UNIVERSITY of TASMANIA

Strategic Asset Management Framework

Commercial Services & Development

Date: 23 December 2013 (Original Draft)

Version 1.7 10 February 2015

Contents

1 Introduction

1.1 Purpose

The University of Tasmania (the University) has an extensive property portfolio of approximately $800M value, with assets dispersed across some 14 sites throughout Tasmania and interstate.

The *Strategic Asset Management Framework* (SAMF) establishes high-level strategic objectives/ desired business outcomes for the development and management of the University's physical environment and assets for the period 2014–2019. The SAMF 2014–2019 replaces the *Strategic Asset Management Plan* 2006–2011.

SAMF principles are informed by the following internationally recognised strategic references:

- British Standards Institute PAS 55
- the International Infrastructure Management Manual
- the ISO 55000 Standard for Asset Management.

These are discussed in greater detail in the Infrastructure Asset Management Plan.

The purpose of the SAMF is to ensure that all asset management activities (acquisition, operations and disposal) are aligned with the University's strategic objectives to deliver optimal management and deployment of asset resources (in respect of location, condition, performance and cost-effectiveness) to meet operational needs. Its primary objective is to consolidate UTAS' resources to deliver quality facilities that enhance all aspects of the campus experience for students and staff.

The SAMF is supported at the tactical and operational levels by a suite of tactical plans and sub-plans, which are:

- Campus Development Plan
- Capital Management Plan
- Space Management Strategy
- Property Management Strategy
- Infrastructure Asset Management Plan
- Property Disposals Plan.

The SAMF and associated strategies, plans and policies apply to all University assets, while also taking account of the custodial responsibilities associated with locally-owned and managed assets (see paragraph 1.4).

1.2 Asset Management Planning Hierarchy

The SAMF's place in the University's strategic planning hierarchy, as it relates to asset management, is illustrated in Figure 1.

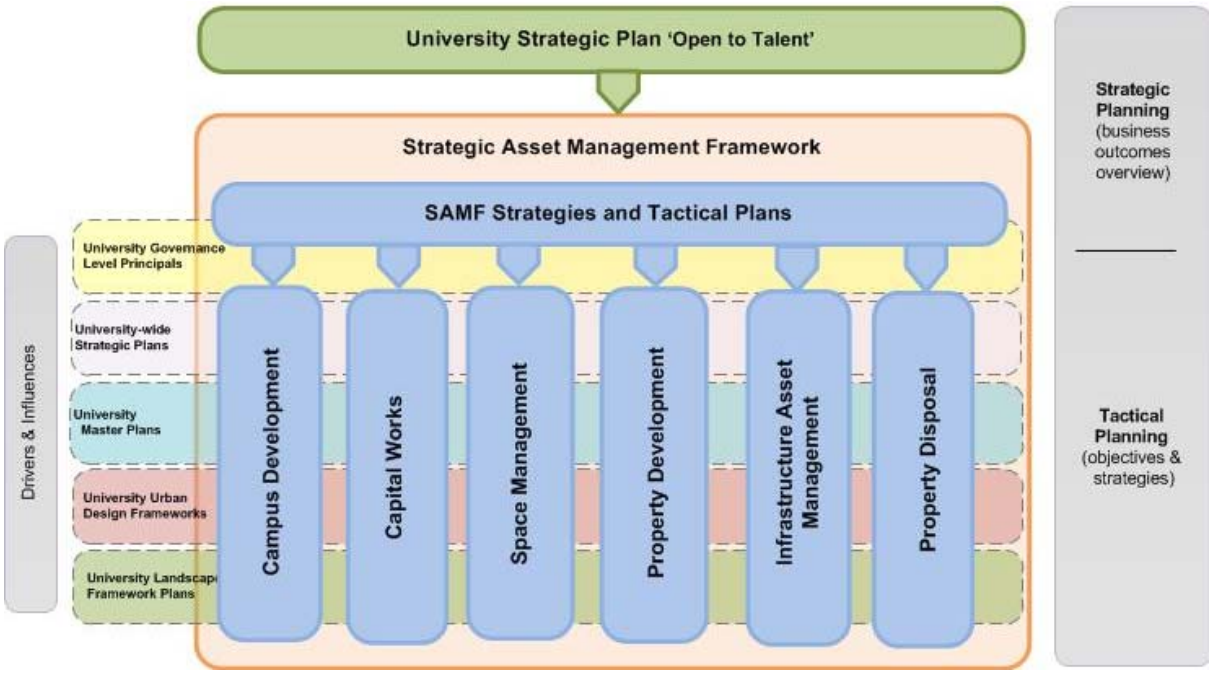


Figure 1: Planning and Governance Instruments Relevant to Strategic Asset Management

Key elements of the documents governing and guiding asset development and management at the University are summarised below.

1.2.1 Governance Level Principles

Governance level principles (GLPs) are statements of the principles under which the University will operate. GLPs are established by University Council and are applicable university-wide.

