2025-26 Minor Capital Projects

Engineering Infrastructure Replacement Program and Medical Equipment Replacement Program Guidelines

OFFICIAL

Asset Management

VICTORIA State Government | Department of Health

2025-26 Minor Capital Projects

Engineering Infrastructure Replacement Program and Medical Equipment Replacement Program Guidelines

Contents

Timeline for MERP

	Requirements	MERP Indicative Date
High Value Statewide Replacement Fund *Applications for eligible in-scope items greater than $200,000 (excluding GST)* *Applications via on-line portal*	Call for submissions	23 April 2026
	Close of submissions	19 June 2026
Specific-purpose capital grants *For acute and subacute services that address critical risks in metropolitan and regional public hospitals*	2025-26 Grant Reporting: Agency Information Management System – 7B Reporting/annual return on expenditure of **2025-26** grant and any carry forward from previous years. Forms will be sent to eligible health services.	4 May 2026

Timeline for EIRP

	Requirements	EIRP Indicative Date
High Value Statewide Replacement Fund *Applications for eligible in-scope items greater than $200,000 (excluding GST)* *Applications via on-line portal*	Call for submissions	23 April 2026
	Close of submissions	19 June 2026
Specific-purpose capital grants *For acute and subacute services that address critical risks in metropolitan and regional public hospitals*	2025-26 Grant Reporting: Agency Information Management System – 7B Reporting/annual return on expenditure of **2025-26** grant and any carry forward from previous years. Forms will be sent to eligible health services.	4 May 2026

Purpose

The purpose of the funding for the Engineering Infrastructure Replacement Program and the Medical Equipment Replacement Program is to:

- Improve safety for patients and healthcare workers with reliable engineering infrastructure and medical equipment.
- Sustain clinical service continuity and provide greater access to care and treatments.
- Avert unacceptable clinical service interruptions or failures.
- Enable qualifying at-risk critical engineering infrastructure and medical equipment due or overdue for replacement to be replaced in a timely and prioritised way, consistent with statewide strategic and service plans, service delivery needs and asset management plans.
- Enable best practice models of care through medical equipment replacement and upgrades.
- Sustain at-risk assets that provide essential capacity for delivering responsive and appropriate acute and subacute clinical services across Victorian public hospitals.
- Provide a safety net to minimise whole-of-system risks.
- Devolve a level of capital funding to health services' management, making prioritising the replacement of at-risk assets more flexible, reducing administrative burden and helping to improve asset management.
- Assist health services to implement effective asset management practices that align with existing government frameworks and policies; and supports the development and implementation of multi-year essential engineering infrastructure and multi-year medical equipment asset management plans for health services consistent with their role in the statewide context and appropriate to the asset management requirements of the health service concerned.

The Victorian Government announced in the 2025-26 State Budget:

- $61.75 million for the Engineering Infrastructure Replacement Program, and
- $52.25 million for the Medical Equipment Replacement Program.

Both programs focus on replacing existing end-of-life, critical, high-risk assets that are essential to maintaining life and safety and ensuring service continuity for acute and subacute services in public hospitals.

The **High Value Statewide Replacement Fund** is available for in-scope *assets* over $200,000 (excluding GST) that carry high risk in terms of service provision. In 2025 allocation of high-value funds will include direct allocation for identified high-risk assets across the system, alongside a submission process through which health services submit bids to the Department of Health (the 'department'). Health services with projects selected for direct allocation will be contacted through letter to the CEO. The assessments, prioritisation and allocations will be performed against highest critical risk scoring. Refer to Section A for further information on funding process.

Specific-purpose capital grants are allocated to metropolitan and regional health services to replace in-scope critical at-risk engineering infrastructure and medical equipment valued at up to $200,000 (excluding GST). The grants can also be used to replace engineering infrastructure and medical equipment greater than $200,000 (excluding GST) if the health service considers it to be the highest risk of all the outstanding in-scope assets. Refer to Section B for further information on funding process.

Health service investments are accountable to asset plans, must maximise value-for-money procurement and must be consistent with government policies, practices and asset management frameworks.

Funding allocation under the programs is outlined in the *Department of Health Policy and Funding Guidelines* and approved by the Minister for Health.

The structure, management and implementation of the two programs are consistent and progresses government requirements for longer term asset planning to be undertaken by both health services and the department. It enables system-wide longer-term planning by the department for replacing high-cost assets. It devolves appropriate responsibility for decisions on asset replacement to health services and promotes transparency and responsive prioritisation of funding allocation. The initiatives align with government requirements for asset management and challenges identified by the Victorian Auditor-General's Office and the Victorian Healthcare Association.

