

# Financial Management Transformation

## POLICY WORKSHOP ROADS MAINTENANCE

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# Overview

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- Financial Management Transformation (FMT) intro
  - FMT Vision and Goals
  - FMT program scope
- Asset Investment and Management Governance
- How to get involved

# The FMT Program

## Vision and Goals

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### Vision

- **World class financial governance and performance**

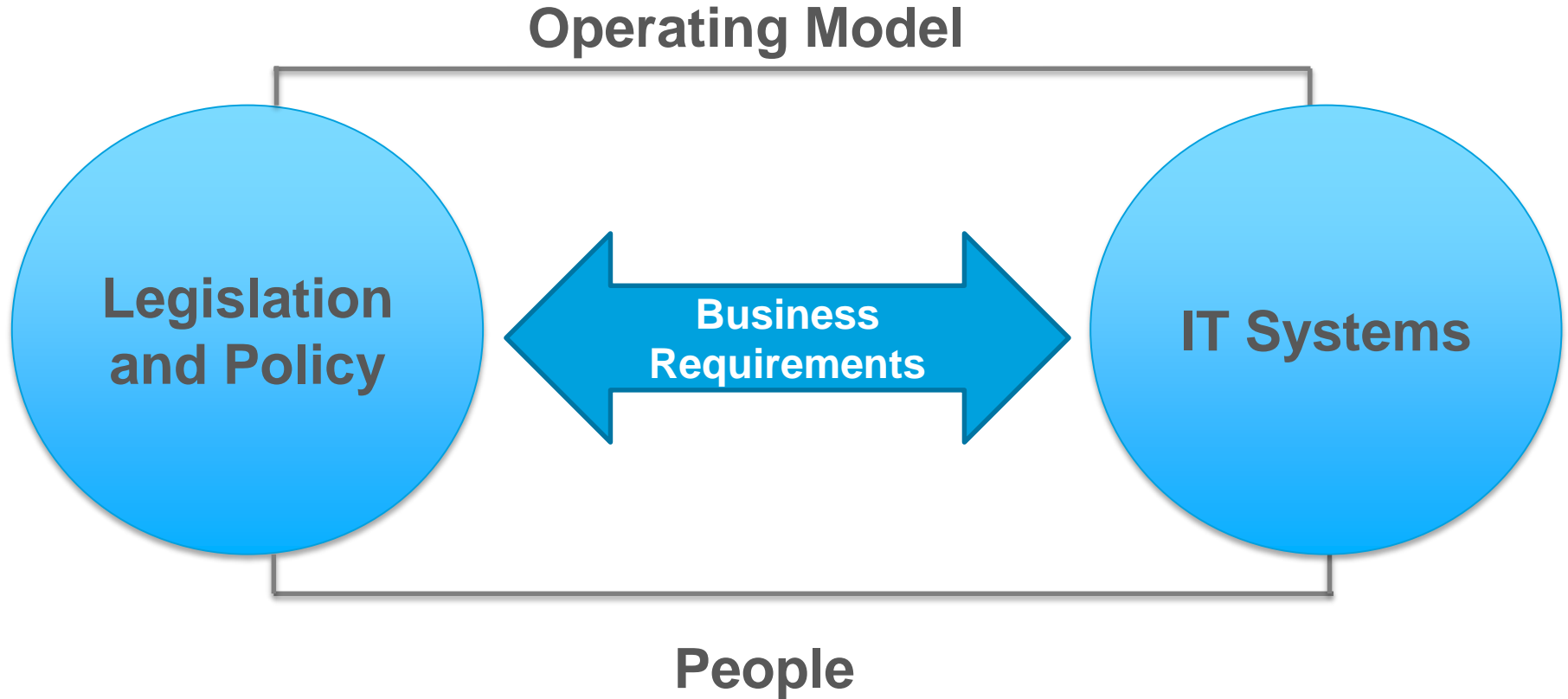
### Goals

1. A contemporary financial governance and performance framework
2. A modern whole-of-government financial performance management IT system **prime**

# The FMT Program

FMT program scope

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# Asset Investment and Management Governance