The two GLPs of particular relevance to the SAMF are:

- GLP 10 – Built Environment Principle, which aims to ensure that facilities are:
  - consistent with the University's strategic direction
  - meet the requirements of learning & teaching/research activities
  - make effective/efficient use of available resources
- GLP 9 – Environmental Management Principle, which embeds environmental protection and sustainability as key university priority.

1.2.2 Open to Talent: Strategic Plan 2012 – onwards

In the context of asset management and the built environment, the SAMF seeks to facilitate delivery of the following *Open to Talent* objectives:

- designing campuses to create an intellectual and social milieu that encourages informal interaction (S5.3)
- restoring vibrancy to our campuses by providing inviting spaces for group study, expanded and improved student accommodation and high quality catering (S5.4)
- commitment to regional campuses (E2)
- consolidation of infrastructure (E2.2)
- invigorating communities (E2.4)
- guided by a vision of sustainability (E.3)

- provide access to international standard infrastructure (E4)
- ensure effective delivery of services unencumbered by internal boundaries (E.6)
- strengthen income stream (E.7)
- institution-wide planning and performance evaluation (E.8).

1.2.3 Other Council-Approved Plans and Subordinate Plans

The SAMF also takes cognisance of a range of comparable Council-approved plans to ensure that strategic asset development and management aligns with the University's broader learning and teaching, research and service delivery goals. These plans include:

- *Strategic Plan for Learning and Teaching 2012-2014*
- *UTAS Student Experience Plan 2013-2015*
- *Research and Research Training Management Plan*
- *ICT Strategic Plan 2011-2014*
- *Sustainability Plan*.

At a tactical and operational level, the SAMF and its subordinate plans are also informed by the objectives of individual Faculty/Institute/Divisional plans in respect of asset prioritisation and deployment.

1.2.4 University of Tasmania Master Plan 2007

An important driver for the SAMF, particularly in respect of campus development and property management, is The University of Tasmania Master Plan (Volumes 1-4). The Master Plan was approved by University Council in 2007 with an expected longevity of 10 – 15 years. The Master Plan takes a relatively high-level view of campus/site development to meet operational needs inasmuch as it does not aim to define building footprints, but to 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.

The four volumes of the Master Plan are:

- Volume 1 – Background and Objectives
- Volume 2 – Sandy Bay Campus
- Volume 3 – Newnham and Cradle Coast Campus
- Volume 4 – City Planning Guide (Hobart CBD, Launceston CBD).

Changes to the economic environment in which the University operates have meant a shift in master-planning focus from expansion to consolidation since 2007, however the following key principles of the Master Plan remain relevant to the SAMF:

- co-location of like functions into activity-based precincts
- developing teaching and learning facilities in line with current best practice
- enhancing the distinctive characteristics of each campus
- enhancing or creating new entry and arrival points
- acknowledging and developing existing built heritage
- consolidating parking, improving traffic flow and creating pedestrian-focused central campuses
- ensuring sustainable development
- supporting growth and commercialisation.

1.2.5 Urban Design Frameworks (UDFs)

A UDF is a campus or site-specific document that addressed campus/site development in greater detail than a Master Plan, but, where a Master Plan exists, seeks to develop key master-planning principles in the context of realistic growth and budget projections to propose achievable development options.

UDFs currently exist for the Newnham and Domain campuses.

1.2.6 Landscape Plans

There are currently four University landscape plans, which are subordinate to the Master Plan:

- Landscape Subject Plan – Sandy Bay Campus Volume 1 (Nov 2004)
- Landscape Subject Plan - Sandy Bay Campus Volume 2 Reserve (Nov 2004)
- Landscape Subject Plan - Newnham Campus (April 2007)
- Landscape Subject Plan – Cradle Coast Campus (Oct 2007).

Broadly, the objectives of the landscape plans are to:

- build on the master-planning principles and values of amenity, safety, equity, efficiency and environmental sustainability
- address site planning issues
- capitalise on existing landscape elements
- clarify and improve accessibility and movement across the sites
- resolve access equity issues
- establish a strategic framework for management of external campus areas
- identify and prioritise landscaping projects.

1.3 Asset Types

An asset is a resource controlled by the enterprise as a result of past events and from which future economic benefits are expected to flow to the enterprise.

Major asset classes within the University are:

- land
- buildings and associated plant, equipment and infrastructure
- in-ground services infrastructure
- works of art and other cultural or scientific collections
- library collections.

The SAMF addresses the development and management of all centrally owned University assets with the exception of:

- information and communications infrastructure (hardware and software)
- art, cultural and scientific collections
- library collections.

1.4 Asset Ownership

At an operational level, the University has a two-tiered asset ownership structure comprised of:

- centrally-owned assets
- locally-owned assets.

Centrally-owned assets include all base building assets (e.g. building structure; floor, wall and ceiling elements; air-conditioning systems), services infrastructure (i.e. sewerage, water pipes, heating systems, electricity supply) and ancillary exterior infrastructure (outdoor lighting, roads, car parks, paths, etc.).

