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Asset Management Policy

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Review Date | Rā Arotake	September 2026
Approval Authority | Mana Whakaae	Vice-Chancellor
Contact Officer | Āpiha Whakapā	Executive Director of People, Culture and Campus Life – People, Culture and Campus Life

Introduction | Kupu Whakataki

The University has a large, complex and diverse asset base; ranging across infrastructure, buildings and plant, information technology, special equipment, special collections, audio visual and a vehicle fleet. The Canterbury earthquakes in 2011 and 2012 had an adverse impact on these assets and significant rebuild programmes are underway.

Under the *Education and Training Act 2020 (New Zealand Legislation website)*, the University has a legislative responsibility for managing its assets. The delivery of these requirements is monitored by the Office of the Auditor-General. Capital funding by the Tertiary Education Commission (TEC) is also dependent on coherent principles and policies being in place and subject to audit. A table of what constitutes basic and advanced Asset Management is given in *Appendix 1*.

Definitions | Tautuhinga

Asset – an item of value that is required by the University to achieve its vision and goals. Typically, these items will be long-lived (>5 years) and require ongoing maintenance and management to perform the service required at minimum cost and risk. Assets may be physical but can include digital assets, software and services where appropriate.

Asset Manager – person responsible for an asset's continuing performance over its life.

Asset User (Client) – person/s or group/s that utilise the asset to achieve their goals.

Digital Asset – a digital asset is anything that is created and stored digitally, is identifiable and discoverable (connected to a network including mobile, online instances, cable, wifi and the Cloud), and has or provides value.

Key information – describes an asset's current state, historical performance, cost and planned future activities required to maintain the asset's performance to an agreed upon level.

Level of service – an agreement between the Asset Manager and Asset User as to what performance the asset must deliver to meet the User's needs. Agreements may cover reliability, aesthetics, functionality and climatic requirements.

Life-cycle – the useful life of an asset from initial construction or purchase through to its disposal. Life-cycle data will also define what is required over the operational life to maintain the asset's condition and ability to deliver the required level of service.

Policy Statement | Kaupapa Here

The purpose of this policy is to

- provide a long-term vision for the University's practice of asset management;
- ensure that asset management aligns to the wider vision and strategic goals of the University;
- mandate the responsibilities of, and generate useful dialogue between, asset users and asset managers;
- allow for "ease of maintenance" factors to be considered in the design stage; and
- align, support and inform the improvement programmes.

When making asset-based decisions, the University's asset managers will

- ensure safety – "providing and maintaining a safe and healthy working environment";
- provide reliable and sustainable assets to meet the present and future needs of the University;
- maximise the performance of the University's assets to meet the performance expected by asset users, taking into account the trade-off between cost and risk;
- make asset management decisions based on complete, accurate and timely information through the provision of comprehensive systems that support these outcomes;
- have the right mix of talented, competent and motivated people developed and retained to maintain a continuous improvement capability;
- have effective, ongoing relationships with asset users in the University;
- comply with all the applicable statutory, regulatory and University policy requirements;
- assess whole of life costs and affordability before committing to procurement.

Guidelines

Strategies to Deliver the Policy

To move from the current to the future state of asset management will require changes and improvements in

- data integrity,
- information systems,
- business processes, and
- staff skills.

To facilitate this, the University requires strategies where

- defined and agreed user requirements are the basis of measuring asset performance;
- assets are only obtained and retained whilst they are judged to be the best means to deliver the University's objectives;
- an asset life-cycle approach is used as the basis to evaluate asset options;
- reliable data on assets, their specification, activity and history is gathered and will form the basis for evaluation of options; and
- the following four core business processes are formulated and followed:
  - An end-to-end asset life-cycle management process that incorporates the University's procurement, budgeting, and planning processes.
  - An asset management planning process.
  - An activity (job/project) execution and monitoring process.
  - Integration of the currently practised business interruption recovery (business continuity) process of the University.

Asset Management Planning is an effective vehicle to deliver many of these strategies.

Asset Management Principles

The essential principal elements needed to form a robust and useful Asset Management Plan (AMP) are as follows:

- Asset management is an essential part of good business planning.
- Effective asset management requires an organisation-wide approach.
- Levels of service match client expectations and ability to pay.
- Managing risk is all part of managing an asset.
- Planning provides the financial forecasts and work effort schedules to both underpin short-term budgets and ensure integration with the required long-term plans.

- The University's asset management principles are applied to the design of all capital works.

