

# NMIT CAPITAL ASSET MANAGEMENT POLICY

## MOKAMOKA WHAKAAETANGA | APPROVAL DETAILS

<b>Section</b>	Finance		
<b>Approval Date</b>	18.02.2026	<b>Sponsor</b>	Director Digital, Finance and Risk
<b>Next Review</b>	01.01.2029	<b>Approved by</b>	NMIT Council

## NGĀ WHAKATIKATIKA | AMENDMENT HISTORY

Version	Effective Date	Created/ Reviewed by	Reason for review / comment
1	01.01.2026	Transition Lead	New

## Mō wai me te whānuitanga | Audience and scope

This policy applies to:

- All employees of NMIT, including contracted staff and secondees providing services for NMIT; and those on fixed term contracts (may be collectively referred to as kaimahi in this policy); and
- All governors of NMIT including members and advisors of NMIT Council and governance committees or boards (collectively referred to as governors in this policy).

This policy covers the following categories of assets, both owned and leased:

- Facility Assets (Land, Building, Infrastructure and Equipment)
- Digital (information technology – hardware and software)
- Vehicle Fleet
- Library Collection
- Furniture and Fittings
- Other – assets that do not meet the criteria of any of the above

## Te Pūtaki | Purpose

The purpose of the Capital Asset Management Policy is twofold:

### 1. Asset Management

To provide a set of principles and give understanding for NMIT’s development and implementation of an organisational approach to asset management. It is designed to:

- Promote an asset management framework throughout NMIT which includes key terminology and alignment with NMIT’s organisational objectives.
- Provide a foundation for NMIT’s approach to asset management that will guide the development and implementation of the Strategic Asset Management Plan (SAMP) and asset management objectives.
- Outline clear responsibilities for asset management.
- Ensure organisational commitment to comply with all legislative, regulatory and legal requirements.

- Strive for best practice standards of asset management and governance.

## 2. Capital Expenditure

To define the rules and principles for the recognition of capital expenditure. It explains the rules established to ensure compliance with legislation (in terms of accounting recognition), audit and financial management requirements for assets and capital expenditure.

## Ngā Mātāpono | Principles

Asset management at NMIT will be delivered with the following principles in mind:

### 1. Asset management is an integration of existing NMIT disciplines.

Asset management at NMIT will provide a framework for existing disciplines to understand their role in asset management activities by helping to describe and communicate the context in which they can deliver value.

### 2. Asset management enables informed decision-making.

Asset management at NMIT will provide the competency and consistency needed to optimise decision-making at every level of the organisation by establishing the best value compromise between a set of competing factors.

### 3. Asset management planning is a continuous exercise.

The constant monitoring, review and reporting of asset performance are strong contributors driving efficient and effective education. Assurance derives from this monitoring to confirm that assets, systems and processes are either operating as intended or identifies focus areas for improvement.

### 4. Asset management uses a risk based approach.

Asset management's risk based approach will support NMIT in enabling better control and treatment of risks that can arise from the acquisition, management, operation and disposal of assets.

### 5. Asset management contributes to organisational sustainability.

Asset management at NMIT will take the approach to whole life evaluation of risks, costs and performance of assets including asset condition and assessments in order to maintain a framework for sustainable development. In addition, the potential impact on the environment of assets and asset management activities will be evaluated and/or measured to ensure best practices.

### 6. Asset management practices are constantly improving.

Employees will be knowledgeable of NMIT asset management processes to ensure a standardised approach to managing assets on a day-to-day basis. This will provide the baseline to continually improve into a mature and sophisticated asset management programme.

## Kaupapa Here | Policy Statements

### 1. CAPITAL EXPENDITURE FUNDING

- a) Upon approval of the annual capital expenditure plan by Council, capital expenditure will be available for staff to request release of funds against that capital expenditure plan.
- b) A capital expenditure approval form must be completed and appropriately approved in line with the [NMIT Delegations Policy](#) and the [NMIT Procurement Policy](#).
  - i. Where an item exceeds \$250,000 a full business case must be completed and approval obtained prior to the completion of the capital expenditure request form.

- ii. Where an item exceeds \$30,000 a high-level, if not a full, business case must be completed and attached to the capital expenditure request form.
  - iii. Where an item is less than \$30,000 the capital expenditure justification within the capital expenditure request form needs to be fully completed.
- c) Substitutions within the capital expenditure budget are allowed, subject to:
- i. Justification on why the item was not included in the capital expenditure plan and why the item being substituted is no longer required; and
  - ii. All substitutions require the approval of the Chief Executive Officer (CEO) to the level delegated by NMIT Council. Substitutions exceeding the amount delegated to the CEO must be approved by the Council.
- d) The CEO will hold a capital expenditure contingency budget. Where a request for release of funds from the contingency budget is received, there should be:
- i. A review of the approved capital expenditure plan to determine if any substitution can be made; and
  - ii. A justification of why the capital asset was not allowed for in the capital expenditure plan. It is expected that items where the contingency budget is released will be items that could not have been foreseen at the time the capital expenditure budgets were set.