Locally-owned business and research assets include equipment acquired by an individual Organisational Unit for the purposes of fulfilling the core business requirements of that Organisational Unit, such as specialised research equipment and associated systems.

1.5 Asset Management Roles and Responsibilities

1.5.1 Governance

Overall responsibility for the University's assets rests with the Vice-Chancellor and University Council who are effectively the "owners" of all University assets.

1.5.2 Built Environment and Infrastructure Committee (BEIC)

University Council delegates responsibility for the oversight of strategy and high-level policy related to the built environment and infrastructure to the Built Environment and Infrastructure Committee (BEIC). Under its terms of reference, the BEIC:

"… is responsible for considering, reviewing and advising Council on the development, approval and implementation of:

- Campus Framework Plans
- Priorities for major capital works
- Strategic asset management plan
- Preventive maintenance program
- Buildings and grounds plans
- Design standards for building works and landscaping
- Policies in respect of the built environment and sustainability."

1.5.3 Management

Responsibility for day-to-day management and operations of the University's built environment and centrally-owned assets lies with the Chief Operating Officer (COO). The COO has delegated responsibility for management and control of all University assets including:

- development of and implementation of the SAMF and associated strategies, plans and policies
- financial management and reporting through the Chief Finance Officer
- physical management and reporting of building and property assets through the Executive Director, Commercial Services and Development (CSD).

Under the COO's direction, all associated activities, including asset and infrastructure planning, acquisition, maintenance and disposal and management of asset information are carried out by CSD.

Responsibility for the day-to-day management and maintenance of locally-owned assets (such as research equipment or collections) lies with the Head of the relevant Organisational Unit. Management of assets includes the development of Business Continuity Plans (BCPs) in order to ensure uninterrupted availability of all key resources supporting essential business functions following a significant loss or event. The procurement, disposal, asset information management and provision of accommodation for specialist collections and/or equipment must be considered within the broader University asset management context.

1.5.4 Capital Infrastructure Committee

The Capital Infrastructure Committee (CIC) is a sub-committee of the Senior Management Team (SMT), and is responsible at management level for:

- corporate governance of capital infrastructure, including oversight of a capital infrastructure governance model aligned with University business activities.
- strategy, including:
    - alignment of strategic plans for information and communications technology (ICT), asset management and research infrastructure with University strategy
    - oversight of strategic plans for ICT, asset management and research, inclusive of initiative prioritisation and review and recommendation regarding funding arrangements, including consideration and approval/endorsement of the

allocation of University funds to ICT, asset management and research infrastructure development and making recommendations to SMT and potentially through to the Built Environment and Infrastructure Committee (BEIC), Finance Committee and/or Council
    - oversight of institutional ICT, asset management, infrastructure and research infrastructure development
    - oversight of service delivery models that align with University strategy; and
    - consideration of strategic opportunities
- policy, risk and compliance, including:
    - consideration of strategic policy related to ICT-based services or technology, asset management and infrastructure and research infrastructure development
    - consideration of associated risk
    - oversight of compliance with existing policy, security matters and legislative and regulatory requirements
- quality and availability, including:
    - oversight of performance measures of ICT based services, asset management and infrastructure development and research infrastructure development for effectiveness efficiency, and value
    - oversight of the preparedness and suitability of business continuity and disaster recovery plans, and the mitigation of operational risk.

In order to assure a whole-of-university approach to the development of capital infrastructure, all proposals for capital works projects (including new constructions, renovations and services infrastructure installation/redevelopment), irrespective of funding source, must be reviewed and prioritised by the Capital Infrastructure Committee (CIC) against a set of criteria designed to reflect key strategic and operational requirements.

Organisational Unit business continuity planning must be a key consideration in the detailed scoping of all construction, renovation and refurbishment works and major asset purchases or replacements submitted to the CIC.

Major capital infrastructure projects (ie those with a total estimated cost exceeding $2.5 million) that have been prioritised and endorsed by the CIC are subsequently referred to the BEIC and Finance Committee for endorsement and to the Vice-Chancellor for approval. Where the estimated project cost exceeds $5 million, approval is sought from University Council.

2 Portfolio Performance Data

In addition to responding to institutional strategic and operational goals, SAMF objectives are informed by the University's performance against sector benchmarks.

2.1 Benchmarking

As a member institution of the Tertiary Education Facilities Management Association (TEFMA), the University participates annually in a sector-wide benchmarking exercise, which, since 2013, has also been the source of institutional performance data for the Commonwealth Government[1].

[1] Prior to 2013, the University was also required to report annually on the condition and performance of its built environment to the Commonwealth Government through the Campus Asset Management Survey (CAMS), which was administered by the Department of Industry, Innovation, Science, Research and Tertiary Education (DIISRTE). The CAMS has since been abolished, with the Commonwealth obtaining the requisite information directly from TEFMA.