Benefits and Critical Success Factors

The major benefits of implementing the asset management strategies fall into two categories:

1. Increased business unit staff productivity.
2. Lower costs (and consequently smaller budgets) due to the optimising of asset costs.

Gains in productivity will come as consequences of

- better integration of information platforms – information more easily available and far less time spent integrating data from disparate sources; and
- better decisions – coherent support from relevant information platforms/easy availability of information to base decisions on.

Typically, optimising of asset costs will be caused by

- lower maintenance costs due to minimising the reactive maintenance aspects;
- maintenance activities being more productive as they are planned and scheduled together;
- better purchasing power due to higher volumes of purchases of a more restricted asset supplier list; and
- lower training costs due to the consistency of facilities and equipment (and software) in use, and the widely distributed knowledge within the University.

There are six critical success factors that will underpin the implementation of the proposed strategies:

1. Asset and inventory data integrity – the integrity of asset information will need to be better than 92%, whilst the inventory accuracy needs to be better than 98%.
2. Core processes are followed 95% of the time for all the major asset transaction types (addition, maintenance, re-purposing and disposal).
3. Asset management work schedules are carried out at least 90% of the time.
4. The maintenance spend (excluding renewal/capital spend) is better than 80% planned; 20% reactive.
5. Asset management staff receive 5 days per annum undertaking training relevant to the University's environment.
6. Service level agreements exist for all major client groups.

Note: Meeting budget and delivery of service to the level promised are measures of success or goals; not critical success factors. If the critical success factors are met, and good management is practiced, then the meeting of financial (and other) goals is far more likely, even in volatile situations.

Necessary Process and Systems Architecture

The physical life-cycle of assets is summarised in ***Figure 1*** below. The three major decision points illustrated in this diagram need to either be answered or guided by the policy.

To deliver the information required to make these decisions well, a planning system based on assets, their condition and their performance at meeting the required service level is needed.

Figure 2 illustrates how a suitable asset planning process may fit into the University's current planning framework. This diagram illustrates the inputs from the current planning framework plus additional, required inputs, and how these inputs feed into other areas of the University's planning framework.

Figure 3 illustrates the planning cycles which go into crafting an asset management planning process that satisfies the Office of the Auditor General and Tertiary Education Commission (TEC) requirements. It displays a 30+ year planning horizon that is to be updated every three years.

Figure 1: Asset Life-cycle

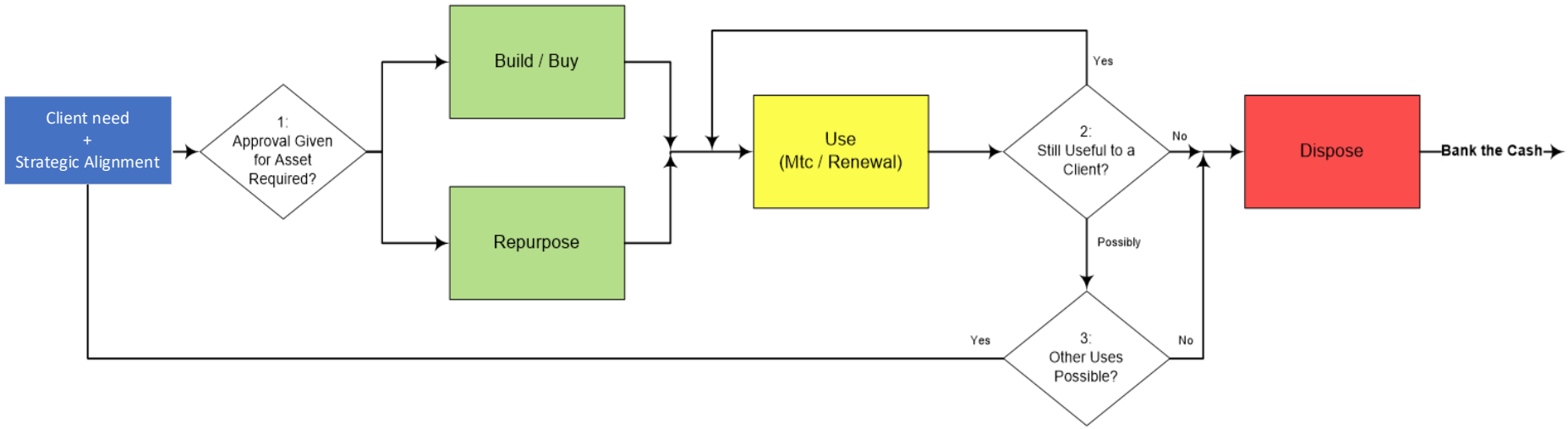


Figure 2: Asset Management Planning integrated into the University's Planning Framework