Principles

The programs operate in the context of the following principles:

- The intent of the government's asset management policy is to develop and maintain an asset base that is capable of meeting clinical service standard now and into the future, providing the right assets at the right time through leadership, asset utilisation and performance, risk, commercial approaches and innovative funding models.
- Statewide and locally, sustaining and replacing engineering infrastructure and medical equipment needs to be planned and delivered with careful rationing of investment.
- Asset management is a whole-of-asset-lifecycle obligation requiring an understanding of need, capacity, condition, opportunity and risk to drive value-for-money service outcomes.
- Value-for money and sustainability, ensuring efficient use of public funds and alignment with broader government policies such as electrification and emissions reduction.
- Asset renewal should be guided by commitment to environmental stewardship and long-term sustainability. With consideration to energy-efficient alternatives and aligning replacement assets with the department's sustainability goals.
- The structure and evolution of the replacement programs seek to develop asset management capability and capacity across the system.
- Appropriate local and central governance arrangements oversee asset planning, investment prioritisation of in-scope items based on risk. For health services, the governance structures also oversee the replacement process, ensuring compliance with eligibility criteria, including end-of-life-status, readiness for implementation, and support for essential clinical service.
- Accurate and timely reporting of expenditure enables analysis of future investment needs, reporting to government on expenditure consistent with the defined purpose of the funding provision and provides a robust information base for program audit.
- Health services are to use the funds provided to replace highest risk, in-scope engineering infrastructure or medical equipment. Asset replacement determination needs to be based on departmental frameworks and guidelines for system wide prioritisation of risk management and impact to the safety and service availability of acute and subacute patient care.
- The programs are in alignment with the *Medical Equipment Asset Management Framework (MEAMF)* which presents the foundation business practice for planning and managing medical equipment to achieve efficient, effective and safe service operation of medical equipment. The framework is generally applicable across asset classes. Further information is available at:

  https://www.vhba.vic.gov.au/health/equipment-engineering-upgrades/medical-equipment-replacement-program

- The programs align with the Department of Treasury and Finance and the **Department of Health's** asset management frameworks and asset management policies, principles and practice, the **Victorian Health and Building Authority's (VHBA)** Engineering and Sustainability guidelines, available at the following links:
  - Asset Management Accountability Framework https://www.dtf.vic.gov.au/infrastructure-investment/asset-management-accountability-framework
  - VHBA Engineering Guidelines https://www.vhba.vic.gov.au/engineering-guidelines-healthcare-facilities
  - VHBA Sustainability Guidelines https://www.vhba.vic.gov.au/guidelines-sustainability-capital-works

Supporting gas substitution in existing facilities

As part of the Victorian Government's commitment to combat climate change and reduce greenhouse gas emissions, all new State Government projects must be all-electric. This measure aligns with the government's overarching sustainability goals and underscores our collective responsibility to protect the environment and ensure the well-being of future generations. It also safeguards against potential gas shortfalls in the future, ensuring key assets are powered by a secure and reliable energy source.

Whilst this requirement does not currently apply to the replacement of gas infrastructure and equipment in existing health facilities, applications for upgrading or replacing gas infrastructure through the 2025-26 EIRP and MERP are to explore opportunities to transition away from gas to electric equipment and infrastructure. This requirement specifically applies to the following:

- EIRP: Fuels, Heating
- MERP: Sterilisers

These gas substitution considerations are applicable for both Section A (High Value Statewide Replacement Fund – Submission Based) and Section B (Specific Purpose Capital Grants) programs.

Specific to Section A fund applications:

- where an all-electric or partial electric replacement is proposed, submissions should address necessary upgrades and/or modifications to the broader site-wide electrical infrastructure, such as switchboards, electrical distribution, supply augmentation, and emergency power, inclusive of spatial and structural review for any new plant and equipment, and
- where new gas equipment or infrastructure is being installed, including partial electrification solutions, applications are to provide evidence that an all-electric option was explored and why it was not viable (considering both capital and operating costs) through the questionnaire in the application form.

General eligibility criteria

The funding is restricted to replacement of engineering infrastructure and medical equipment items or assets that sustain existing acute and subacute services in Victorian public hospitals and that:

- replace qualifying highest priority critical existing assets and systems that pose an unacceptable and immediate threat to patient/healthcare worker safety
- are in-scope
- are 'project ready'
- are end of life
- are time-critical to be replaced/renewed
- are critical to service delivery or direct life safety
- cannot reliably be undertaken by any other means and have asset and service support shortfalls that cannot be reasonably or acceptably addressed via maintenance
- are major technical upgrades to existing imaging equipment to extend effective life and where the clinical benefits and extension of effective life are demonstrated
- need due consideration by the programs because without replacement they
  - will critically and unequivocally impair health service delivery
  - present a strong likelihood of asset and service failure, leading to an untenable gap in business continuity
  - represent a major breach in mandatory legislative and statutory requirements.

