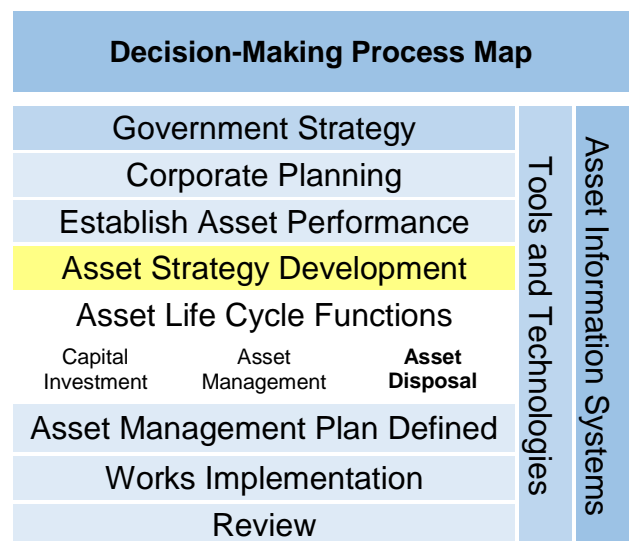
❖ Evaluation

Consideration of options to delivery services should be examined using methods such as value management, economic (which includes a comparison of life cycle costs) and financial evaluation. The provision of services may not require the creation of new and costly assets, but options such as better utilisation of existing assets or innovative, alternative service delivery strategies should be considered.

Outputs

As a result of the rigorous concept and evaluation phases, development of a preferred option through this process will generally result in:

- A well-defined preferred option with a realistic limit of cost estimate for budget purposes, and
- Formulation and compilation of the following plans for implementation at the portfolio, facility and/or site level.
 - [Capital Investment Plan](#)
 - [Management of Existing Asset Plan](#)
 - [Disposal Plan](#)



Asset Strategy Development

In Relation To Treasury Budget Process

This process forms the basis on which the investment decisions are made in the budget review process. (Refer Department of Treasury and Finance (DTF) 311 Government Investment Process - 2000-01 and Future Years) and references made in this Web Site).

The level of analysis, evaluation and consultation will relate to the scale and complexity of the strategy options under consideration.

Options ultimately selected should meet agency service delivery objectives (i.e. to link their asset requirements directly to their roles, objectives and policies as set out during Corporate Planning) and asset performance criteria within the boundaries of the resources available.

The above information from Phase 1 Corporate Planning to this Phase can now be used as input for DTF 311, e.g.;

- ❖ Table 1: Capital Investment Program 2000-01 and Future Years:
- ❖ Table 2a: Basic Project Details Statement for all Projects and Programs
- ❖ Table 2b: Additional Project Details, statement for New Projects and Programs

It provides the framework for managing an agency's asset portfolio and the basis for the preparation of an annual Asset Management Plan.