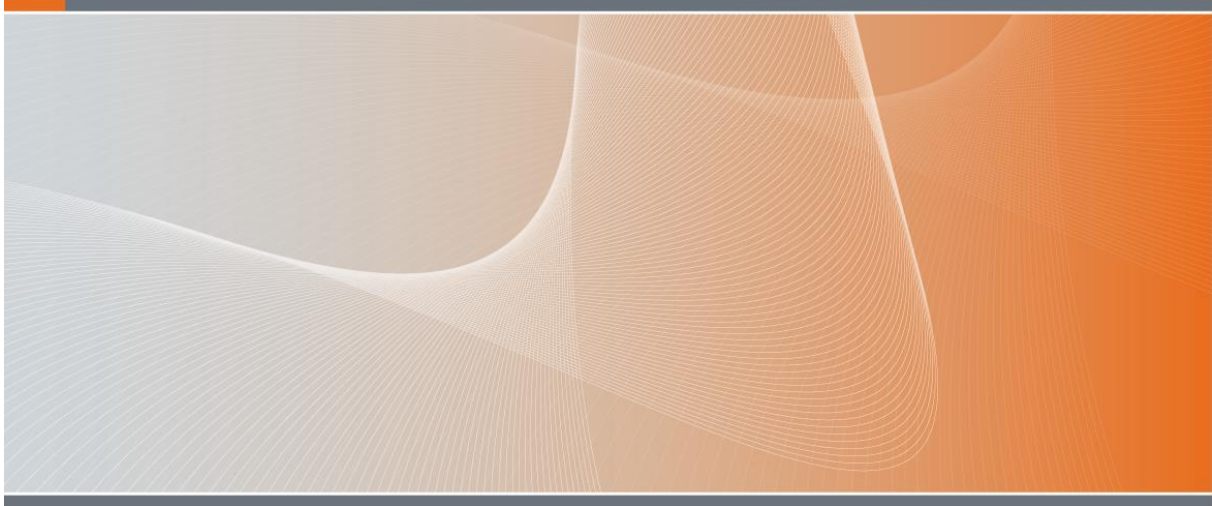


OFFICIAL

1.0 ESTATE APPRAISAL (EA) POLICY



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CANBERRA, ACT 2600

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1.0 ESTATE APPRAISAL POLICY

- Issued by: This policy is issued by the Directorate of Estate Planning and Upkeep with the authority of the Director, Estate Planning and Upkeep.
- Management: This policy will be reviewed within five years from date of issue. A review may occur sooner, to ensure it continues to meet the intended policy outcome/s.
- Availability: This policy is available at <<http://intranet.defence.gov.au/home/documents/department.htm>>. Currency cannot be guaranteed if sourced from other locations. It is available for public release.
- Policy owner: Director, Estate Planning and Upkeep
Estate Service Delivery Branch
Service Delivery Division
Estate and Infrastructure Group
- Policy contact: eigservicedelivery.esddep@defence.gov.au
- Cancellation: This policy document and associated suite of documents known collectively as the Estate Appraisal Framework supersede Estate Appraisal Policy Version 2.2 dated 01 Jul 18 and associated Attachments

PUBLICATION AMENDMENT HISTORY

Version	Amended By	Approved By	Date	Change Summary
1.5		Marcus Jeffery	18 Dec 20	Initial release



PURPOSE

1.1 This policy describes the agreed context, aim and principles of Estate Appraisal (EA). EA is the mechanism by which Defence develops an accurate and objective understanding of the capability of the Defence Estate. This is achieved by assessing a number of asset attributes and measuring points, including condition, functionality and compliance. This policy is supported by a range of products, collectively referred to as the Estate Appraisal (EA) Framework, which enable Defence personnel to meet the intended outcomes of EA. For context, the EA Plan and various EA Instructions are to be read in conjunction with this policy document.

SCOPE AND APPLICABILITY

1.2 This policy is an administrative policy framework document. It applies to all Defence personnel. The terms of a relevant contract may extend the application of this policy to a person/s or organisation engaged under a contract.