TEFMA is Australasia's peak body for the tertiary education facilities management sector. For more than thirty years, TEFMA has compiled cost and performance data for a range of facilities management services through an annual survey of member institutions. The resultant report enables the comparison of performance amongst peer institutions and the establishment of benchmarks for best practice within the sector in respect of:

- general Institutional data
- maintenance services
- refurbishments
- backlog maintenance liability
- cleaning and waste management
- energy consumption and expenditure
- grounds maintenance
- security services
- parking services
- water consumption and expenditure
- building operating costs
- strategic asset management
- space management.

Since 2012, the annual benchmark survey has also included an environmental performance survey to establish institutional and sector benchmarks on stationary energy, carbon, water, waste, space utilisation and sustainable development.

Based on the comparative performance data, TEFMA has developed best practice guidelines on:

- strategic asset management
- space planning and
- facilities auditing.

Given the status and primacy of the TEFMA benchmarks within the Australasian tertiary education facilities management sector, the University will use these wherever possible to measure and guide its performance. This has the additional benefit of facilitating annual performance reporting to TEFMA and the Commonwealth.

2.2 Building Condition and Functionality

2.2.1 Building Condition and Functionality Audit

In 2010, Council agreed to fund a condition and functionality audit of University facilities, the objectives of which were to.

- provide structured and accurate condition and functionality data to enable UTAS senior management to make strategic decisions and appropriate funding allocations to its property portfolio;
- allocate priorities for the range of works or maintenance activities to meet the UTAS core business needs;
- enable a planned maintenance and upgrading plan to be developed and implemented to prevent the deterioration of the UTAS assets and prolong their life;
- identify a process of data management into the future and change management of staff mindsets from reactive to planned programs.

The desktop study, undertaken in 2011, included all University buildings with a gross floor area (GFA) equal to or greater than 500m^2; the size criterion being based on comparable studies undertaken at RMIT and QUT. Ninety-three buildings were audited, including the larger student residential facilities.

Approximately eighty buildings were excluded from the survey, some of which were close to the 500m^2 limit (such as the Old Wardens Lodge and Research House, Sandy Bay), but the majority of which are ancillary buildings and storage sheds of simple construction. The unaudited facilities together constitute approximately 17,000m^2 or just 9% of the University's total GFA.

The report on the condition and functionality audit was completed in 2012 and delivered:

- desktop condition assessments (in accordance with the TEFMA *Facility Audit Guideline*), which produced the following for each building:
    - building condition KPIs - Overall Condition Rating (OCR) and Facility Condition Index (FCI)
    - building functionality KPIs – Overall Functionality Rating (OFR) and Facility Functionality Index (FFI)
    - backlog maintenance liability estimate
- an Asset Replacement Value (ARV)[2] Model to provide an estimated ARV for each sample building by building element
- Life Cycle Cost (LCC) assessment of each building, which estimates the investment required to maintain the estate in an acceptable condition.

The relative rating benchmarks for condition and functionality are shown in the table below.

TEFMA Status	OCR/OFR Range	FCI/FFI Range
Excellent	4.0 – 5.0	0.97 – 1.00
Good	3.0 – 4.0	0.90 – 0.97
Fair	2.5 – 3.0	0.85 – 0.90
Poor	2.0 – 2.5	0.80 – 0.85
Very Poor	1.0 – 2.0	< 0.80

In order to ensure the currency of condition and functionality information and to measure progress in SAMF objectives against KPIs and benchmarks, an audit will be undertaken every five years, with the next being due in 2016.

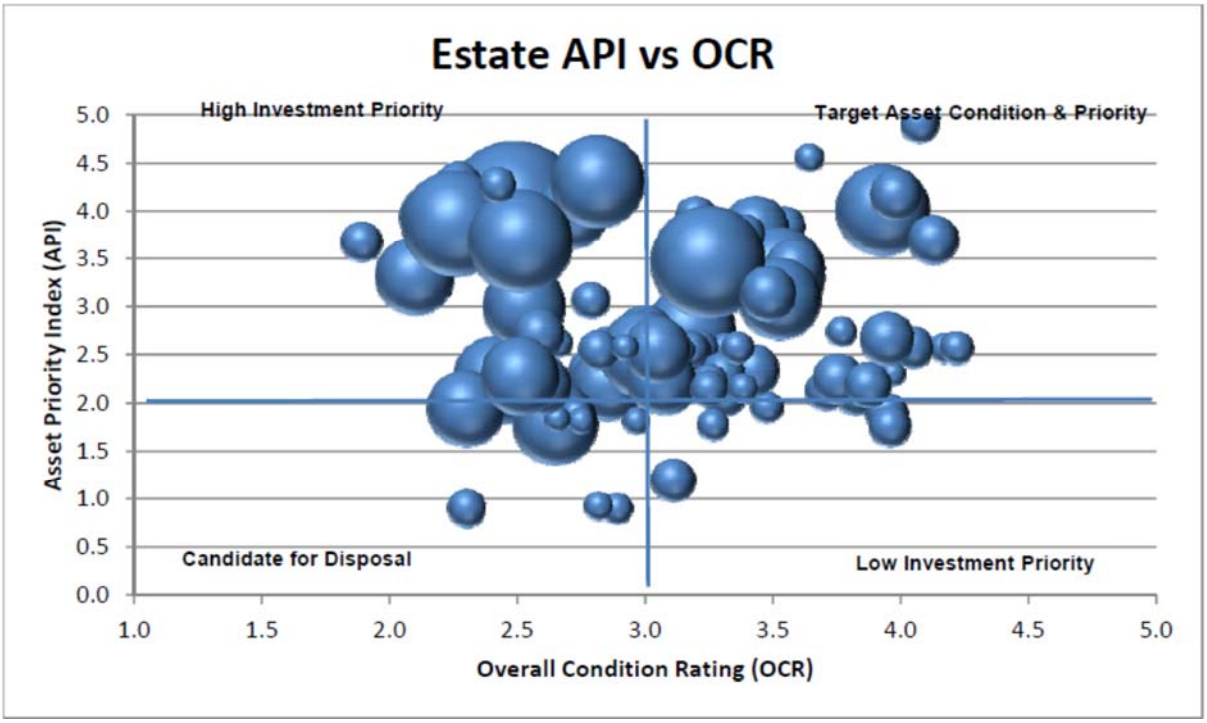
2.2.2 Asset Priority Index (API)