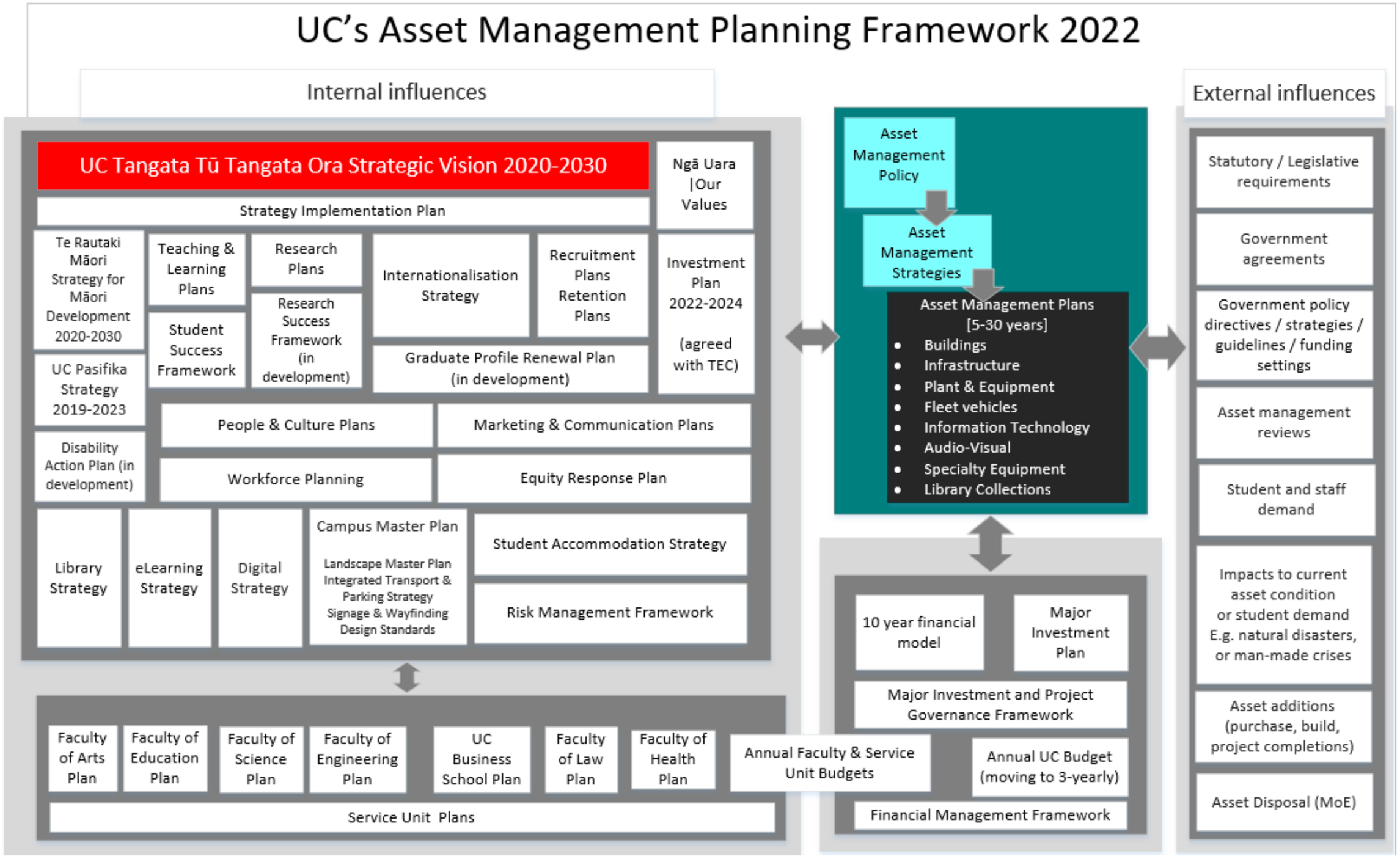
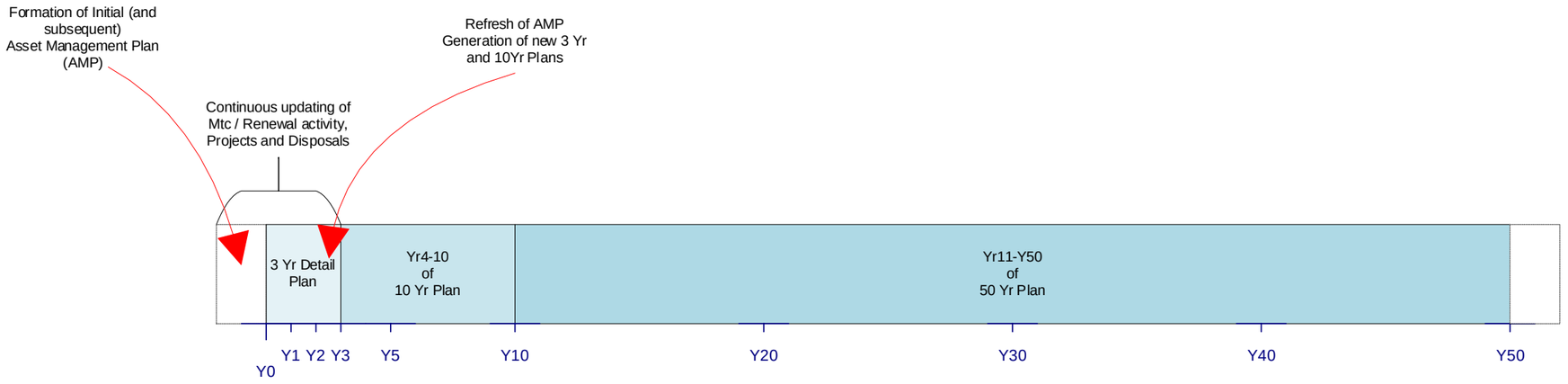