A list of in-scope replacement assets is included as Appendix 1.

Ineligible and excluded items

Funding is available to Victorian public hospitals for acute and subacute services provided by a legislated public hospital. This excludes non-acute or non-subacute aged care, rehabilitation, dental health and mental health.

Applications should clearly identify if ancillary or connected equipment has been included in an application. For example, a new primary pump, valves and pipework lengths are provided with a chiller as well as a new plinth to achieve the required flow and ensure correct operation. Unless clearly identified and described, additional assets to the existing item requiring replacement will not be funded.

Refer to Appendix 1 for details about eligible and in-scope items.

Conditions of funding

- Program funding must replace highest priority critical risk plant/engineering infrastructure/medical equipment assets that are at the end of their effective lives and are used for acute and subacute services in Victorian public hospitals.
- Funding for engineering infrastructure and medical equipment is only available for eligible in-scope items (refer to Appendix 1).
- Funds are provided only for the approved project and scope including generic type, functionality and number of items in the approved allocation and must not be used for any other purpose.
- Any changes to scope, cost or timeframes will require departmental approval. Any increased costs associated with the project will be the responsibility of the health service.
- If only specific elements of an application have been approved (partial funding), the health service must ensure that funds are used only for the approved elements.
- Where projects are funded from multiple sources, and the additional source of funding is no longer available, the Victorian Government is not obliged to provide any other funding.
- Inclusion of any consultant fees or staff costs as part of the request for funding from the department will need to be agreed by the department *in advance* of submission.
- Funding for a replacement asset must be expended by a health service in accordance with the health service notification letter.
- Plant/engineering, infrastructure/medical equipment replacement should require no additional recurrent funding from the department.
- The health service is to ensure assets put forward for funding under the High Value Statewide Replacement Fund or Specific-Purpose Capital Grant have not been previously funded or already approved for funding from another source.
- Funding is not available for items procured, or contracts entered, prior to the date of the funding approval letter.
- Final payment will be made in accordance with the Milestones and Payment criteria relevant to the approved scope identified in the funding approval letter. All non-construction projects must be completed within two (2) financial years. Construction projects must be completed with two years of contracts awarded and /or in accordance with the signed Funding Agreement.

Asset management

- To meet compliance obligation under the Asset Management Accountability Framework, health services are required to update medical equipment and engineering registers, asset management registers, maintenance and asset management plans (including for decommissioning and disposing of the item/infrastructure replaced). Health services reporting on asset replacement under the initiative are required to demonstrate financial and asset accountability. All assets replaced under the Engineering Infrastructure Replacement Program and Medical Equipment Replacement Program will be reviewed against asset investment priorities and risks provided in health service individual asset management plans.
- Replacement medical equipment items proposed must be approved by the Therapeutic Goods Administration (including any hybrid technologies) and replacement engineering infrastructure and medical equipment are to comply with Australian Standards, regulations and guidelines. Any submissions for replacement of end-of-life gas equipment items should include consideration of electrification accompanied by any additional costs to complete works.

Governance

- Delivery of asset replacement under this initiative requires works program management, governance and internal controls by health services to be consistent with government project management policies and tailored to the scope and size of the project.
- Governance arrangements, reporting structures and processes need to be robust and in place to ensure clearly defined roles and responsibilities, leadership, risk recognition and management, performance measure monitoring, integrity, transparency and accountability.
- Procurement of the approved asset is consistent with the scope agreed and approved by the department and communicated during the procurement phase so that the purchase remains in-scope and procured within agreed timelines.
- Assets put forward for funding under the High Value Statewide Replacement Fund must have satisfied health service governance requirements including that: projects have been appropriately scoped in accordance with the program requirements; projects have the required internal personnel available to deliver the approved asset; projects can be commenced in the 2025-26 financial year; and project governance and reporting is in place for these individual projects.
- The project will be directly managed by the health service in a manner that reflects departmental guidelines relating to probity, financial reporting and project acquittal.

High Value Statewide Replacement Fund

- Engineering infrastructure or medical equipment items dependent on enablers (such as completion of a project) that may delay installation of the medical equipment or commencement of the engineering infrastructure project in the 2025-26 financial year may not be eligible for funding in 2025-26. Where this is potentially the case, the department and the health service will need to discuss the replacement plan further.