Concurrent with the Condition and Functionality Audit, CSD developed an API for the audited buildings. The API is a relative ranking of facilities based on:

- strategic alignment (i.e. the alignment of the asset with the University's strategic plan);
- dependency (i.e. the criticality of the asset to delivering strategic outcomes), comprised of:
    - intradependency (i.e. whether the asset functions be delivered elsewhere)
    - interdependency (i.e. whether the asset functions can be delivered by other means); and
- consequence (i.e. the implications for the University's strategic vision if the asset were not provided).

The API is used to inform capital investment decision-making. When considered in conjunction with asset condition, it enables identification of the most appropriate asset strategies (e.g. refurbishment, ongoing maintenance, redevelopment, disposal) for each building in the estate portfolio. A graph plotting the OCR of the University's audited buildings against their API is provided overleaf to demonstrate how this may be done.

[2] The ARV for buildings, fixed equipment, service and systems is the best estimate of current cost of designing, constructing and equipping for its original use, a new facility providing equal service potential as the original asset and which meets current accepted standards for construction and also complies with all contemporary environmental and other regulatory requirements.



2.2.3 Condition Audit Results

The Condition Audit revealed that the University has an average FCI of 0.84 (Poor), placing the University among the lowest 10% of the sector.

42% of audited building stock rated as 'Poor' to 'Very Poor', with 25 of the 34 poorest performing buildings (OCR <3) being located at the Sandy Bay campus. This unsurprising given that several key buildings at Sandy Bay were constructed in the 1950s and 1960s and have reached the end of their serviceable lives.

2.2.4 Functionality Audit Results

The Functionality Audit indicated that the University's built portfolio has a low level of assessed functionality (FFI of 0.77), particularly at Sandy Bay.

Seventy-one per cent of audited buildings have an assessed functionality below the benchmark standard (OFR < 3), however the majority of these buildings are only just below the threshold in the 'Fair' range (OFR 2.5–3.0).

Seventeen buildings were assessed as 'Poor' or 'Very Poor'; 14 of which are located at Sandy Bay, two in the Hobart CBD (Wilmot Street Store and the Conservatorium of Music) and one at Newnham campus (Aquaculture Building).

There was a high degree of correlation between the poorest functioning buildings and those in the poorest condition, meaning that the bulk of functionality and condition issues can be addressed concurrently through a targeted program of renovation, repurposing and disposal.

2.3 Maintenance Expenditure

In 2013, the University's average annual building operating cost was $63.82 per m^2GFA (inclusive of maintenance, cleaning, security, energy and waste management), with preventive and corrective maintenance comprising $21.38 of the total figure.

Maintenance and operating costs continue to increase as the University's built footprint expands and existing facilities age. However, budget constraints have meant that rather than

meeting the additional costs associated with a growing and ageing portfolio, in recent years the University's maintenance allocation has not covered annual increases in CPI.

The under-funding of maintenance has contributed to a significant backlog maintenance liability and is directly related to poor performance in respect of facility condition and functionality.

2.3.1 Expenditure per Percentage of ARV

At 0.66% of ARV per annum, the University's maintenance spend falls below the sector average of 0.74% of ARV.

An annual increase of 0.8% in maintenance expenditure would achieve the sector average, but would remain well below the figure required to eliminate the portfolio's backlog maintenance liability.

An increase in the annual maintenance allocation of 0.5% ($4M), in conjunction with the establishment of a recapitalisation fund and a targeted program of space rationalisation and property consolidation, would address recurrent maintenance and also reduce the University's backlog maintenance liability.

