ROTORUA LAKES COUNCIL

6.2 ASSET MANAGEMENT POLICY

Date Reviewed	Next Review	Officer Responsible
11 February 2021	30 June 2024	General Manager, Infrastructure

Policy Purpose:

The purpose of this Asset Management Policy (policy) is to define the principles and responsibilities that RLC applies when managing our core infrastructure assets. This policy underpins and gives effect to our *Vision 2030 – the Rotorua Way* and our 2021-2031 Long Term Plan.

The policy provides the overarching framework for our 30 Year Infrastructure Strategy and our infrastructure Asset Management Plans. It sets the strategic objectives for the management of our core assets and outlines the Council's commitment to continually improving the way we manage our infrastructure.

Our policy has been developed in accordance with ISO 55001:2015 and the IIMM asset management framework.

Policy:

1. COMMITMENT

We are committed to implementing a systematic asset management methodology so that we provide appropriate practices across all our assets. We will ensure our assets are planned, created, operated, maintained, renewed, repurposed and disposed of in a way that means we consistently deliver core infrastructure that is safe, reliable and in a stable condition to meet future demand and our levels of service.

RLC is committed to managing infrastructure assets effectively to deliver services that improve the wellbeing of its community and contribute to the Community Outcomes (2030 Goals) as set out in the Rotorua 2030 Vision Statement, as set out in our AM Policy.
Council is committed to:

> **"Delivering sound infrastructure and sustainable community services that improve the quality of life for residents and ensure a world-class experience for visitors."**

RLC's assets are an essential element in delivering services for our community. Prudent management of these assets and facilities is a core Council function and critical to maximising the quality of life and financial sustainability of Council and its community. Sound management of assets is paramount to

enable Council to meet its responsibility under various statutory regulations for stewardship of infrastructure to:

- ensure that infrastructure assets serve the community for current and future generations
- provide sustainable management of community infrastructure
- encourage and support the sustainable social, economic, environmental and cultural well-being development of the district
- ensure that asset management practices in council establish the long-term plan and the infrastructure strategy
- ensure that the needs and expectations of stakeholders are considered.

2. SCOPE

Our Asset Management Policy covers the following assets:

Activities	Descriptor
Water supply	Treatment plants, pipelines, and pump stations
Wastewater	Treatment plants, gravity pipelines, rising mains, and pump stations
Stormwater	Pipelines, open drains, and land drainage scheme (Reporoa)
Transportation	Roads, bridges, culverts, footpaths, kerb and channels, shared paths, cycle lanes, cycle paths, streetlights, signs, traffic signals, road markings and bus shelters
Waste	Landfill and transfer stations
Property	All land and buildings (not considered Sports, recreation, and environment)
Sports, recreation, and environment	Public open space, street and park trees, stadium, crematorium, cemeteries, aquatic centre, playgrounds, lakes structures and public toilets

3. OBJECTIVES

Our overarching policy objectives for managing our assets responsibly are as follows:

- Provide our community with safe, reliable, and stable core infrastructure
- Understand the condition of our critical assets better so that we can make robust and risk-based investment decisions for the next thirty years
- In partnership with mana whenua, provide culturally appropriate and environmentally sustainable infrastructure solutions
- Provide good stewardship of our assets in accordance with legislation and industry best practice
- Understand the long-term impacts of the trade-offs required in managing our infrastructure assets within fiscal constraints
- Identify and manage risk in relation to our critical assets
- Achieve the asset management maturity target for each activity within a reasonable timeframe (as defined in **Error! Reference source not found.**).

4. GUIDING PRINCIPLES

4.1 Our people, our community

- We build our resilience by developing and strengthening the capability of our people
- In collaboration with mana whenua, we embed cultural values in the way we manage our infrastructure, safeguarding the life supporting capacity of air, water, soil and ecosystems
- We co-govern, co-design and manage with mana whenua our long-term infrastructure solutions
- We engage with iwi, community and stakeholders to ensure our levels of service and long-term planning reflect their needs and expectations
- We work within the financial parameters our community can afford
- We manage our assets with focus on community safety.

4.2 Our strategic context

- We comply with all relevant legislation
- Our asset management practices support improved social, economic, environmental, and cultural well-being for our community
- We plan for the impacts of climate change on our infrastructure assets, supporting the sustainable growth of our city.

4.3 Our practices

- Asset management principles are integrated within our existing planning and operational processes
- We collect and manage comprehensive, quality data and information on our critical infrastructure assets to inform our strategic decision making
- Our asset management planning informs the Long Term Plan and forms the basis for the Infrastructure Strategy
- We have no unforeseen critical asset failures
- We integrate optimised decision making into our infrastructure planning so that it is agile and responsive
- We use whole of life costs as the basis of our long-term decisions to ensure we deliver value for money
- We keep our infrastructure within acceptable industry benchmarks to ensure sustainable future investment
- Asset-based risk is effectively balanced with financial trade-offs to ensure the ongoing resilience of our core infrastructure to meet our agreed levels of service
- We seek continuous improvement in our asset management activities whilst keeping abreast of trends.