Figure 3: Planning Cycle and Timeline

The AMP planning for three years is now included within the Ilam Campus Building Programme which is reviewed annually. Ten-year planning is also referenced within the Major Investment Plan (reviewed annually).



Monitoring Compliance with this Policy

Every six months, performance monitoring against annual goals should be completed. Reporting should consist of goals (financial and SLAs), critical success factors, as well as progress against project (improvement) plans.

The reporting should consist of actuals against a planned trend to meet the annual and ultimate levels required, together with a brief commentary of successes, impediments, or risks (to attainment) arising.

AMPs should be reviewed for relevance every three years, with assessment reports on the changes required, and achievement of planned activity and results against those planned.

Related Documents and Information | He kōrero anō

Legislation | Whakaturetanga

- Building Act 2004 (New Zealand Legislation website) and associated Regulations (both Central and Local Government)
- Construction Contracts Act 2002 (New Zealand Legislation website)
- Education and Training Act 2020 (New Zealand Legislation website)
- Fire and Emergency New Zealand Act 2017 (New Zealand Legislation website)
- Hazardous Substances and New Organisms Act 1996 (New Zealand Legislation website)
- Health and Safety at Work Act 2015 (New Zealand Legislation website)
- Public Finance Act 1989 (New Zealand Legislation website) and associated reporting standard (PBE IPSAS 17)
- Resource Management Act 1991 (New Zealand Legislation website) and current District and Regional Plans

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- Computer Replacement Policy (PDF, 264KB)
- Health, Safety and Wellbeing Policy (PDF, 197KB)
- Mobile Voice and Data Policy (PDF, 293KB)
- Procurement Policy (PDF, 227KB)

External | Mōwaho

- Tertiary Education Commission (TEC) and relevant TEC policies (TEC website)
- The Building Code (Ministry of Business, Innovation & Employment website)

Appendices | Tāpiritanga

Appendix 1: Summary of Required Asset Management Standards (TEC Capital Asset Management Standard – January 2011)

Appendix 2: Framework of an Asset Management Plan (TEC Capital Asset Management Standard – January 2011)

Appendix 3: Summary Process for the Production of Asset Management Plans (TEC Capital Asset Management Standard – January 2011)

Document History and Version Control Table			
Version	**Action**	**Approval Authority**	**Action Date**
For document history and versioning prior to 2013 contact ucpolicy@canterbury.ac.nz			
1.00	Policy created, approved by Vice-Chancellor.	Vice-Chancellor	May 2016
1.01	Minor stylistic editing and amendments to hyperlinks.	Policy Unit	Nov 2016
1.02	Change of CO to Executive Director, Learning Resources	Policy Unit	Dec 2017
2.00	Scheduled review by Contact officer. Figures 2 and 3 updated.	Executive Director, Learning Resources	May 2018
3.00	Scheduled review by Contact Officer. Policy aligned with TEC standards.	Vice-Chancellor	Sept 2022

This policy remains in force until it is updated.