2.3.2 Recapitalisation

As the property portfolio ages, base-building plant and equipment reaches the end of its serviceable life and must be replaced. The University has no dedicated fund for recapitalisation/end-of-life replacement of plant and equipment, meaning that these costs must also be funded from the annual maintenance allocation.

Should the University choose to allocate a dedicated recapitalisation budget in addition to the annual maintenance budget, this would allow maintenance funding to be utilised for its primary purpose, thereby contributing to improved facilities condition, reducing maintenance backlog and enabling more accurate tracking of maintenance expenditure.

Sector averages and the age and condition of the University property portfolio indicate an optimal annual recapitalisation spend of around 2% of ARV ($16M). With implementation of the University's proposed programs for campus consolidation, space rationalisation, refurbishment and property disposal, $5M per annum would be sufficient to meet recapitalisation costs for all retained, refurbished and new building stock.

2.3.3 Backlog Maintenance Liability (BML)

Backlog maintenance is maintenance that is required to prevent the deterioration of an asset or its function, but which has not been carried out due to financial or operational constraints.

An institution's BML is the sum of money required to carry out all necessary backlog maintenance. The BML figure does not include:

- the cost of works required to ensure that an asset meets legislative compliance requirements (compliance liability)
- the cost of works required to ensure that an asset is optimally functional (functionality liability)
- the replacement cost of assets that have reached the end of their economically useful life.

The 2012 Condition and Functionality Audit revealed the University's backlog maintenance liability to be in the order of $194M, or 24.95% of ARV, with 36% of the buildings assessed accounting for 77% of the total figure.

The inability to address maintenance issues contributes to the University's 'Poor' facilities condition rating. A reduction in the BML of $113M would be required to achieve an average condition rating of 'Good'.

The University has established a five year rolling program to address backlog maintenance tasks in accordance with maintenance priorities and within available budget, however, achieving any significant reduction of the BLM is dependent upon adequate funding for recurrent annual building operating costs and recapitalisation, together with disposal of surplus properties and rationalisation of built space.

2.4 Space Utilisation

Built space is a valuable University asset. Effective and efficient space utilisation is critical to the provision of optimally functional, high quality facilities and the management of maintenance and operating costs.

In 2013, the sector average for space utilisation was 13m² GFA/EFTSL and the University's average was 15.3m²/GFA/EFTSL, with the following variations between campuses[3]:

- Sandy Bay – 17.5m²
- Hobart CBD – average 15m² with significant variations:
    - Health Science Precinct – 9.3m²
    - Conservatorium – 10.6m²
    - Tasmanian College of the Arts – 37.9m²
- Newnham – 16.9m²
- Inveresk – 22.2m²
- Cradle Coast – 13.8m².

Australia's best-performing Universities in terms of space utilisation are achieving averages around 8–9m²/EFTSL. This figure is achieved in the University's MS2 Building, which was designed in accordance with sector best-practice.

2.4.1 Teaching Space and Lecture Theatre Utilisation

The TEFMA benchmark for both teaching space and lecture theatre utilisation is 56.25%, while the benchmark for specialist teaching laboratories is 37.5%.[4]

With utilisation figures between 15–21% (Hobart) and 12–16% (Newnham) for teaching space and lecture theatre utilisation and 9% for utilisation of specialist teaching laboratories, the University performs poorly against TEFMA benchmarks.

Occupancy rates of 31% at Sandy Bay and 34% at Newham also fall well below TEFMA's suggested target of 75%. Falling occupancy rates over time may indicate that the number of students attending classes and lectures on campus is less than the total number of enrolments, resulting in a mismatch between real class size and allocated venue. This is

[3] TEFMA uses an average rather than a benchmark because figures can vary significantly depending on the location of the institution (regional vs urban), the focus of activities (teaching vs research), the mix of disciplines taught (sciences vs humanities), the staff to student ratio; etc. Australia's GO8 universities, for example, average 18.4m² GFA/EFTSL due to higher research focus. If GO8 universities are excluded from the totals, average utilisation is 10.8m² GFA/EFTSL.

[4] Room utilisation = Room Frequency x Room Occupancy where:

- Room Frequency is the number of hours the room is used, divided by the number of hours the room is available for sue during the core teaching period (8am – 6pm). (TEFMA suggested target: 75%)
- Room Occupancy represents the average number of students in the room when the room is in use, compared to the room capacity. (TEFMA suggested target: 75%)

supported by enrolment data, which indicates that only around 67% of enrolled students attend lectures; a trend consistent with the increased availability of online course delivery and lecture recordings.

The utilisation figures also suggest that the University's currently has too many bookable teaching spaces and lecture theatres and that many of these are of the wrong size. Data suggests that a reduced number of venues with a capacity of 50–80 students would better serve learning and teaching requirements.

Other factors contributing to low utilisation may include:

- resistance to change on the part of teaching staff who gravitate to favourite venues irrespective of class size; and
- poor functionality and amenity rendering some venues undesirable.

