

# 2024 – 2025 Engineering Infrastructure Replacement Program and the Medical Equipment Replacement Program FAQs

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# General

## How much funding is available in 2024-25?

The Victorian Government announced in the 2024-25 State Budget **\$40 million** (across 2 years) for the Engineering Infrastructure Replacement Program and **\$35 million** for the Medical Equipment Replacement Program which focus on replacing existing highest priority critical risk plant and engineering infrastructure and medical equipment assets that are used for acute services in public hospitals and are at the end of their effective lives.

## What is in-scope for funding?

The **High Value Statewide Replacement Fund** - for engineering infrastructure and for medical equipment is available for replacement of existing in-scope single items over \$300,000 (excluding GST) that carry high risk in terms of service provision.

All health services will be eligible to submit a submission-based bid, these should represent the health services highest-prioritised critical risk assets. There will be a single stage submission process for MERP and two-stage submission process for EIRP in 2024, health services submissions will be assessed following stage one with identified submissions invited to provide additional evidence and detailed plans and costing in the second stage.

In 2024, the department is piloting direct allocation for asset replacement projects which have been identified in the business case as having a critical impact on system priorities and at critical risk of failure. Health services with specific asset projects which have been identified will be contacted through CEO letter. These assets have been identified through review of health service asset management plans, DH AIMS data, health service discussions and system priorities. Asset replacement projects receiving direct allocation are still required to provide the department with supporting information which will be collated through the SmartyGrants portal.

Additionally, **Specific Purpose Capital Grants** will be allocated to eligible metropolitan and regional health services to replace in-scope critical at-risk engineering infrastructure and medical equipment valued at up to \$300,000 (excluding GST). The grants can also be used to replace engineering infrastructure and medical equipment greater than \$300,000 (excluding GST) if the health service considers it to be the highest risk of all the outstanding in-scope assets.

Also noting, **Public Health Reference Laboratories** which is a part of the broader medical equipment replacement program (MERP) is to replace existing, end-of-life, critical high-risk assets that are essential to service continuity in eligible public health reference laboratory services. The laboratories will be provided upto \$1m in total for state-wide services.

## How the pilot health services been selected for direct allocations?

In 2024, a portion of the high-value statewide replacement fund will be directed to identified high-value high-risk assets for pilot health services. The remaining funds will be allocated based on prioritisation of eligible submission-based health service applications as per previous years.

Pilot health services have been selected based two factors:

1. Firstly, their importance in the system represented in providing statewide strategic services which have a whole-of-system impact to availability of clinical services. The rationale for this factor is to prioritise the most critical risk across the system when funds are limited. This also aligns with the requirements of Security of Critical Infrastructure Act 2018 (SOCIA) which requires the identification and management of risks relating to critical infrastructure including hospitals with general intensive care units.

2. Secondly, health services that matured in their asset management practices as reflected in their Asset Management Plans (AMP) with improved systems and processes in determining asset risks and replacement needs. The rationale for this factor is to incentivise all health services to invest in their internal capabilities around asset planning which will drive efficiency across the sector in prioritising asset needs with a holistic view and in a proactive manner. Investing in good quality asset management plans and associated data will lead to certainty of funds outside the bidding process for the most prioritised replacement needs. This in return will lead to efficiency in running minor capital programs in a proactive manner where the State will have a pre-determined program of work over longer timeframe, which will avoid the increase in backlog size, planning and procurement efficiencies as per the department roadmap for managing minor capital replacement needs.

## **What is the Methodology for Direct Allocations?**

Pilot Health Services will receive direct allocation for their highest risk asset replacement project/s identified in their Asset Management Plan (AMP) and validated against the data in the department Asset Information Management System (AIMS).

Asset replacement priorities identified in the direct allocation process will be discussed with pilot health services to obtain feedback around any potential change of priorities post the AMP submission.

Asset replacements suitable for direct allocation will be reviewed by the program working group (PWG) to confirm they satisfy high-value high-risk criteria (as is the process with submission-based bids).

Pilot health services will receive notifications of direct allocation and provisional budget via letter to the CEO and will be required to provide further documentation around costing and delivery plan.

Pilot health services asset projects which do not receive funding through direct allocation will be eligible to be submitted in stage 1 applications in the high-value submission program. This will mitigate the risks of funding submissions from other health services that might have lower risks than the assets in the pilot health services that were not included in the direct allocation.

Budget will be subject to formalisation following review of full documentation (equivalent to Stage 1 and Stage 2 submission-based applications)

Appendices 1 and 2 of the Guidelines provide the in-scope and ineligible replacement items.

## **Is there an online webinar with further information?**

Yes, the Victorian Health Building Authority (VHBA) will host an online briefing webinar for eligible Health Services / Agencies, details will be provided in due course.

## **What naming conventions for the type of medical equipment and engineering infrastructure should be used in applications?**

For the conventions and file types to be used in the submission are on the 2024-25 MERP&EIRP Guideline Appendix 1B for Medical Equipment Replacement Program and Appendix 1C for Engineering Infrastructure Replacement Program.

## **Are medical equipment or engineering infrastructure assets that are in aged care, dental health, mental health, sub-acute areas eligible for replacement?**

No. Funding is available for in-scope replacement assets for acute services in public hospitals only.

## Are major technical upgrades to existing assets to extend effective life eligible under the Fund?

Yes. Where the upgrade results in a major extension of an asset's effective life and with demonstrated benefits.