Payments and reporting milestones

- Milestone payments and reporting for Engineering Infrastructure and Medical Equipment replacements:
  - **Milestone 1** - 20% allocation upon returning signed CEO Letter of Acceptance.
  - **Milestone 2** - Completion of statement of requirements / specifications finalised and gone to market.
  - **Milestone 3** - Up to 60% of allocation (inclusive of milestone 1 payment) upon executed contract / laying of purchase order in accordance with the allocation and approved scope. Estimated date of delivery is also required.
  - **Milestone 4** - Up to 10% of (inclusive of milestones 1 and 3 payments) upon notification of installation / commissioning and fully operational.
  - **Milestone 5** - Up to a further 10% (remaining value of contracted amount) in accordance with the allocation and approved scope upon final report and acquittal.
- Milestone reporting and updates of each project are required monthly. The department requires reporting on health and safety activities related to the project.
- Payment for replacing equipment /asset is either the allocation or the actual cost, whichever is the least.
- If the final cost of the approved item is below $200,000 (excluding GST), health services will be required to provide written justification as to why payment should be considered under the High Value Statewide Replacement Fund.

- Funding may be recalled by the department if projects do not proceed or are not completed in a timely manner.

Procurement

- If at the time of procurement there is an opportunity for 'improved technology' or an increased number of items for the same pricing, then this must be agreed in writing by the department prior to committing to the purchase. Similarly, any proposed change in scope must be agreed in writing prior to purchase commitment.
- Health services must comply with government policies and guidelines in their procurement activities including the Social Procurement Framework (where applicable).
- The department requires health services to work collaboratively with HealthShare Victoria to maximise value-for-money procurement of medical equipment or plant items and deliver the most efficient purchasing arrangements, including bulk purchasing to achieve economies of scale. For further information refer to the procurement and purchasing requirements on the HealthShare Victoria website at https://www.healthsharevic.org.au/

Reporting

- Project status reporting to the VHBA is required monthly, agreed project milestones and at the completion of the project.
- The VHBA must be notified if there is to be a delay in the procurement of the asset, installation or minor capital works.

Disposal

- Medical equipment/plant/engineering infrastructure replaced must be decommissioned and disposed of in accordance with appropriate and required standards. For further details on decommissioning and disposal refer to the *Medical equipment asset management framework* at https://www.vhba.vic.gov.au/health/equipment-engineering-upgrades/medical-equipment-replacement-program

The finance register, asset register, equipment and engineering registers and asset management plans will be updated by the health service for both the disposal of the replaced asset and the acquisition of the replacement asset, including the date of disposal.

Reporting on the Specific-purpose capital grants

- Health services must report on assets replaced under these programs as a condition of funding.
- Reporting on engineering infrastructure and medical equipment replacements for the previous year's Specific-purpose capital grant (2025-26) and any carry forward of funds from previous years that has not been accounted for is required to be submitted on an annual basis via the AIMS 7B system via the health collect portal at https://www.healthcollect.vic.gov.au/desktopdefault.aspx?ReturnUrl=%2f. In some circumstances off-line reporting may be required, endorsed by the Chief Executive Officer or Chief Financial Officer.
- Large carry forward of funding should not occur. Health services should discuss with the department the required assets that these funds are carried forward towards.
- Acquittal of Specific-purpose capital grants funding provided in 2025-26 will be required to be completed by dates instructed by VHBA.

Annual reporting helps demonstrate financial and asset accountability, including reporting on the investment against asset management plans and critical risk mitigation achieved. The department will use this reporting for accountability (including potential audits), policy and practice development purposes, and to inform advice to government on program status and requirements.

Communication

Consultation is a key aspect of program management and an opportunity for the department and health services to discuss asset management and the planned replacement of short-lived engineering infrastructure and medical equipment items.

Potential applications to be submitted to the High Value Statewide Replacement Fund should be discussed to understand the rationale for prioritised replacement, including their criticality, service context, the impact of delayed replacement and current risk mitigation strategies. Health services should discuss with the department intended/expected Specific-purpose capital grant deployment including reporting on and carrying forward of grant funding against specific items.

Section A: High Value Statewide Replacement Fund

This initiative replaces critical and highest at-risk plant and engineering infrastructure and medical equipment used in providing acute and subacute services in public hospitals. This longstanding 'safety net' initiative enables health services to reduce risk to patients and staff and sustains service availability and continuity. This initiative supports the integration of technological advances by replacing obsolete engineering infrastructure and medical equipment in metropolitan and rural hospitals across the state to adequately meet service and regulatory requirements.

The assessments, prioritisation and allocations are made considering a whole-of-system perspective and prioritised to highest critical risk scores against set criteria.

Governance processes need to be in place to ensure procurement of the approved asset is consistent with the scope agreed and approved by the department and procured within the financial year.