3 SAMF Objectives

The University will take an evidence-based, whole-of-portfolio approach to asset management, founded on analysis of asset performance data to inform targeted expenditure which will meet strategic goals and operational requirements and provide a rational and sustainable basis for the management and development of University assets.

Managing property and space assets in line with sector benchmarks, divesting property that is surplus to operational needs, realigning infrastructure into activity-based precincts and concentrating activity around the campus core will create a more attractive and efficient campus layout and enable us to provide consistently high-quality facilities across all sites

3.1 Campus Development Objectives

The primary objective of current campus development planning is to consolidate the University's resources to deliver quality facilities that enhance all aspects of the campus experience for students and staff. The University's campus development objectives have been informed by the pressing requirement to address issues of inefficiency in campus layout and space utilization, to improve the performance of the property portfolio against key sector benchmarks and - critically – to enhance the campus experience for both students and staff.

Should the University continue to manage and develop its built assets according to current practice and usage – that is, at the current space utilization rate per EFTSL and without a holistic consolidation and disposal plan - total capital, maintenance and servicing costs over the next decade would be in the order of $962 million.

A holistic program of rational development and consolidation to deliver a reduction in Gross Floor Area (GFA)/EFTSL of 0.8m2 per annum for each of the years 2014-2023 would reduce this figure to around $142 million, with future growth funded by recurrent savings

Campuses will be developed in line with the principles articulated in GLPs 9 and 10, to deliver on the built environment goals established in the *Open to Talent Strategic Plan* and cognisant of the relevant campus Master Plan and/or UDF.

The specific campus development objectives distilled from these guiding strategic documents are to:

- redevelop and reinvigorate campuses to give UTAS a distinctive presence, particularly in the Hobart CBD
- increase operational efficiency through:
    - consolidation of like functions into activity-based precincts
    - rationalisation of the property portfolio

    - overall reduction of the built footprint
    - reduction of maintenance backlog
    - reduction of maintenance and service costs
- enhance UTAS image through refurbishment/repurposing of existing and creation of new facilities that support learning and research, and enhance the student experience
- ensure that space is fit for purpose and improve functionality, condition and utilisation of space
- ensure that development is economically and environmentally sustainable; and
- facilitate opportunities for commercialisation.

Based on these objectives, the University will develop site-specific development plans for each campus which will be supported by staged development plans and realised through implementation of individual capital works projects.

Campus Development Plans will utilise asset portfolio performance data to outline solutions targeted at addressing deficiencies and inefficiencies in the built environment by rationalising campus layout, consolidating facilities and reinvigorating campuses to deliver a better campus experience for all students and staff.

3.2 Capital Works Objectives

Capital works such as new constructions, renovations and installation of services infrastructure will be planned and prioritised on a whole-of-university basis to implement institutional strategic goals and operational imperatives, including implementation of the Campus Development Plans.

Centralised planning and delivery of capital works is essential to ensure rational and sustainable development of the University's built environment.

All capital works proposals will be developed in consultation with CSD and prioritised by the CIC to:

- ensure that proposals align with the University's overall strategic and operational requirements, as well as fulfilling the objectives of individual Organisational Units;
- ensure that all matters affecting the long-term cost of the proposal have been considered, including:
    - lifecycle costs (operating, maintenance and services)
    - utilities infrastructure (water, power, gas) to support the proposal
    - capacity of existing and/or requirement for new/upgraded building services infrastructure (e.g. heating, ventilation, fire protection) to support the proposal
    - capacity of existing and/or requirement for new/upgraded ancillary building services (e.g. grounds, parking, catering) to support the proposal
    - capacity of existing and/or requirement for new/upgraded information and communications technology to support the proposal
    - compliance with environmental sustainability principles and policy
    - compliance with legislative and building code requirements
- ensure that the proposed works will fulfil the proponent's stated functional requirements and deliver the anticipated benefits
- facilitate improved planning of works projects to ensure timely and cost-effective delivery.

CSD will manage delivery of all University capital works projects in accordance with CSD processes, with input from relevant Organisational Units to maximise resources and create operational synergies by taking a 'whole-of-University' approach to infrastructure planning and development.

3.3 Capital Management Plan (CMP)

The CMP is a dynamic document that provides a five-year forward plan for capital infrastructure expenditure.

The CMP budget comprises two components: major capital works and information communications technology (ICT) projects, with budget allocations made on an annual basis, in alignment with the broader university budget cycle. CSD is responsible for delivery of CMP capital works, which may include renovations, compliance works, infrastructure improvements and new construction activities, while delivery of ICT projects is managed by Information Technology Services.

Reports on the status of CMP-funded projects are submitted to each meeting of the CIC, with detailed reports on major capital works projects (i.e. those with a budget exceeding $500,000) also submitted to the BEIC.

3.4 Space Management Objectives

Consistent with University strategic goals, space will be centrally managed and allocated in accordance with sector best practice to:

- achieve strategic objectives relating to rationalisation and consolidation of the University's built footprint
- realise operational efficiencies
- deliver financial benefits by reducing recurrent operating costs, decreasing the BML and realising revenue through the sale of surplus property assets.

