



QUEENSTOWN LAKES DISTRICT COUNCIL

ASSET MANAGEMENT POLICY

JULY 2016

DOCUMENT CONTROL

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1. PURPOSE

This Asset Management (AM) Policy sets out QLDC's commitment and direction for AM and defines the key principles that underpin infrastructure AM practices at QLDC.

2. BACKGROUND

Under our primary legislation, the Local Government Act 2002 (LGA02), Section 10 sets out the requirement for "the provision of efficient and effective infrastructure that meets the existing and foreseeable needs of the community".

AM is a systematic process to guide the planning, acquisition, operation, maintenance renewal and disposal of assets. The objective of AM is to maximise service delivery potential while managing related risks and costs over the life-cycles of the assets.

QLDC acknowledges the National Infrastructure Plan (NIP) December 2015. QLDC's approach is to use the outcomes set down in the NIP to guide its interpretation of the LGA02. Specifically, through continuously maturing AM processes, QLDC seeks to deliver on the provision of resilient and coordinated infrastructure that contributes to a strong economy and a high standard of living.

The ISO55000:2014 Asset Management Standard is QLDC's framework to structure and document its AM practices. QLDC has no plans to seek accreditation under ISO55000 at this time.

3. CONTEXT

QLDC provides a wide range of services to the community of the Queenstown Lakes District. For many services, the best means of delivery is for QLDC to own the assets that provide those services. Having effective AM practices has a major influence on how to best manage operational risks and obtain better value for money in the delivery of those services to the community.

Good AM of our infrastructure assets is important to our community because infrastructure currently represents around 70% of QLDC's annual expenditure.

This policy has been developed for the following asset classifications:

- Land Transportation (parking, bridges, cycleways and the roading corridor)
- Water services (water supply, waste water and storm water)
- Facilities and property (civic buildings, halls, libraries, jetties, swimming pools, car pounds, dog pounds, depots and airports)
- Open Spaces (parks and recreation, solid waste, cemeteries, playgrounds, landfill, and public toilets)

4. OBJECTIVES

QLDC's AM vision is:

"To plan, acquire, operate, maintain, replace and dispose of assets over the long-term, to meet agreed service standards and the foreseeable future needs of our community in the most cost effective way."

QLDC's AM objectives are:

- To deliver more efficient use and maintenance of existing infrastructure assets

- To best manage demand for new assets with better integration with the district plan and other non-infrastructure approaches
- To progressively improve the transparency and robustness (effectiveness) of investment decision making through evidence based investment (better business case approach)
- To continuously develop the capacity and capability of our staff in AM and risk management
- To regularly measure and advance the maturing of our AM practices

5. DEFINITIONS

QLDC - Queenstown Lakes District Council

AM - Asset Management

Infrastructure Asset Management Strategy (IAMS) - supports the implementation of this policy by fulfilling the requirements of the ISO55000 Strategic Asset Management Plan and Section 101 of the LGA02. The IAMS has a design horizon of at least 30 years.

Asset Management Plan (AM Plan) – required under ISO55000 to give effect to the IAMS by setting out the activities, resources and timescales required for each of the asset classifications, to achieve QLDC’s AM objectives. The AM Plans have a design horizon of at least 15 years.

Long Term Plan (LTP) – required under LGA02 Section 93 to set out the objectives, activities, performance and financial plans to stakeholders for public consultation prior to the adoption of a ten year funding and service delivery plan.

Implementation Plan (Annual Plan) - required under LGA02 Section 95 to confirm immediately prior to implementation, each individual year of the LTP.

Performance Plan – required under ISO55000 to set out the key areas of improvement identified to mature AM practices at QLDC.

6. PRINCIPLES

QLDC will adhere to the following principles:

- AM systems and practices will be consistent with good industry practice (ISO55000:2014).
- Long-term sustainability of our economy and quality of life should guide all investment decisions.
- Asset information is accurate allowing for improved use of data (evidence) in decision making (refer Property and Infrastructure Data Policy).
- All risks associated with the delivery of QLDC’s AM objectives are managed under QLDC’s ISO31000:2009 Risk Management Framework.
- Non-asset solutions such as demand management and improved productivity are considered before initiating any new works.
- Opportunities to progressively improve the resilience of our services to the adverse effects of natural disasters and economic events is encouraged.

7. SUPPORTING ELEMENTS

IAMS

The IAMS is a key companion document to this policy as set out under ISO55000. It details how the AM principles will be delivered and provides the link between this policy and the AM Plans.

The IAMS includes aspects common to all assets, such as:

- Legislative requirements

- National policy statements and other guidance documents
- QLDC's corporate objectives
- QLDC's AM vision and objectives
- Factors that influence our current and foreseeable needs
- QLDC's portfolio of assets and their performance
- An assessment of the maturity of QLDC's:
 - AM practices
 - Information systems
 - Asset data and analysis tools
 - Supporting elements
- An actionable Performance Plan

AM Plans

AM Plans document the history of an asset, the activity associated with it and seek to identify their current condition and performance. This history also underpins projections into the future performance of assets and the potential for changes in the activity based demand or investment. AM Plans set out our best (internal) understanding of the next 15 years of activities, resources and timescales required for each of the asset classification, to achieve QLDC's AM objectives. AM Plans are a key input to the development of the LTP.

8. IMPLEMENTATION

The General Manager, Property and Infrastructure is responsible for the implementation of this policy. Other AM roles and responsibilities are detailed in the IMAS.

The relevant sub-committee of QLDC (currently the Infrastructure Portfolio Leaders) will provide governance over QLDC's AM practices.

QLDC's approach to AM will be communicated regularly and will be included within staff training and development programmes.

Matters of significance, including service levels, will be formally consulted on through the LTP process or through a special consultation process as required under QLDC's Policy on Significant Matters.

9. TIMEFRAMES

This policy will be reviewed annually and at least six months prior to the adoption of an LTP.

The IAMS will be reviewed annually and at least four months prior to the adoption of an LTP.

The core AM Plans will be updated annually to regularly capture current understanding and approaches to asset classifications, activities, resources and timescales. The AM Plans will be published electronically at least three months prior to adoption of the Annual Plan.

10. REVIEW

QLDC's AM maturity will be reviewed annually using the International Infrastructure Management Manual which was recently updated to align with ISO55000:2014. This review is to be completed by October so that the results of the review can inform the next review of this policy, the IAMS and/or the AM Plans.