APPENDIX 1

Summary of Required Asset Management Standards (*TEC Capital Asset Management Standard – January 2011 (TEC website)*)

The TEC CAM Framework has been developed to identify the attributes of best-practice capital asset management and to assess the generic levels of performance. The TEC CAM Standard is based on the attributes listed below.

Table 1: CAM Attributes

Attribute		Broad Considerations
1	Strategic Objectives and Outcomes	Vision and objectives Strategies and tactics Stakeholder needs Linkages to assets
2	Managing Demand	Demand drivers Demand forecasts User requirements
3	Levels of Service	Levels of service Changing standard Monitoring and reporting
4	Description of Assets	Physical data Financial data Systems and processes
5	Current and Future Shortfalls	Capacity shortfalls Performance shortfalls Lifecycle modelling
6	Asset and Non-asset Solutions	Scoping potential solutions Analysis of strategic choices Benchmarking and interoperability
7	Optimised Decision Making	Capability and capacity planning Consultation Prioritisation
8	Financial Forecasts	Decision support models Drivers and funding analysis Performance measurement systems

9	Feedback and Improvement	Data confidence Reporting and planning Targeted improvement
10	Planning Assumptions / Confidence Levels	Demographics Strategic outcomes Constraints Performance changes
11	Risk Management	Integrated processes Identification and reporting Mitigation and monitoring
12	Organisational Commitment	Governance Asset management organisation Reporting and monitoring

CAM performance in the tertiary education sector is assessed using the approach and the definitions described in the International Infrastructure Management Manual (IIMM) and the 2006 National Asset Management Steering group (NAMS) Property Manual using the following five-point scale.

Table 2: TEC and CAM Standards	
TEC CAM Standard	**Generic CAM Standard**
Unawareness	Core
Awareness	
Systematic Approach (Knowledge)	Moderate
Competent	
Excellence	Advanced

Please see the *TEC Capital Asset Management Standard (January 2011) (TEC website)* for Definition of Standard Levels by attributable area.

APPENDIX 2

Framework of an Asset Management Plan (*TEC Capital Asset Management Standard – January 2011 (TEC website)*)

The Asset Management Plan (AMP) is a key part of the asset management process. It provides a description of the overall process and summarises key asset and planning information at a single point in time. It is also the primary means of documenting adherence with the TEC CAM Standard.

It is important to recognise the difference between the reporting requirements (CAM Attributes) and the business process (the Framework). The NAMS guidance and CAM Attributes are directly aligned with the sections of an AMP as listed below. An AMP will typically include the following sections:

- **Executive Summary**

- **Introduction** – The Introduction section describes the purpose, background, and structure of the Asset Management Plan. It explains the importance of asset management, the level of organisational commitment, and progress made to improve the quality of the information. It also summarises the key links to strategic and other asset planning documents and the main issues.

- **Demand Management** – The Demand Management section reflects the changes in demand over time and provides a statement of demand so that demand management strategies can be developed. It considers how growth will be managed including discussions on demand drivers and impacts on faculty/school requirements.

- **Levels of Service** – The Levels of Service section defines the current and future customer to technical quality standards associated with catering for future demand, technology changes, service delivery changes and the standard of care for existing facilities. The first step in the process is to document and measure the current levels of service before determining the future desired levels of service. Level of service shortfalls are identified, measured and monitored in this section.

- **Asset Description** – The Asset Description section is a direct output from the asset register and survey process that captures asset condition and performance. This section should also identify the availability and utilisation of space, describe the current configuration of spaces including its functionality, and condition taking into account modern learning spaces. The section describes the assets in their physical and financial form including gross replacement costs, historic values, depreciated replacement costs and fair values.

- **Challenges and Investments** – The Challenges and Investments section is where the current and future shortfalls are summarised considering the demand projections and level of service requirements. It is also where the impact of currently funded projects and the planned response to the remaining shortfalls are identified.

- **Optimised Decision Making (ODM)** – The Optimised Decision Making section is where the range of possible projects is identified and considered through prioritisation and optimisation. It is where maintenance and capital are optimised through applying various policies, i.e., applying maintenance regimes that increase annual operating costs but minimise risks, and delaying refurbishment or replacement in order to reduce the whole of life costs.