Key space management objectives to be achieved during the life of the SAMF include:

- sector average for m^2 GFA/EFTSL
- TEFMA suggested targets and benchmarks for teaching space and lecture theatre utilisation
- annual reduction of 0.8m^2 reduction in GFA/EFTSL.

3.4.1 Space Management Strategy

Strategies to achieve these objectives are articulated in the *Space Management Strategy*, which will be supported by incremental implementation of the *Space Management Policy* and *Space Allocation Guidelines* in all new capital construction projects, renovations and relocations.

3.5 Property Management Objectives

Management of the University's leased property portfolio will be undertaken centrally in order to ensure that all property leases to which the University is a party (either as lessor or lessee):

- align with the University's strategic objectives and operational requirements;
- are commercially and legally robust
- are in the University's best interests, with all rents charged at commercial rates (unless special circumstances are determined)
- are consistently and professionally administered through a central Lease Register.

3.5.1 Property Management Strategy

Strategies to achieve these objectives are detailed in the *Property Management Strategy*, the implementation of which will be supported by a *Property Management Policy* and associated *Procedure*.

3.6 Infrastructure Asset Management Objectives

The *Infrastructure Asset Management Strategy* (IAMS) applies to University 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, storm water drainage, sewerage). It does not apply to computers, telephones, vehicles or to assets managed by individual Organisational Units, such as specialist research equipment.

The IAMS establishes a structure for the strategic maintenance of University assets that optimises the asset life-cycle whilst ensuring the most efficient and effective expenditure of limited resources.

The key performance objectives of the IAMS 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
- continual improvement of maintenance performance against Environmentally Sustainable Design (ESD) principles.

3.6.1 Infrastructure Asset Management Strategy

Strategies and operational activities to achieve these objectives are detailed in the IAMS and associated subordinate plans, which are also supported by the *Infrastructure Asset Management Policy*.

3.6.2 Subordinate Plans

The Infrastructure Asset Management Strategy is supported at the operational level by the Infrastructure Asset Management Plan and six sub-plans:

- Infrastructure Services Plan
- Infrastructure Assets Refurbishment/Replacement Plan
- Corrective Maintenance Plan
- Statutory/Preventive Maintenance Plan
- Backlog Maintenance Plan
- Environmental Refurbishment Plan.

These operational plans interact to deliver operational efficiencies and cost savings and to achieve KPI targets.

3.7 Property Disposal Objectives

In order to fulfil its objectives in respect of asset consolidation, rationalisation and cost efficiency, the University will dispose of property that is:

- obsolete because:
    - its condition and functionality is such that retention and continued maintenance is no longer economically viable
    - its functions have been relocated to, or are duplicated at, an alternative site;
    - it was designed to support services or operations no longer offered by the University and cannot readily or cost-effectively be adapted for re-use
    - it is technologically outmoded and no longer capable of performing its required function and cannot cost-effectively be upgraded
    - it does not, or cannot cost-effectively be upgraded to, meet current legislative and/or regulatory requirements

- in an unsuitable location due to:
    - dysfunctional alignment in respect of operational activities
    - access issues that prevent cost-effective operation
    - insufficient operational demand for its functions at the existing location
- subject of other constraints that make its retention uneconomical or undesirable, including:
    - heritage issues
    - environmental issues
    - site contamination
    - lack of services infrastructure
    - local government planning/zoning constraints.

Disposals will be executed by sale or demolition, depending upon the location, condition and value of the built asset/property.

In conjunction with the campus development, capital works, space management and infrastructure asset strategies and plans, a targeted program of disposal will:

- contribute to reduction of the University's built footprint by 0.8m2 GFA/EFTSL for each year of the SAMF
- facilitate achievement of TEFMA averages and benchmarks for space utilisation;
- contribute to reduction of ongoing maintenance and operating costs
- contribute to reduction of the BML
- deliver revenue from property sales for reinvestment in capital infrastructure development and renovation.

Disposal of built assets and real property will be executed in line with University strategic objectives and operational requirements and in accordance with the *Asset Management Policy*, *Asset Management Procedures*, *Delegations Policy* and attendant *Schedules*.

To ensure a whole-of-university approach, CSD will be involved in all preliminary internal and external discussions, negotiations and decision-making relating to the disposal of interests in University property, with all proposals for disposal to be submitted to the Finance Committee and University Council for approval.

3.7.1 Property Disposal Plan

The property disposal objectives are supported by the Property Disposal Plan. The Property Disposal Plan is a dynamic document listing properties identified for disposal during the life of the SAMF, the proposed method of disposal and expected financial return (in revenue or maintenance/operating cost savings) for each building. Development and review of the plan is based on building condition, functionality and API data.

3.7.2 Other Surplus Assets

Other assets that no longer meet the strategic and/or operational needs of the University are to be disposed of in a structured and prioritised manner, in full knowledge of prevailing market conditions and in accordance with the *Asset Management Policy* and associated *Procedures*.