Application requirements

Applications should address planned replacements of highest priority in-scope engineering infrastructure and medical equipment single items greater than $200,000 (excluding GST) representing the most critical risks to the health system consistent with the health service's asset management plan and should demonstrate project readiness.

Health services may lodge multiple applications.

Health services are required to identify the health service priority number for each medical equipment application and, separately, for each engineering infrastructure application submitted. The priority order must be endorsed by the Chief Executive Officer and aligning with Local Health Service Network objectives. Priority order must be based on the highest critical risk score to the lowest.

Risk and prioritisation

Critical risk scoring is in accordance with the *Medical equipment asset management framework* (see https://www.vhba.vic.gov.au/health/equipment-engineering-upgrades/medical-equipment-replacement-program).

Self-assessment sections using the risk-assessment matrix (Appendix 2) enable health services to score critical risk level and weightings prior to the department panel reviewing the assessment against the evidence provided.

On-line application requirements

The VHBA is using a web-based on-line process. The application link will be provided to each of the eligible health services via an email to CEO.

The on-line portal is called *SmartyGrants* and will be the means of providing supporting material for direct allocations and submissions. The web address to seek information about *SmartyGrants* is: www.smartygrants.com.au; you will be required to create a password protected login-in to access the application form. The portal access is located on the https://www.vhba.vic.gov.au/health/equipment-engineering-upgrades/medical-equipment-replacement-program website. Submissions and/or supporting material will not be accepted via email or in any other format.

All applications must be:

- From an eligible health service.
- Endorsed by the Chief Executive Officer.
- Align with Local Health Service Network objectives (refer to link Local Health Service Networks | health.vic.gov.au)
- Submitted via the on-line portal *SmartyGrants* application form and includes relevant supporting documentation (e.g. design drawings, photos, cost plans, quotations and other supporting information).
- Applications greater than $1 million (excluding GST) will need to include full life cycle costings template and more detailed option analysis.

Applications that are late, incomplete, facsimiled, hand-delivered or delivered by mail will not be accepted. Unless exceptional circumstances apply, applications received after the specified time and date are deemed ineligible for consideration. Health services are encouraged to submit applications prior to the due date.

Technical assistance

Technical assistance regarding completion of the on-line form can be obtained through reviewing https://applicanthelp.smartygrants.com.au/help-guide-for-applicants/ or contacting *SmartyGrants*. via their email address service@smarty.grants.com.au, or calling (03) 9320 6888.

Queries

Projects related queries may be forwarded to MERPandEIRP.vhba@vida.vic.gov.au

Assessment of applications

Applications will only be considered if they are completed in the requisite format, identifying the health service priority number and with endorsement from the Chief Executive Officer and aligning with Local Health Service Network objectives.

Qualifying applications will be assessed and prioritised using the critical risk-based assessment process consistent with Australian Standards and criteria outlined in the *medical equipment asset management framework*. Applications are assessed based on highest critical risk in respect of:

- patient safety
- occupational health and safety
- service continuity.

The prioritisation of the applications will remain critical risk based. As part of panel assessments, the department will review the health service risk assessment scores and weightings based on supporting evidence as outlined in the *Risk and prioritisation* section above and in accordance with the guidelines.

Departmental panels will assess health service applications based on the information provided and scored against critical risk and associated weightings. Project readiness and governance will be considered. Where applicable, applications will undergo criteria-based evaluations which will include engineering, buildability and comprehensive cost review.

Health services may be required to provide further information or evidence, or to meet with the department to present information as part of the assessment process.

Consultation and advice

Applicants are encouraged to discuss proposed applications by contacting the department at MERPandEIRP.vhba@vida.vic.gov.au

Union consultation

For construction projects comprising expansion and/or reconfiguration the Health Agency/Operator will be required to provide a written attestation at completion of the design development phase/gate that the relevant union has been consulted on the design

Department of Health references

- Victorian Health Building Authority - resources and technical guidelines: https://www.vhba.vic.gov.au/resources/technical-guidelines
- Fire Risk Management Unit: https://www.dhhs.vic.gov.au/fire-risk-management-unit

Victorian Government

- Delivery of government funded projects in Victoria: https://www.dtf.vic.gov.au/infrastructure-investment
- Local Jobs First Policy: https://localjobsfirst.vic.gov.au/

Commonwealth Policies and Procedures

- Australasian Health Facility Guidelines; https://healthfacilityguidelines.com.au/
- Building and Construction Industry (Improving Productivity) Act 2016 <https://www.legislation.gov.au/Details/C2017C00042>
- National Construction Code: https://ncc.abcb.gov.au/

Section B: Specific-purpose capital grants (SPCG)

The funding distribution formula is based on health service activity and complexity. The allocations recommended for medical equipment consider activity. In addition, size and age factors that correlate with health service risk profiles are applied for engineering infrastructure.

