

# Asset Review and Analysis

Asset review and analysis involves evaluating the performance of building portfolios for asset planning purposes as part of overall agency planning processes. The objective is to optimise the alignment of the building portfolio with service delivery requirements and Government objectives by developing the following strategies for:

- **capital works investment** - such as new assets or extensions to existing buildings, reconfiguration of existing buildings, leasing of building space or other non-asset solutions
- **maintenance** to ensure the physical condition of building assets is kept up to an appropriate standard for their functional purpose and value to the community
- **disposal** - of surplus assets (including decommissioning of leased premises).

These strategies should become the basis for exploring options in order to formulate plans for capital investment, maintenance or disposal. The *Strategic Asset Management Framework* guideline: [Asset Planning for Buildings](#) provides information on asset planning and its role in the overall agency planning processes.

Key concepts and requirements related to asset review and analysis are explained in the policies and resources listed in **Attachment 1**.

For the purposes of this guideline, the terms 'asset', 'building asset' and 'building' have the same meaning and are used interchangeably. Similarly the term 'agency' is equivalent to 'department' (as defined in s8 of the [Financial Accountability Act 2009](#)).

## Benefits

Asset review and analysis undertaken to monitor the performance of the building portfolio in the context of its service delivery objective will facilitate:

- optimal utilisation of buildings
- advancing sustainable changes in energy and water management
- improving reporting capability to senior management and to government.

## Risks

Consequences of agencies not monitoring performance of their buildings include:

- inadequate systems and processes to manage building assets which may adversely impact upon service delivery performance
- a lack of rigour in planning and resource allocation processes and decisions
- financial losses arising from failure to maximise return on the asset portfolio
- over-maintenance of a building scheduled for disposal or demolition
- inappropriate or inefficient use of existing assets
- degradation of the Queensland Government's asset base
- less than optimum outcomes in relation to capital works investment, maintenance planning and delivery, energy and water management.

### 1.0 Understanding performance of a building portfolio

The measurement, analysis and reporting of building asset performance are critical to effective building asset management. The quality of the building asset has a noticeable influence on workforce productivity, retention of staff, industrial relations and community perceptions about government services.

Systematic asset review and analysis should facilitate the establishment of linkages between the strategic and operational aspects of asset management. Having access to accurate data about the performance and status of building assets is essential for planning capital works and maintenance programs and managing emerging risks at the departmental and whole-of-Government level. The comprehensiveness of the information required will be determined by the complexity of the building assets and the overall size of the portfolio.

### 2.0 Review of a building portfolio

When conducting a review of their building portfolio agencies should:

- consider the principles and the elements established in the [Building Asset Performance Framework](#) (BAPF). The BAPF establishes a systematic approach to managing the performance of building assets to meet service delivery requirements by using specific performance areas, indicators and measures related to economic/financial aspects, environmental impact and social significance.
- take into account the objectives of reviews and the systems to provide information on the match or gaps between actual and required performance for optimum service delivery outcomes
- consult with key building users, maintenance service providers and service delivery planners to determine the appropriate performance indicators and performance measures.

## Asset Review and Analysis

Application of the BAPF will assist departments to obtain a status report or profile summarising the performance of a particular building asset and to identify:

- if the building asset is relevant to future service delivery needs
- building asset performance in relation to supporting current service delivery
- areas that need improvement
- possible options for improving the performance of the building
- options to be selected.

The outcomes of building asset reviews should be reflected in departmental processes, systems and reports. Where it is anticipated that the outcomes of these reviews could have a substantial impact on the capital works program, relevant information should be incorporated into the asset planning process to allow effective prioritisation of projects and associated funding.

The following building audits and inspections can provide input into the performance areas and indicators defined by the BAPF:

- building condition assessment - there is a mandatory requirement in the [Maintenance Management Framework](#) for all Queensland Government buildings to be assessed by site inspection at least every three years, depending on the nature of the facility. These condition assessments are technical inspections by competent assessors to evaluate the physical state of the building elements and services to determine the maintenance needs of the facility.
- asbestos surveys<sup>1</sup>
  - asbestos audits to comprehensively identify the actual location, type, quantity and condition of asbestos containing material in a building
  - asbestos inspections into the physical state of asbestos containing material (after it has been identified), including the validation and updating of existing asbestos containing material records.
- building asset register data collection
- building reviews (building code audits, fire safety audits, town planning code audits, health and amenity audits, functionality audits, utilisation audits, post-occupancy evaluations)
- risk management audits
- data collection for life-cycle planning
- energy management audits
- engineering investigations (geotechnical investigations, structural integrity investigations, electrical/mechanical investigations)
- environmental audits
- water management audits.