## Existing legislative and policy framework

### Fiscal Responsibility Act 2012

- investment in infrastructure that has the highest benefit for the community
- asset maintenance and enhancement
- risk management practices
- policy decisions are made having regard to their financial effects on future generations

### Total Asset Management

- Assets exist only to support value (government service delivery)
- whole-of-government physical asset management across for the NSW
- 10year capital investment planning

### Financial Management Framework

- Policies and circulars relating to asset valuations, capitalisation, capital investment process and budget controls

# Asset Investment and Management Governance

## The current and future role(s) of NSW Treasury



Trusted advisor



CFO



Regulator



Analyst



Capability builder

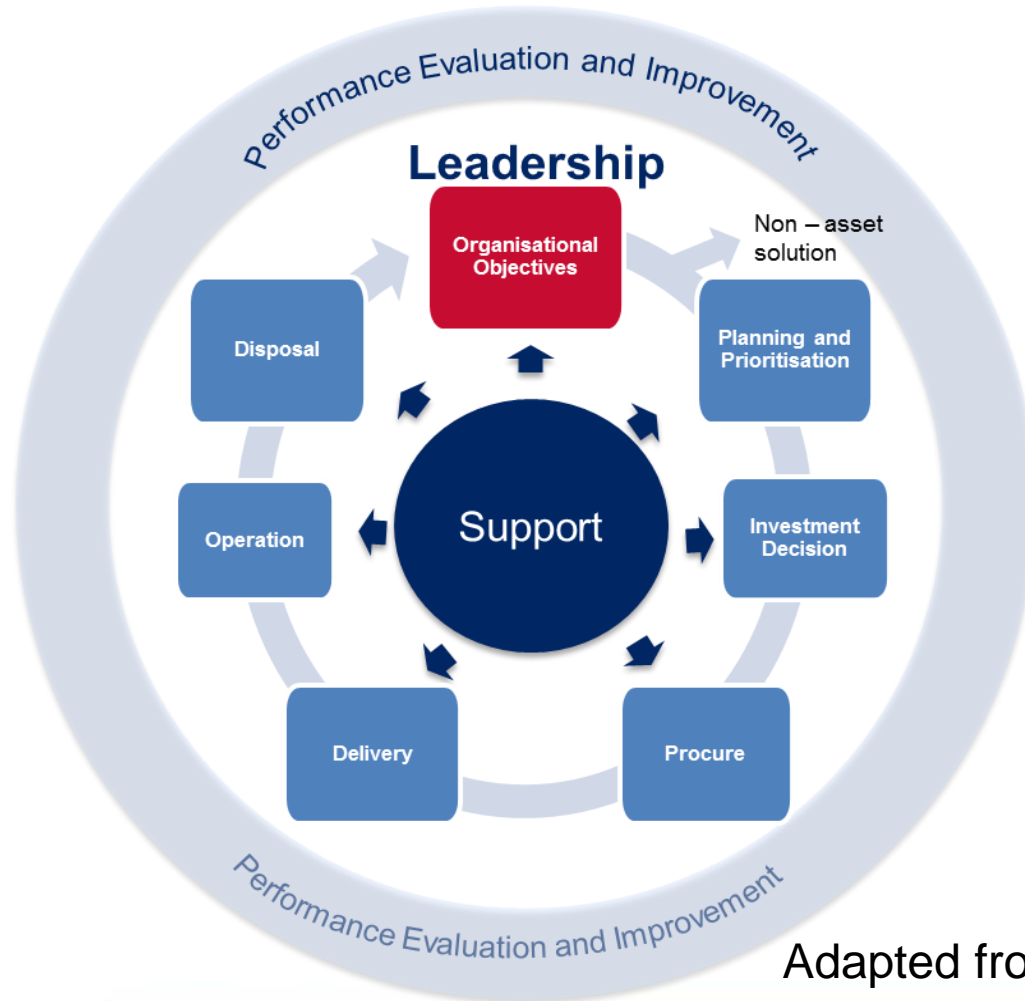


Steward

# Total Asset Management

## Asset Management life-cycle approach

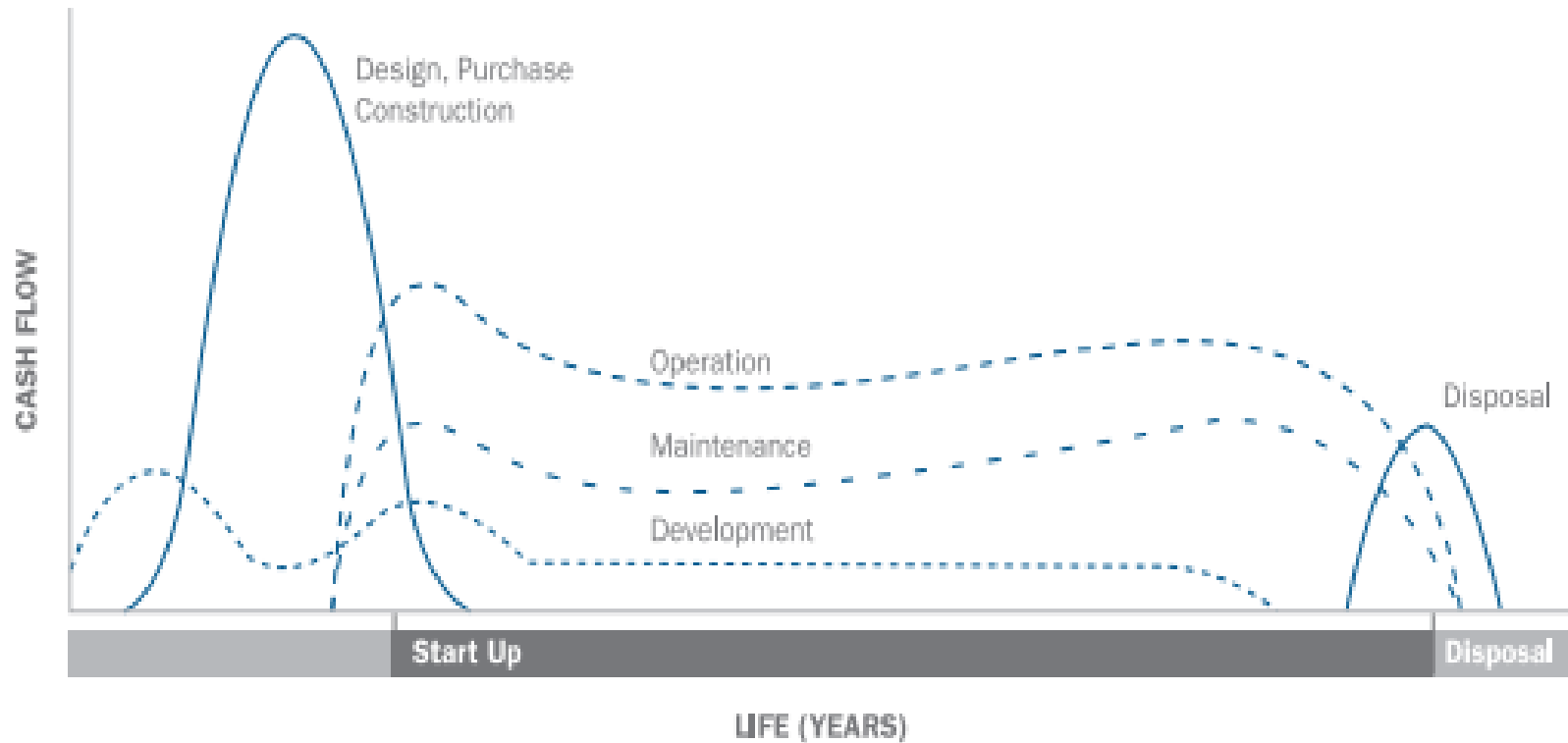
*ALL elements must work together in a controlled and coordinated way to ensure the maximum value-for-money from assets*