Funding is allocated to replace the highest critical risk (risks to patient safety, occupational health and safety or service availability) medical equipment and essential engineering services infrastructure items/projects.

Health services do not need to apply for the Specific-purpose capital grant.

The level of grant remains conditional on meeting the conditions of funding, which include in-scope, risk-based prioritisation; investment in accordance with health service asset management plans lodged with the department; and reporting. Allocation of the SPCG may be adjusted based on individual health services history of timely expenditure. Equipment planned for replacement using the specific-purpose capital grant should be identified in the health services individual asset management plan as provided to the department and provided in excel format 8-weeks post notification of allocated specific purpose grant. The identified equipment will be reviewed against actual replacements as provided in the 7B reporting.

Health services are advised of their individual Specific-purpose capital grants for engineering infrastructure and medical equipment through the department's payment systems.

Specific-purpose capital grants must be managed and invested in compliance with departmental program conditions of funding, health service or hospital board fiduciary responsibilities and department and government asset management policy requirements.

Funds provided must only be used to replace in-scope engineering infrastructure or medical equipment that has been planned and approved; recording and reporting must be auditable to this end. Health services may consider using the funds for scoping works for highest risk in-scope eligible engineering infrastructure projects. The funds can also be used to replace engineering infrastructure and medical equipment greater than $200,000 (excluding GST), if it is considered by the health service to be the highest risk of all the outstanding in-scope assets.

Fund expenditure should normally be made within the year it is awarded (a 2025-26 fund expended in 2025-26, for example). In some cases, health services may need to set aside funds to stage or fund prioritised replacements over several years to enable the Specific-purpose capital grant to deliver the best outcomes.

Eligible replacement items

For eligible in-scope items refer to *General eligibility criteria* and Appendix 1. Health services with funding from other department funding sources for engineering infrastructure and medical equipment are excluded.

Reporting

Reporting on engineering infrastructure and medical equipment replacements for the previous year's grants and any carry forward of funds from previous years that has not be accounted for is required to be submitted as a part of the annual cycle.

Acquittal of grant funding provided in 2025-26 will be required to be completed as advised by VHBA.

The reporting is to be completed via the Agency Information Management System (Annual Return 7B) at https://www.healthcollect.vic.gov.au. The content will include eligible in-scope items purchased and assets renewed/replaced related to expenditure of the Specific-purpose capital grant. Any funding carried forward from previous years will also need to be identified, along with updates on expenditure, to ensure the information is accurate. Items funded by the High Value Statewide Replacement Fund or purchased with funding from other sources are *not* to be included in the reporting.

Large carry forward of funding should not occur. Health services should discuss with the department the required assets that these funds are carried forward towards.

Health services will be required to provide updates on the progress on expenditure of grants, where required.

Health services may be required to provide information on the installation of new gas infrastructure and equipment, as well as the electrification of gas infrastructure and equipment.

Off-line reports may be required by the department for updating expenditure of grants. Reporting requires consistency with the acquittal in the asset management plans.

Section C: Asset management plans

The Victorian Government's requirements for asset management are outlined in the *Asset management accountability framework* that was introduced in February 2016 to assist agencies to optimise their asset holdings and support delivery of services for Victoria (see https://www.dtf.vic.gov.au/infrastructure-investment/asset-management-accountability-framework).

As reporting entities under the *Financial Management Act 1994*, health services are also required to keep and update asset registers that may include specific engineering infrastructure and medical equipment registers. Health services must prepare a multi-year asset management plan. All high-value engineering infrastructure and high-value medical equipment should be added to the asset management plan regardless of the replacement date or ownership status.

Asset management plans for engineering infrastructure and medical equipment are essential for health services' whole-of-life asset planning and management. All asset management plans are to provide information on the assets, potential year for replacement and estimated costs.

It is recognised that asset management is an area of growing capability for health services.

Asset management plans should be consistent with the *Asset management accountability framework* and the *medical equipment asset management framework* which is broadly applicable to all asset classes, and the health service's role in the statewide service system. They should also be appropriate to health services' asset management requirements, and should promote service delivery optimisation, rationalisation and/or changes using innovation.