Refer to **Attachment 2** of the *Maintenance Management Framework* guideline: [Building Condition Assessment](#) for a detailed explanation of each of these terms.

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<sup>1</sup> The [Queensland Government Asbestos Management Policy for its Assets](#) is the whole-of-Government policy for identifying, documenting, managing the risks and controlling (including the safe removal of) asbestos containing material in government buildings and assets.

### 3.0 Analysis techniques

Guidance on specific techniques (such as risk analysis, sensitivity analysis, economic evaluation and cost-benefit analysis) which can be used to analyse project options resulting from building reviews is available in the [\*Project Assessment Framework supplementary guidance Cost Benefit Analysis\*](#).

## Attachment 1: List of policies and other relevant resources

[\*Building Asset Performance Framework\*](#) (Department of Housing and Public Works) is a best practice guideline for the performance assessment of Queensland government buildings. Using the performance indicators and performance measures in the BAPF will ensure that agencies have a systematic approach to managing the performance of their building portfolio to meet service delivery requirements.

[\*Capital Works Management Framework\*](#) (Department of Housing and Public Works) is the Queensland Government's key policy for managing risks in the planning and delivery of government building projects. It identifies the major risk areas and sets out the steps that should be taken to manage those risks and achieve consistency and high quality outcomes in the procurement of government building projects.

[\*Financial and Performance Management Standard 2009\*](#) (Queensland Treasury) requires departments to efficiently, effectively and economically manage physical assets by establishing asset management systems for:

- (a) identifying, acquiring, managing, disposing of, valuing, recording and writing off assets
- (b) conducting an evaluation before making the acquisition or carrying out the maintenance or improvement, where the accountable officer or statutory body considers the cost of acquiring, maintaining or improving a physical asset is significant (a significant asset<sup>2</sup>)
- (c) reviewing the performance of completed significant assets to ensure the objectives of the department or statutory body in acquiring, maintaining or improving the assets were met
- (d) regularly maintaining the assets.

[\*Financial Accountability Handbook\*](#) (Queensland Treasury) will assist the accountable officer to develop and implement systems, practices and controls for the efficient, effective and economic financial and performance management of the department as required by the Act, Standard and Regulation. Note: for asset management, refer to *Information Sheets 2.10 and 3.8*.

[\*Maintenance Management Framework guideline: Building Condition Assessment\*](#) (Department of Housing and Public Works) provides guidance on the process to be adopted for the planning and implementation of condition assessments. It also defines the scope of condition assessments required by the MMF.

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<sup>2</sup> The *Financial Accountability Handbook* defines "significant" assets" as those assets with a high dollar value, those that provide a key role in the delivery of agency services, or those that bring potential high risk to agency operations in the event of failure.

[\*Project Assessment Framework supplementary guidance Cost Benefit Analysis\*](#) (Queensland Treasury) supplements the Project Assessment Framework and gives agencies practical advice regarding the:

- issues to consider when conducting a financial and economic analysis of project options at either the [Preliminary Evaluation](#) or [Business Case Development](#) stages of a project
- total life-cycle cost of the building asset (or 'net present value') which is the sum of all annual expenditure for the expected life of the asset with the expenditure for each year discounted by the appropriate discount rate.

The suite of guidelines which comprise the *Strategic Asset Management Framework* (available online at [www.hpw.qld.gov.au](http://www.hpw.qld.gov.au)) is organised under the following categories:

1. **Overview** - explains the principles and concepts of strategic asset management as they apply to buildings.
2. **Guidelines** - expand on key aspects of strategic asset management to inform decisions over the entire life-cycle of the asset.
3. **Decision-making methodologies and guidelines** - support agencies to implement best practice strategic management of buildings.

## Asset Review and Analysis

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