Adapted from ISO 55001

# Total Asset Management

## Whole-of-life costs





# Total Asset Management

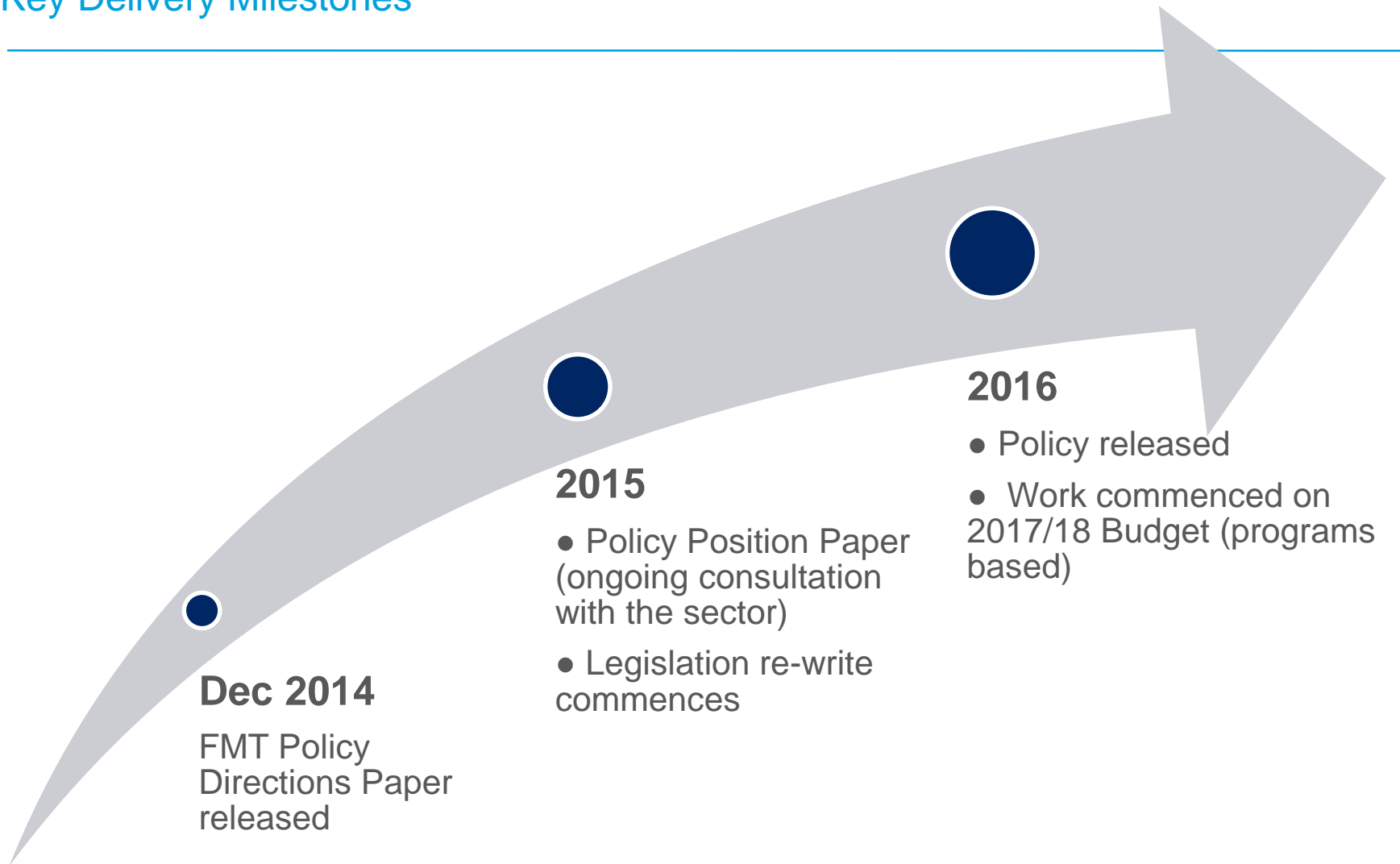
## Challenges across the sector

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- The existing TAM policy framework is outdated and no longer reflective of current environment
- Significant capacity and capability challenges in agencies
- Not enough consideration of the of the full 'performance story'
- Many feel like they are 'going it alone'

# Policy reform process

## Key Delivery Milestones



# How to get involved

- Website  
[www.treasury.nsw.gov.au/fmt](http://www.treasury.nsw.gov.au/fmt)
- Email  
[transformation@treasury.nsw.gov.au](mailto:transformation@treasury.nsw.gov.au)
- Workshops