## Is an asset that is leased eligible for replacement under the Fund?

Yes. If the asset is at end of lease and end of life and has been in use at the health service for a number of years. Documentation relating to the lease will need to be submitted to the department.

## Eligibility

### My Health Service / Agency is not listed within the Funding Guidelines but believe it should be, can it be added?

If you believe that your Health Service /Agency should be listed as eligible, please send an email to [MERPandEIRP@health.vic.gov.au](mailto:MERPandEIRP@health.vic.gov.au)

### We have not applied for or received funding from previous MERP and EIRP rounds, are we still eligible?

Yes, the VHBA actively encourages all eligible Health Services / Agencies that have a compelling need for funding to submit an application.

## Project Types

### Can I submit previously submitted projects that were not funded in previous MERP and EIRP rounds or other grant programs?

Yes, if you believe that your project demonstrates value against the key objectives of MERP and/or EIRP 2024-25, meets the eligibility and remains a priority for your Health Service / Agency. Any additional work or refinement of previously submitted projects is encouraged along with the submission.

### Can we bundle multiple projects into a single submission?

No. Each project will require a separate submission. Health Services / agencies are required to rank the relative priority of each application on the second page of the application form. Bundled applications may not be considered.

If you are unsure on whether a submission would be considered bundled, please email [MERPandEIRP@health.vic.gov.au](mailto:MERPandEIRP@health.vic.gov.au) for guidance.

### When does my project need to be completed?

As per the current Budget Paper 4, MERP projects need to be completed by 30<sup>th</sup> June 2025 and EIRP projects by 30<sup>th</sup> June 2026. However, we acknowledge that historically these projects have taken a little bit longer and have put forward a recommendation to Minister/Department Treasury of Finance for an extension on the timeline. Please contact [MERPandEIRP@health.vic.gov.au](mailto:MERPandEIRP@health.vic.gov.au) for any further guidance.

# Applications

## When do applications open for MERP and EIRP 2024-25?

- MERP Submissions – October 2024
- EIRP EOI Submissions – October 2024
- EIRP Final Submissions – January 2025

*Note - these are indicative dates.*

## When do applications close for MERP and EIRP 2024-25?

- MERP Submissions – November 2024
- EIRP EOI Submissions – November 2024
- EIRP Final Submissions – March 2025

*Note - these are indicative dates.*

## How do I complete an application form?

Applications are via an on-line form and should be lodged through the *SmartyGrants* portal, located on the website. Application links will be provided in the email sent to your respective CEOs.

The application form must be completed in its entirety, including all necessary supporting documentation.

Please refer to MERP and EIRP Guidelines for more information.

### 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](mailto:service@smarty.grants.com.au) or calling (03) 9320 6888.

## Will hard copies or emailed submissions be accepted?

No. All submissions must be submitted via the *SmartyGrants* Portal.

## What information should the application include?

Applicants should read the 2024-25 Engineering Infrastructure Replacement Program and 2024-25 Medical Equipment Replacement Program Guidelines before submitting.

Please consider eligibility and alignment of the proposal with the Guidelines and criteria, prior to submitting your health service proposal. The application form must be completed for each proposal. Relevant supporting documentation must be included as attachments to the application.

## Does an application form need to be completed for each asset for both medical equipment and engineering infrastructure?

Yes, there are separate application forms for engineering infrastructure and medical equipment replacements, and these must be authorised by the Chief Executive Officer.

## Can I submit more than one application?

Yes, Health services can submit more than one application per program and in alignment with eligibility criteria. It is important that each application is prioritised according to the Chief Executive Officer's ranking and in alignment with internal strategic plans.

## **Are applications for medical equipment and engineering infrastructure replacement prioritised together?**

No. Medical equipment priority replacement is reviewed, assessed, and finalised separate from engineering infrastructure.

## **Does the Eligibility checklist need to be completed?**

Yes. The checklist will assist health services and the department to identify if projects are eligible and to minimise unnecessary work.

## **Where do I get the information to score the critical risk categories (Clinical, OH&S and Service Availability)?**

The guidelines provide information on critical risk scoring and prioritisation. Risk matrices are incorporated in Appendix 4 of the Guidelines.

## **Does a life cycle costing spreadsheet need to be submitted with each application?**

No. A life cycle costing spreadsheet needs to be completed for assets of \$1 million (excluding GST) or greater, or as requested by the department. The spreadsheet is located on the website and needs to be completed and attached to the application form.

## **Can I make changes to my application after it has been submitted?**

Yes, you can alter your application after it has been submitted by accessing the *SmartyGrants* online portal, but this can only be done before the application period closes.

## **How will my application be assessed?**

MERP applications will follow single stage submission and evaluation process. EIRP applications will follow two stage process:

1. Expression of Interest (EOI) and
2. Final Submission (Shortlist from EOI).

All applications will be considered in the context of Program objectives, state-wide priority context and the submission's alignment with Victorian Government objectives. The assessments and prioritisation will be performed in accordance with set criteria.

## **How will I know the outcome of my submission?**

All applicants will receive written notification of the outcome of their submission following completion of the assessment and approval processes.

## **If successful, what are my reporting requirements?**

Milestone reporting on the progress of the project will be required on a monthly basis and in accordance with the CEO Letter of Acceptance.

## Further information

### Where can I get further information or assistance?

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

For assistance regarding the funding programs please contact [MERP&EIRP@health.vic.gov.au](mailto:MERP&EIRP@health.vic.gov.au)

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