Asset Management Objectives

Effective asset management needs to balance cost, risk and performance of its assets to deliver the organisation's strategic objectives. Asset Management Objectives are converted from organisational strategic objectives and identify the value that assets need to provide in order to meet these objectives. Asset planners need to consider the government and agency's strategic objectives, as illustrated in the diagram below:

Premier & Cabinet Circular 114 requires agencies to retain a property asset only where it contributes directly to an agency's existing core business or identified core business.

This principle aligns with best practice asset management where assets are continually assessed to identify the 'value' they provide to an organisation.

What are Asset Management Objectives?

An Agency's Strategic Plan identifies the objectives, direction and activities for the organisation. These objectives support the delivery of services that align with overall Government Strategic Directions.

Asset management objectives capture the outcome or performance required from an asset in order to deliver (or support) achievement of these organisational objectives.

In essence, asset management objectives are those results that need to be derived from the asset in order to deliver the organisational objectives. This is often referred to as the 'value' that is to be derived from the asset.

The asset management objectives will then guide the development of the Asset Management Plan (AMP). The AMP will identify the activities and actions required to deliver the asset management objectives (and in turn deliver the organisation strategic objectives.

Where possible, asset management objectives should be SMART (Specific, Measurable, Achievable, Realistic and Time-bound). This will enable them to be reviewed to ensure that the activities identified in the AMP are appropriate.