

Full Council

4 September 2025

Report for Agenda Item | Rīpoata moto e Rāraki take [8]

Department: Property & Infrastructure

Title | Taitara: Asset Management Policy Update

Purpose of the Report | Te Take mō te Pūroko

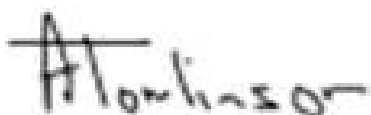
The purpose of this report is to present Queenstown Lakes District Council (QLDC) with the updated Asset Management Policy (the Policy) for adoption and to revoke the existing policy.

Recommendation | Kā Tūtohu

That the Council:

1. **Note** the contents of this report;
2. **Revoke** the QLDC Asset Management Policy 2016, effective 4 September 2025; and
3. **Adopt** the QLDC Asset Management Policy 2025, effective 4 September 2025.

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12 August 2025

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Title: GM Property & Infrastructure
14 August 2025

Context | Horopaki

Strategic Asset Management

1. Strategic asset management (SAM) is a framework that uses data-based decision-making to optimise the lifespan of assets. SAM combines financial, operational and maintenance best practices to ensure the best return on investment and the sustainability of assets like infrastructure, buildings and equipment.
2. In 2024 there was a Property and Infrastructure (P&I) review which identified a lack of cohesion in the asset management approach applied within P&I. This led to the creation of a new P&I business unit called the Strategic Asset Management team. This business unit was mandated to drive a clear improved approach on strategic asset management that is consistent across all assets and activities, and that meets best practice, striving for continuously maturing asset management.
3. The approach by the Community Services directorate (CS) to strategic asset management has historically had less formal recognition and resourcing due to its lower levels of capital investment. Recently, CS has realised the benefits of a more formal approach and is an active member of the existing informal Asset Management Forum, the aim of which has been to share asset management knowledge and achieve consistencies across directorates.
4. Until now there has not been a consistent and combined organisational approach to strategic asset management either in P&I, CS or across the organisation. P&I has been working closely with CS to develop the updated policy and ensure that it is applicable to all of QLDC's assets.

What is an Asset Management Policy?

5. An Asset Management Policy is a set of guiding principles and goals related to an organisation's asset management practice. The Policy is not just a nice-to-have document, it is a core requirement of ISO 55001.
6. ISO 55001 is a critical part of the International Organisational ISO 55000 family of standards, focusing specifically on the requirements for a robust asset management system. These standards detail the criteria necessary for establishing, implementing, maintaining and improving an asset management system. It builds upon the principles outlined in ISO 55000 by providing specific requirements that organisations need to meet to achieve their asset management objectives effectively and efficiently. ISO 55001 is used internationally by organisations who manage a broad range of assets and provides world class approach to asset management.

QLDC's Asset Management Policy

7. The current QLDC Asset Management Policy was adopted in 2016 and whilst an informal update was made in 2021, it has not been formally updated or adopted since.

8. The updated Asset Management Policy sets out QLDC's vision for asset management as follows:
"To deliver best-practice asset management that supports the well-being of an evolving community while balancing service levels and cost efficiency."
9. The Policy sets out guiding principles by which QLDC intends to apply asset management to achieve its objectives. It specifies how QLDC will deliver essential asset management services for P&I assets (transportation, 3 waters, property, solid waste) and CS assets (parks and open spaces and aquatics) and can easily be applied to any asset class.
10. The Policy is directly linked to the Strategic Asset Management Plan (SAMP) which operationalises the Policy's principles, detailing specific performance, actions, strategies and tactics necessary to achieve the objectives set in the Policy. Together these two documents provide a comprehensive approach to asset management within QLDC. The Policy sets the vision and the Strategic Asset Management Plan outlines the steps to realise that vision.
11. The key changes in the updated policy are:
 - a. Integrates the inaugural Strategic Asset Management Plan (draft);
 - b. Clarify asset management roles and responsibilities;
 - c. Strengthens the organisational SAM approach, focusing of P&I and Community Services to align with ISO 55001;
 - d. Formalises an operational Asset Management Steering Group to replace the existing informal Asset Manager Forum

Analysis and Advice | Tatāritaka me kā Tohutohu

12. This report identifies and assesses the following reasonably practicable options for assessing the matter as required by section 77 of the Local Government Act 2002.
13. Option 1 Revoke the 2016 Asset Management Policy and adopt the updated 2025 Asset Management Policy.

