

WHAT GOOD LOOKS LIKE

Asset management

What is asset management?

Owning and operating property, equipment, and infrastructure helps to support service delivery. Asset management (AM) involves acquiring, operating, maintaining, and renewing assets throughout their lifecycle. It ensures that assets deliver required levels of service and meet demand in the most cost-effective manner possible. It involves taking a long-term, often inter-generational view.

Why does good asset management matter?

Effective asset management helps to:

- ensure that the asset portfolio is optimised;
- support desired business outcomes;
- prioritise investment to achieve value for money;
- decide when assets need renewal or replacement;
- manage risk and build resilience for critical services; and
- ensure that service levels are met.

About this guide

This guide is for governors and senior managers. It poses questions and provides some of the indicators of whether your organisation meets our definition of what good looks like. It can help you work out whether you are managing your property, equipment, and infrastructure assets effectively.

Effective asset management

A good approach to asset management comprises four elements:

- a **framework** – policies, procedures, tools, and templates;
- the right **infrastructure** – the right number of staff with the right skills, knowledge, and experience and access to the right information;
- **applying** asset management planning consistently and well; and
- senior managers and governors **monitor** and **review** asset management activities, asset condition, and performance to ensure that service delivery is effectively supported.

Where to find out more

[Asset management – Audit New Zealand](#)

[Asset management – Office of the Auditor-General](#)

[Institute of Public Works Engineering Australasia](#)

10 questions		Indicators of what good looks like
Framework	1. Do you have an up-to-date asset management strategy (strategic asset management plan)?	<ul style="list-style-type: none"> AM strategy with a long-term (10- to 30-year) horizon. AM strategy specifies a high-level action plan and objectives. AM objectives are aligned to corporate strategy and objectives.
	2. Do you have an up-to-date asset management policy supported by good guidance?	<ul style="list-style-type: none"> AM policy defines principles, requirements, and responsibilities. Clearly defined level of sophistication for aspects of asset management, reflecting asset portfolio complexity, value, and risk.
Infrastructure	3. Do you have the right number of staff, with the necessary expertise, and in the right structure?	<ul style="list-style-type: none"> Capacity and capability sufficient to support effective AM. Clearly defined AM roles and responsibilities are allocated to specific people and teams to ensure that tasks are done.
	4. Do you have an effective asset management information system (AMIS)?	<ul style="list-style-type: none"> AMIS supports day-to-day and long-term planning. AMIS is aligned with other corporate systems to avoid data duplication and inconsistencies. Asset data is up to date, complete, and accurate.
Application	5. Are there good processes to ensure that asset data is complete and accurate?	<ul style="list-style-type: none"> Clear responsibilities for data collection and maintenance. Monitoring and auditing ensures that data is accurate and relevant.
	6. Do you know what condition your assets are in and how well they are performing?	<ul style="list-style-type: none"> Condition assessment with a focus on high-risk and critical assets. Performance of high-risk/critical assets is monitored, and corrective action is taken when performance expectations are not met.
	7. Is there robust structured planning for the lifecycle of your assets to meet demand and service levels?	<ul style="list-style-type: none"> Service levels, for delivery or support, are well defined. Measures cover technical service levels and customer expectations. Actual performance is monitored. Forecast demand for services is delivered or supported by assets.
	8. How well is asset management integrated with your organisation's service and financial planning?	<ul style="list-style-type: none"> There are AM plans for all significant activities/assets integral to corporate service and financial planning. Corporate financial forecasts and service delivery levels are derived from asset information and planning.
Monitor and review	9. Do you review your approach to asset management and what you have learnt?	<ul style="list-style-type: none"> Structured assessment confirms the organisation's level of AM sophistication is appropriate.¹ Structured approach to continuous improvement with periodic review to check that actions are being implemented.
	10. Are you well informed and committed to good asset management?	<ul style="list-style-type: none"> Governors recognise the importance of effectively managing assets to achieve organisational objectives. Organisational culture supports appropriate standards of AM.

1 For example, the [IPWEA Asset Management Maturity Assessment Tool](#) or Treasury's [Investor Confidence Rating – Asset Management Maturity](#).