1.3 Defence Instruction – Administrative Policy should be read in conjunction with this policy. In accordance with Defence Instruction – Administrative Policy, the Secretary and the CDF require all Defence personnel to comply with this policy.

1.4 Defence personnel who award or manage contracts should consider whether there is a specific and documented reason to include the requirement to comply. If so, include such terms in the contract.

CONTEXT

1.5 The EA Policy supports the *Defence Estate Strategy 2016-36* to:

'Optimise Defence's approach to estate investment to ensure effective whole of life asset management through development and implementation of the Capability Life Cycle Estate Asset Management Framework; and to achieve a more cost effective and efficient estate'.

1.6 This is achieved by providing timely and accurate information on the estate, to inform and enable other estate management activities.

1.7 The aims of this policy are aligned to the *Defence Estate Strategy 2016-36* Aims and Priorities, in particular:

- Strategic Aim 1, *A fit for purpose estate, of the right size in the right place that best enables capability and operations*
- Strategic Aim 2, *An estate that is safe, secure and compliant*
- Priority 2.1, *A safe and compliant estate*
- Priority 2.2, *Understand and manage estate risks.*

1.8 The EA Policy functions in support of the One Estate Framework, in particular the Strategic Asset Management Plan (SAMP). The SAMP is a core strategic document which describes Defence's long-term approach to managing its estate assets and translates Defence's organisational objectives into asset management objectives.

1.9 The EA Policy relates directly to determining the *'State of the Assets'* as described in the SAMP. The EA process is also described in the SAMP as the *'means by which Defence*

obtains information on the condition, functionality and compliance of its assets, in order that it can maintain the estate in a compliant safe and serviceable condition'. While the existing attributes of condition, functionality and remaining life will continue to be assessed as part of the EA policy, these attributes have been expanded to consider risk, fitness for purpose and recommended remedial works.

1.10 The outputs of EA are integral in ensuring the data in the Garrison Estate Management System (GEMS) is updated and maintained. They are also relevant to predictive intervention models described in the SAMP, which uses asset data collected and updated through the EA process and stored in GEMS.

1.11 Collectively, the EA Policy (this document), the EA Plan and the EA Instructions are referred to as the EA Framework. This framework describes how EA should be carried out across the Defence Estate. The hierarchy of these documents is illustrated in Figure 1.

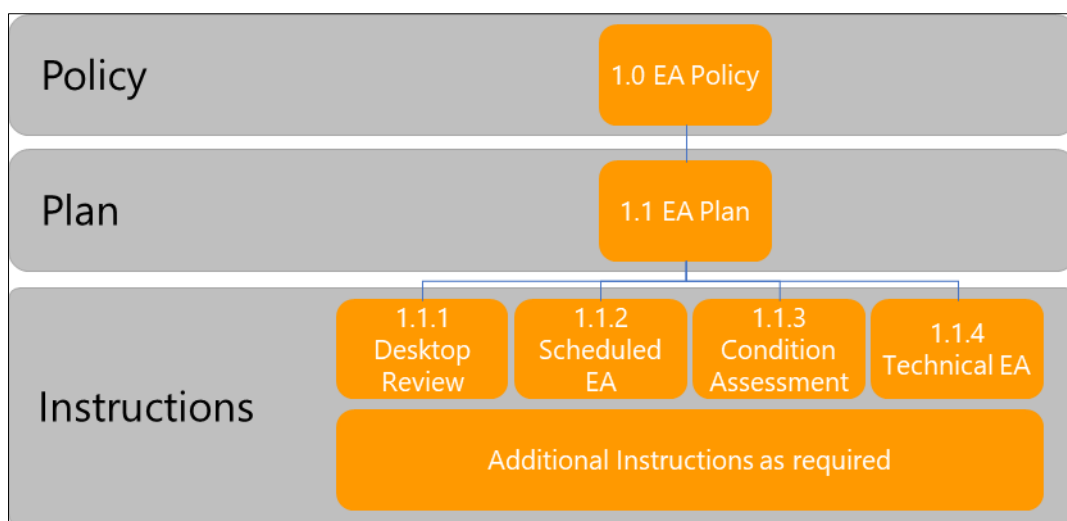


Figure 1 The EA Framework

1.12 This policy will comply with legislation and other Defence policies such as the One Estate Framework, WHS, Environmental, Asbestos Management policies and Fire Safety Surveys.

