



SECTION – ASSET MANAGEMENT

Current Item No:

Subject: **ASSET MANAGEMENT PROCEDURE – WORKS
CATEGORY DEFINITIONS**

Date of Adoption: **1 February 2007**

To assist in the development of a Strategic Asset Management Framework, the following works category definitions will be utilised in financial reporting.

Work Category definitions

Operations: Operations have no effect on asset condition but are necessary to keep the asset properly utilised. It is the active process of utilising an asset and consumes resources such as manpower, energy, chemicals or materials.

Maintenance: Maintenance is the actions required to retain an asset as near as practicable to its original condition. Maintenance can be either planned (preventative) or unplanned (reactive).

Renewals: Renewals are works to refurbish or replace existing facilities with facilities of equivalent capacity or performance capability defined as:

- The renewal and rehabilitation of existing assets to their original size and capacity
- The replacement of the entire asset with the equivalent size or capacity
- The replacement component of capital works that restores the assets to their original size and capacity

Capital Upgrades: Projects (including land purchase) for the extension or upgrading of assets catering for growth or additional levels of service.

Capital upgrades include:

- Works that improve an asset beyond its original size or capacity
- Upgrade works that increase the capacity of an asset
- Works designed to produce an improvement in the standard and operation of the asset beyond its original capacity

New Works: Works or acquisitions (including land purchase) that create an asset that did not exist in any shape or form.

Amendments:

Issued: EMT Endorsed 1 February 2007