Please note: All health services are to lodge their current asset management plan with department of health at Assetmanagement@health.vic.gov.au

Appendix 1: Eligible and in-scope items

EIRP

System EIRP Category	Typical EIRP Assets (Including but not limited to)
Audio-Visual & Communication Systems	Public Address and Voice Alarm Systems, Communication Cabinets, cabling/ Reticulation, Patch Panels, Audio-Visual Equipment
Building Management Systems (BMS)	Central BMS Platforms, Field Devices, Sensors, Actuators, Control Panels, Integration Interfaces
Civil Systems	Stormwater Drainage Systems, External Drainage Infrastructure, Surface Water Management Assets
Electrical Systems	Electrical Lighting, Control System Panels, Emergency & Exit Lighting, Emergency Generators, Switchgear & ATS, LV & HV Switchboards, Transformers, UPS, Body & cardiac protection, cable reticulation
Fire Detection & Suppression Systems	EWIS Systems, Fire Sprinkler Systems, Fire Pumps, Fire Hydrant systems, Fire Panels, Smoke and Heat Detectors, Fire Extinguishing Accessories, Preaction systems
Hydraulic Systems	Hot Water Units, Pipes works and Fittings, Potable Water Units, Pumps, Storage Tanks, Trade Waste Systems, Valves, RO systems, Water Treatment & Filtration Systems
Mechanical Systems	Chilled Water Systems, Condenser Water Systems, Refrigeration-Based Systems, HVAC Systems, Ductwork Systems, Air Compressors, Smoke Management Systems, Fans, Natural Gas Systems, Boilers, Steam Distribution & heat exchange Systems, Built-in Coolrooms and Freezers, Water Treatment & Filtration Systems, Mechanical Switchboards
Medical, Laboratory and Process Gas Systems	Medical, Tool and Compressed air systems, Storage Tanks, Vacuum Systems, Suction and Pump Units, Gas Manifolds, Distribution Pipelines
Security Systems	CCTV Cameras, Access Control Panels, Door access control systems, Security Control Panels, Duress Systems,
Structural Systems	Facade, Roof Structures, Helipad and Associated Equipment, Structural Supports, Building Envelope Components, access systems
Vertical Transportation Systems	Elevators, Lifts, Patient Lifts, Pneumatic Tube Systems (PTS),

While not exhaustive, the list above outlines common asset systems, groups, classes, and structural elements essential to supporting clinical operations and service delivery.

Exclusions for EIRP

The following categories of items are **excluded** from this scope:

- **Routine maintenance works**.
- **Recently completed capital projects** or those delivered through **Public-Private Partnerships (PPPs)**.
- **Non-clinical support areas**, including laundry facilities, kitchens/food services, supply areas, administration spaces, and security systems (e.g , master key systems, and MATV [Master Antenna Television] systems).
- **Recurrent or operating costs** associated with plant, infrastructure, or building systems.
- **Ceiling-mounted tracking systems**.
- **Aggregation of projects** across multiple buildings, zones, campuses, or infrastructure components (e.g., electrical distribution boards).
- **Peripheral components** such as telephone system handsets, waste handling facilities, and active ICT infrastructure.
- **External and site infrastructure**, including swimming pools, internal roads, carparks, and footpaths.

MERP

System MERP Category (UMDNS reference)	Typical MERP Assets (Including but not limited to)
General Care Devices	Washers/Sterilising Units
General Diagnostic Devices	Physiological Monitoring (and Systems)
General Therapeutic	Anaesthetic Units, Incubators
High Diagnostic	Endoscopic towers, Echocardiographs, Electroencephalographs, Surgical Microscopes
High Therapeutic	Aerosol Generators, Blood Cell Washers, Blood Component Separators, Robotic Arm Systems, Vacuum-Assisted Biopsy Units, Wound Therapy Systems
Imaging Devices	Angiography Units, Cardiac Catheter Laboratories, CT Scanners, Fluoroscopy Units, Gamma Cameras, Image Intensifiers, MRI Units, Mammography Units, PET-CT, SPECT-CT (Gamma Camera), Transesophageal Echocardiograms, Ultrasound Units, X-ray Units Radiographic Systems/Units
Life Support Systems	Defibrillators, Heat Exchangers, Heart-Lung Bypass Units, Resuscitators, Ventilators
Specialised fittings	Integrated medical gas/data/electrical pendants, operating room lights
Sterilising Systems	Decontamination Systems, Sterilising Units

While not exhaustive, the list above outlines common asset systems, groups and classes essential to supporting clinical operations and service delivery.

Exclusions for MERP

The following categories of items are **excluded** from this scope:

- **Non-medical equipment**, **medical software** and **implantable medical devices**.
- **Infrastructure items** related to medical equipment. *(Note: Specific-purpose capital grants may be considered separately for installation works.)*
- **Recently completed capital projects** or those covered under **Public-Private Partnerships (PPPs)**.
- **Information systems** such as Picture Archiving and Communication Systems (PACS), clinical information systems, other health information management systems, and related IT infrastructure.
- **Aggregated Consumable items**, including surgical instruments, thermometers, and tracheal suction units.
- **Other medical-related equipment**, such as haemodialysis units and pathology instruments (e.g., centrifuges).
- **Positron Emission Tomography–Magnetic Resonance (PET-MR)** units.