AIMS

2.1 The aims of this policy are aligned to the *Defence Estate Strategy 2016-36* aims and Estate Priorities described above.

2.2 Other aims of EA achieved by this policy are:

- Understanding the impact on Defence capability resulting from the current state of the estate;
- Informing estate management procedures; and
- Informing whole of life planning for the estate.

PRINCIPLES

3.1 The EA Framework is governed by the following four principles.

The information gathered from EA must provide an accurate understanding of the Estate.

EA must provide timely data in order for other estate management activities to occur.

The asset attributes that are collected must be relevant to the users of the data.

Due to the number of assets in the Estate any EA must be risk based.

3.2 These principles are detailed below.

The information gathered from EA must provide an accurate understanding of the Estate.

3.3 EA will provide an objective assessment of the asset, the requisite information to carry out whole of life planning and an understanding of the impact on Defence capability and safety.

3.4 This will be achieved by conducting EA in a consistent manner, adopting agreed metrics and industry best practice wherever practicable.

3.5 This principle also recognises that Defence requires an accurate central repository for all asset data, which is GEMS. EA is an important mechanism to improve the accuracy and overall data quality in GEMS.

EA must provide timely data in order for other estate management activities to occur.

3.6 EA is a precursor for a range of other estate management activities. These other activities include the maintenance carried out by the Estate Maintenance and Operations Services (EMOS) contractors as well as Estate Planning for capital investment and asset replacement, financial planning for asset impairment, end of life capital work programs, environmental asset management, management of linear assets and training grounds, and support of the broader One Estate Framework.

3.7 EA data must be provided in a timely manner for these related estate management activities to occur. The timeliness for this data must be determined in consultation with all relevant stakeholders.

The asset attributes that are collected must be relevant to the users of the data.

3.8 The requirements of the users of EA data must be confirmed to identify the relevant asset attributes and measuring points to be collected. This activity must balance the practicability of collecting the data and its usefulness to the end-user.

Due to the number of assets in the Estate any EA must be risk based.

3.9 Defence has a significant asset portfolio which consists of assets of varying criticality and condition. The *Defence Estate Strategy 2016/36* describes that many of Defence's current assets are a product of historical context and may be surplus to requirement. Importantly, it

also describes that there is insufficient funding to maintain the current asset footprint. This necessitates the requirement to conduct EA using a risk-based approach.

3.10 Priority must be given to those assets which have a higher contribution to Defence capability. EA should rely on the Contribution Factor (CF) and Criticality Rating (CR) to determine the relative importance of an asset and prioritise appraisals accordingly. The CF and CR numbers must be reviewed regularly in consultation with the relevant stakeholders.

POLICY OUTCOMES

3.11 In meeting the EA obligations in support of this policy and principles, Defence will:

- Provide stakeholders with a timely, objective and accurate assessment of their assets to enable them to carry out whole-of-life planning and assess the impact on Defence capability and safety.
- Consult with stakeholders regularly to determine common metrics such as timelines, data relevance, asset criticality and EA priorities.
- Provide timely and accurate information for other estate management activities to occur, as required by stakeholders.
- Employ sufficient skilled resources to undertake the agreed asset appraisals.
- Efficiently undertake asset appraisal by focusing on asset attributes and measuring points relevant to stakeholders' needs.
- Require those parties conducting EA do so in a consistent manner adopting agreed metrics and industry best practices.
- Give higher priority to those assets that have a higher contribution to Defence capability. Contribution Factors (CF) and Criticality Ratings (CR) will be used to determine the relative importance of an asset and consequent appraisal priority. Defence will review CF and CR regularly in conjunction with relevant stakeholder inputs.
- Maintain an accurate central repository for all asset data in GEMS.