5. ASSET LIFECYCLE MANAGEMENT

Our infrastructure assets and services are managed across the complete lifecycle in an effective and affordable way that keeps pace with demand and the changing face of our city, as detailed below:

Lifecycle stages	Lifecycle activities
Planning	The planning phase includes defining the need for an asset, the technical requirements and solution options. Planning activities may include defining the asset management strategy, planning for uncertainties, documenting business cases, and performing a cost-benefit analysis.
Acquisition	The acquisition phase is the process by which we plan and manage the procurement process for new assets or asset renewals and upgrades.
Management	The management phase covers the useful life of the asset. It involves the operation and maintenance of the asset, including continually assessing the asset's use and functionality, and meeting compliance requirements.
Disposal, renewal or repurposing	The disposal, renewal or repurposing phase of an asset occurs when it has reached or is close to the end of its useful life. Our critical assets are renewed before the end of their useful life, whereas our non-critical assets we renew or replace reactively when they fail. Our optimised decision-making process determines when an asset is no longer required and should be disposed of, rather than renewed. Alternatively, the asset may be repurposed to fit a new or emerging community need.

6. ROLES & RESPONSIBILITIES

The asset management roles and responsibilities for RLC are:

Role	Responsibility
Council elected members	• Represent the interests of the community • Review, approve and/or Adopt Annual Report, Annual Plan, Long-Term Plan, Infrastructure Strategy and Asset Management Plans • Strategic governance oversight of operational and capital expenditure
Executive Leadership Team	• Agree RLC's Asset Management Policy, Strategy, and tactical Asset Management Plans, ensuring alignment with LTP, and present them to council for approval • Provide strategic oversight, and monitor and review the operational performance against the Strategy and improvement plans • Implement the Asset Management Policy and Strategy, within the financial resources • Ensure mana whenua cultural values are embedded in asset management practices and co-governance/co-design is business as usual • Ensure appropriate asset management capability and capacity is developed to meet current and future needs • Maintain accountability mechanisms
RLC's Asset Managers / Senior Managers	• Implement the Asset Management Policy, Strategy, Asset Management Plans, and the improvement plans • Work collaboratively with mana whenua on co-planning and co-design for infrastructure • Develop and implement maintenance, renewal, and capital works programmes, in accordance with the Asset Management Policy, Strategy and Plans • Engage with iwi, community, and stakeholders on long term asset planning • Deliver levels of service to agreed acceptable risk and within approved financial parameters • Provide quality asset data and trend information to support strategic decision making • Lead the integration of asset management principles into operational and planning practices and processes

7. ALIGNMENT WITH OTHER POLICIES AND STRATEGIES

Our Asset Management Policy is aligned with the following RLC policies and strategies:

Activity	Policies and strategies
Overarching	• Vision 2030 the Rotorua way • 2021-2031 Long Term Plan • 30-year Infrastructure Strategy • Sustainable Living Strategy • Climate Action Plan (2020) • He Papakáinga, He Hápori Taurikura Homes and Thriving Communities Strategic Framework (2020) • Water Services and Trade Waste Bylaw (2017)
Water supply	• Water Supplies Policy (2016) • Metered Water Supply Policy (2016) • Water Conservation Strategy (2020) • Water Supplies Boundary Backflow Policy (2018) • Water Supply Master Plan (2020)
Wastewater	• Wastewater Treatment and Disposal Policy (2016) • Wastewater Master Plan (2020)
Stormwater	• Stormwater and Land Drainage Policy (2016) • Stormwater Master Plan (2020 draft)
Transportation	• New Zealand Policy Framework on Walking and Cycling • Rotorua District Speed Limit Bylaw 2014 • Rotorua District Council Traffic Bylaw 2018 • Rotorua District Council Signs on Roads Bylaw 2015
Waste	• Waste Management and Minimisation Plan (2016-2022)
Property	• Property Disposal Policy (2020) • Dangerous, Affected and Insanitary Buildings Policy (2020)
Sports, Recreation and Environment	• Activities on Open Public Places Policy • Administration of Reserves Policy • Leases, Concessions, Licences and Reserve Hire Policy • Reserve Structures Policy • Public Toilet Policy 2012 • Cemeteries and Crematorium Policy 2013 • Sports Grounds and Facilities Policy 2012 • Rotorua Sport and Recreation Strategy 2015 • Rotorua Township Reserves Management Plan 2006 • Rotorua Rural Reserves Management Plan • Rotorua Urban Reserves Management Plan • Tarawera Landing Recreation Reserve Management Plan 2008 • Drone Guidelines.

8. DEFINTIONS

The following definitions or terms are used throughout this document:

Term	Description
Asset	An item, thing or entity that has potential or actual value to an organisation.

Asset management	The systematic and coordinated activities and practices of an organisation to optimally and sustainably deliver on its objectives through the cost-effective lifecycle management of assets.
Asset management framework	The overarching AM hierarchy including the AM Policy, Objectives, Strategy, and the AM Plan.
Asset Management Policy	A high-level statement of an organisation's principles and approach to asset management.
Asset management practices	The AM processes and techniques that an organisation undertakes, as outlined in the IIMM manual, such as demand forecasting, developing, and monitoring levels of service, and risk management.
Critical assets	Those assets that are likely to result in a more significant financial, environment and social cost in terms of impact on organisational objectives.
Optimised decision making	Two definitions: 1. A formal process to identify and prioritise all potential solutions with consideration of financial viability, social and environmental responsibility, and cultural outcomes. 2. An optimisation process for considering and prioritising all options to rectify existing or potential performance failure of assets. The process encompasses NPV analysis and risk assessment.
Sustainability	Sustainability is the capacity to endure; in the context of AM it is about meeting the needs of the future by balancing social, economic, cultural and environmental outcomes or needs when making decisions today.
Useful life	Either: The period over which an asset or component is expected to be available for use by an entity Or: The number of production or similar units expected to be obtained from the asset or component by the entity.