Appendix 2: Risk matrices

Scoring is based upon the sum of the consequence and likelihood.

For detailed information related to critical risk determination and condition assessment refer to the *Medical equipment asset management framework* – Part C access via https://www.vhba.vic.gov.au/health/equipment-engineering-upgrades/medical-equipment-replacement-program)

Table A 'Clinical risk' determined by consequence and likelihood values

Clinical Risk				Likelihood				
				Rare	Unlikely	Possible	Likely	Almost certain
				circumstances every 3 years	every 3 years	asset in a year	with this asset in a year	in a year
			Evidence of risk		TGA, ECRI)	showing occurrence of risk occurrence of risk	showing more than 1 occurrence of risk than 1 occurrence of risk	showing multiple occurrences of risk multiple occurrences of risk
Consequence	Extreme		event or near miss report showing occurrence of risk or near miss	Level 2	Level 2	Level 1	Level 1	Level 1
	Major	(sensory, motor, physiological, intellectual) unrelated to patient illness	report showing occurrence of risk or near miss	Level 3	Level 2	Level 2	Level 1	Level 1
	Moderate	permanent lessening of bodily function (sensory, motor, physiological, intellectual) unrelated to the natural course of patient's illness	report showing occurrence of risk or near miss	Level 4	Level 3	Level 2	Level 2	Level 1
	Minor	investigations, but not admission of outpatient stay for inpatient	report showing occurrence of risk or near miss	Level 4	Level 4	Level 3	Level 3	Level 2
	Insignificant	aid	Nil	Level 4	Level 4	Level 4	Level 3	Level 3

Table B 'OH&S risk' determined by consequence and likelihood values

Scoring is based upon the sum of the consequence and likelihood

				Likelihood				
				Rare	Unlikely	Possible	Likely	Almost certain
	OH&S			circumstances every 3 years	every 3 years	asset in a year year	with this asset in a year	short period of time in a year
			Evidence of risk		TGA, ECRI)	Service history of asset(s) showing occurrence of risk showing occurrence of risk	showing more than 1 occurrence of risk than 1 occurrence of risk	showing multiple occurrences of risk multiple occurrences of risk
Consequence	**Extreme**		event or near miss report showing occurrence of risk or near miss	**Level 2**	**Level 2**	**Level 1**	**Level 1**	**Level 1**
	Major	(sensory, motor, physiological, intellectual)	report showing occurrence of risk or near miss	**Level 3**	**Level 2**	**Level 2**	**Level 1**	**Level 1**
	Moderate	permanent lessening of bodily function (sensory, motor, physiological, intellectual)	report showing occurrence of risk or near miss	**Level 4**	**Level 3**	**Level 2**	**Level 2**	**Level 1**
	Minor	not admission to hospital injury	report showing occurrence of risk or near miss	**Level 4**	**Level 4**	**Level 3**	**Level 3**	**Level 2**
	Insignificant	aid	Nil	**Level 4**	**Level 4**	**Level 4**	**Level 3**	**Level 3**

Table C 'Service availability risk' determined by consequence and likelihood values

Scoring is based upon the sum of the consequence and likelihood.

Service Availability			Likelihood				
			Rare	Unlikely	Possible	Likely	Almost certain
			event exceptional circumstances frequent than every 3 years	every 3 years	asset year	with this asset times per year	in a short period of time failures times per year
		Evidence of risk		TGA, ECRI)	showing occurrence of risk occurrence of risk	showing more than 1 occurrence of risk than 1 occurrence of risk	asset(s) showing multiple occurrences of risk multiple occurrences of risk
Consequenc	**Extreme**	closure, of clinical service resulting in shut down of a service, unit or facility	**Level 2**	**Level 2**	**Level 1**	**Level 1**	**Level 1**
	Major	theatre or critical care bed or departments afffecting the whole facility	**Level 3**	**Level 2**	**Level 2**	**Level 1**	**Level 1**
	Moderate	for extended period for extended period critical care bed department for 4 to 24 hours	**Level 4**	**Level 3**	**Level 2**	**Level 2**	**Level 1**
	Minor	less than 4 hours - managed by alternative routine procedures	**Level 4**	**Level 4**	**Level 3**	**Level 3**	**Level 2**
	Insignificant	damage to property.	**Level 4**	**Level 4**	**Level 4**	**Level 3**	**Level 3**