- **Financial Forecasts** – Where the ODM section lists the range of possible projects the Financial Forecasts section identifies the selected projects based on risk, levels of service, and funding. The section shows how the 'preliminary strategic choices' have been considered and why the final list of recommendations have been selected. It considers income and funding sources where possible and forecasts future values and associated depreciation.

- **Key Assumptions and Policies** – The Key Assumptions and Policies section identifies the assumptions made throughout the planning process and states the policies applied such as maintenance and renewal policies. It also makes an assessment of the confidence in the quality of the information.

- **Improvement Plan** – The Improvement Plan section is an important part of the AMP. It identifies the planned improvements to the asset management systems, including the associated responsibilities, resources and milestones. In a summary level AMP this section will summarise the key improvement activities from each of the component AMPS, i.e., faculty AMPs and supporting AMPs.

UC AMP Background

The University has an obligation to stakeholders to manage its assets in a manner that provides acceptable standards of service in a cost-effective manner.

Generating a formal Asset Management Plan (AMP) has been shown to be an effective vehicle in which to deliver the tactical framework for the University to manage its asset-based resources (UC AMP 2009).

Asset Management involves balancing desired levels of service and asset standards with asset performance, costs and risk, incorporating current and future demand for the facilities and services they provide.

An AMP outlines how the University will, in relation to the assets contained within its portfolio,

- ensure that assets are managed to deliver on the University's strategic outcomes;
- ensure that assets provide a specified level of service in the most cost-effective manner;
- provide assurance to stakeholders that the asset is being managed appropriately;
- anticipate, plan and prioritise spending on the asset;
- optimise the life of the asset at the most economic cost over time;

- ensure the smooth operation and continued sustainability of the asset;
- provide a basis for monitoring the performance of the asset;
- provide a basis for development and reporting on long term financial strategies; and
- identify and minimise environmental risk and liability resulting from the operation of the asset.

These plans are prepared with the assumption business-as-usual operations will continue and that the day-to-day operational and development decision making does not compromise future options.

Overview of Asset Planning and Facilities Management

The essence of asset planning is to align the property assets and infrastructure with both service demand and the service delivery strategies. The development of the property strategic plans can only occur effectively if the development process is robustly informed by the strategic planning of the academic colleges and the service units that support them.

The principles of facilities planning are as follows:

- Assets only exist to support the delivery of services.
- Strategic asset planning is a key corporate activity that must be undertaken along with planning for human resources, information systems, knowledge creation and transfer, and finance.
- Non-asset solutions, full life-cycle costs, risks and alternatives must be considered before investing in facilities assets.
- The elimination of waste.
- The full cost of providing, operating and maintaining assets should be reflected in the delivery of services.

Facilities planning must demonstrate strategies that yield the following benefits:

- A clear understanding of the role that assets play in support of the portfolio objectives.
- Alignment of assets with service delivery strategies.
- The provision of an environment that supports service delivery.
- The optimal functionality and utilisation of assets.
- Management efficiencies and effectiveness.
- Appropriate return on investment.
- Appropriate environmental and workplace health and safety management.
- Rapid identification and reporting of surplus or under-utilised assets.
- Maximum benefit from the application of capital and maintenance funds.
- The identification and quantification of opportunities and risks.

Overview of Digital Services

The essence of asset planning is to align the digital IT assets and infrastructure with both service demand and the service delivery strategies. The development of the digital vision can only occur effectively if the development process is robustly informed by the strategic planning of the academic colleges and the service units that support them.

The principles of IT planning are as follows:

- Digital assets only exist to support the delivery of technology services.
- Strategic asset planning is a key corporate activity that must be undertaken along with planning for human resources, knowledge creation and transfer, and finance.
- Assets have a full life-cycle cost – risks and alternatives must be considered before investing in technology assets.
- The elimination of waste and sustainability.
- The full cost of providing, operating and maintaining assets should be reflected in the delivery of services.

Digital Technology planning must demonstrate strategies that yield the following benefits:

- A clear understanding of the role that assets play in support of the portfolio objectives.
- Alignment of assets with service delivery strategies.
- The provision of an environment that supports service delivery.
- The optimal functionality and utilisation of assets.
- Management efficiencies and effectiveness.
- Appropriate return on investment.
- Rapid identification and reporting of surplus or under-utilised assets.
- Compliance reporting for all software assets.
- Maximum benefit from the application of capital and maintenance funds.
- The identification and quantification of opportunities and risks.

APPENDIX 3

Summary Process for the Production of Asset Management Plans: IMM Model of Capital Asset Management (*TEC Capital Asset Management Standard – January 2011 (TEC website)*)