Advantages:

- Ensures alignment with international best practice in the latest ISO 55001;
- Ensures alignment with refocused QLDC strategic framework;
- Supports operational efficiency through clarity of the asset management roles and responsibilities.

Disadvantages:

- Creates change from the current policy;
- May trigger additional work through an improvement programme.

14. Option 2 Retain the existing policy (QLDC Asset Management Policy 2016)

Advantages:

- Reduces change and retains approach consistent to what has been done.

Disadvantages:

- Does not align with the latest international best practice as specified by ISO 55001;
- Misalignment with QLDC organisational changes;
- Retains ambiguity on asset management roles and responsibilities.

15. This report recommends **Option 1** for addressing the matter because it ensures QLDC has an up-to-date policy that is aligned with international best practice within ISO 55001 and reflects organisational changes since the Policy was last updated.

Consultation Process | Hātepe Matapaki

Significance and Engagement | Te Whakamahi i kā Whakaaro Hiraka

16. This matter is of low significance, as determined by reference to the Council's Significance and Engagement Policy 2024 because the considerations are in the lower significance categories as they are:

- a. Consistently aligned with existing policies, strategies; and
- b. Specific to the internal operational framework for asset management

17. The persons who are affected by or interested in this matter are QLDC employees and contractors who will be delivering asset management services.

18. The Council has consulted with internal staff. There was a focused co-design discussion on the Asset Management Policy and the Strategic Asset Management Plan with members of the existing operational Asset Management Forum (includes representatives from C&S, P&I, Knowledge Management and Finance) and Risk Management Team and direction from the Executive Leadership Team.

Māori Consultation | Iwi Rūnaka

19. The Council has not undertaken any specific iwi consultation as this is an internal operational policy.

Risk and Mitigations | Kā Raru Tūpono me kā Whakamaurutaka

20. This matter relates to the Financial risk category. It is associated with RISK10006 Ineffective planning for property and infrastructure within the QLDC Risk Register. This risk has been assessed as having a high residual risk rating.

21. The approval of the recommended option will allow Council to retain the risk at its current level. This will be achieved by having an up to date and strong and clearly defined asset management framework which is an important element of Council's risk management ecosystem.

22. Asset management is a key risk mitigation strategy for council because it provides a structured approach to maintaining, operating, and planning for the replacement of assets in a way that reduces exposure to various risks and ensure that risk is balanced against the required level of service and its cost.

Financial Implications | Kā Riteka ā-Pūtea

23. There are no operational and capital expenditure requirements additional to existing approved budgets or Annual/Long Term Plans.

24. A robust asset management policy will provide QLDC with a transparent approach to Council's organisational objectives and how they will be achieved through investment in Council's assets.

Council Effects and Views | Kā Whakaaweawe me kā Tirohaka a te Kaunihera

25. The Asset Management Policy is aligned with the principles of the Strategic Framework including the Vision Beyond 2050: Our Strategic Framework | Queenstown Lakes District Council

26. The recommended option is consistent with the principles set out in the following:

- 30 Year Infrastructure Policy
- QLDC Strategic Asset Management Plan (in draft)
- QLDC Asset Management Plans for 3Waters, Transport, Property, Solid Waste and Parks. These are deemed a subset of the overarching Strategic Asset Management Plan
- Risk Management Policy

27. This matter is not specifically included in the Long Term Plan/Annual Plan, however there are a number of budgets that relate to specific asset management activities, which are part of the operationalisation of the Policy.

Local Government Act 2002 Purpose Provisions | Te Whakatureture 2002 o te Kāwanataka ā-Kiaka

28. Section 10 of the Local Government Act 2002 states the purpose of local government is (a) to enable democratic local decision-making and action by, and on behalf of, communities; and (b) to promote the social, economic, environmental, and cultural well-being of communities in the present and for the future. The Asset Management Policy provides clarity on how the asset management system will be used to support these objectives. As such, the recommendation in this report is appropriate and within the ambit of Section 10 of the Act.

29. The recommended option:

- Can be implemented through current funding under the Long Term Plan and Annual Plan;
- Is consistent with the Council's plans and policies; and
- Would not significantly alter the intended level of service provision for any significant activity undertaken by or on behalf of the Council or transfer the ownership or control of a strategic asset to or from the Council.

Attachments | Kā Tāpirihaka

A	QLDC Asset Management Policy 2025
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