## 2. CAPITALISATION CRITERIA

- a) An asset is classed as a fixed asset and required to be recorded on the fixed asset register when it meets all of the following criteria:
- i. The GST-exclusive initial cost of the asset meets or exceeds the capitalisation threshold, where initial cost price is greater than \$2,000 (GST exclusive); and
  - ii. The asset has an estimated useful life greater than 1 year; and
  - iii. The asset has not been purchased with the intention of resale.
- b) The purchase of assets that may be classified as a fixed asset and capitalised includes, at NMIT's discretion, the pooling of assets:
- i. of a similar type such as a "bulk" purchase of ICT equipment or furniture; or
  - ii. that are purchased as part of an approved project such as a major ICT or facilities project.
- c) An asset considered an 'attractive asset' may be classed as a fixed asset and required to be recorded on the fixed asset register where it meets the criteria identified in clause (a) above except that the initial cost price of the asset is below the \$2,000 capitalisation level. Attractive assets should only be recorded where the value exceeds \$1,000.
- d) Expenditure may be capitalised if it is expenditure on an existing asset that was incurred to improve the asset's functionality or extend the useful life, not merely to reinstate its future economic benefits (eg. repairs and maintenance).
- e) Spare parts may be capitalised where they meet the capitalisation threshold, and the expected useful life is greater than one year.
- f) Expenditure splitting in order to get below the capitalisation threshold is not permitted.

## 3. MEASUREMENT AFTER RECOGNITION: INITIAL COST PRICE

- a) Items that meet the capitalisation criteria are recorded on the fixed asset register at the initial cost or as otherwise prescribed within applicable accounting standards (eg. cash price equivalent if purchased using deferred payment, or the present value for assets acquired through a finance lease arrangement).

- b) Donated assets are recorded at the fair (market value) on receipt. The corresponding value is recorded as revenue in the Statement of Service Performance.
- c) Assets can be recorded as:
  - i. Individual assets; or
  - ii. A collection of related items or components that cannot operate in isolation, whose combined initial cost meets the capitalisation threshold; or
  - iii. An accessory which is required for permanent attachment to an existing asset. The initial cost of the accessory is to be added to the existing asset if it meets the capitalisation threshold; or
  - iv. Pooled assets of a similar type, whose combined initial cost meets the capitalisation threshold. Items whose individual initial cost exceeds the threshold must be separately recorded in the fixed asset register and cannot form part of a pool of assets.

#### 4. MEASUREMENT AFTER RECOGNITION: METHOD OF MEASUREMENT

- a) After initial recognition, the cost model of measurement or the revaluation model as specified in clause b) and/or d) of this section shall be applied.
- b) After an asset is commissioned, there will often be subsequent expenditure to maintain, renovate or upgrade the asset. Maintenance expenditure is expensed however significant renovations and upgrades may be added to the value of the asset where:
  - i. The renovation or upgrade increases the useful life of the particular asset; and
  - ii. The parts of the initial asset replaced in the renovation or upgrade can be identified and are able to be written off on commissioning of the new assets.
- c) Revaluations of classes of assets are required to be conducted more frequently than specified in this Policy, if, at balance date, the fair value of the asset differs materially from the carrying amount. Increases in the value of assets are transferred to the asset revaluation reserve for that class of assets.
- d) A decrease in the value relating to a class of assets is recognised in the Statement of Financial Performance in the period it arises where it exceeds the increase previously recognised in the asset revaluation reserve.
- e) In subsequent periods, any revaluation surplus that reverses previous revaluation deficits is recognised as a credit to expenditure in the Statement of Financial Performance up to its original value.
- f) The approved methods of measurement by class of asset are:

Asset Category	Measurement Basis
Land	Valuation (no greater than every 5 years)
Buildings	Valuation (no greater than every 5 years)
Digital	Cost
Motor Vehicles	Cost
Library Collection	Cost
Other	Cost

*The table provides guidance based on current Crown Accounting Policies (CAP) at the time of writing and may vary if the CAP are amended by The Treasury.*

## 5. DEPRECIATION

- a) Depreciation is charged on fixed assets to allocate the cost of the assets over their estimated useful lives. The depreciation charge for each period is recognised as an operating expense and is charged to the cost centre that holds the asset as identified within the Fixed Asset Register.
- b) The depreciation method used reflects the pattern in which the assets future economic benefits are expected to be consumed by the NMIT. The method and rates are reviewed annually by NMIT's finance department to ensure they remain appropriate.
- c) Assets purchased solely for specific research projects may be depreciated over the life of the project. Where the asset is not depreciated over the life of the project, the cost centre owning the project will bear the residual depreciation. If the asset continues to be used subsequent to the end of the project the customer must transfer the asset to the appropriate cost centre.
- d) Leasehold improvements are depreciated over the shorter of, the unexpired period of the lease, or the estimated useful life of the assets.
- e) Depreciation methods and rates will be set at a default rate specified by the finance department unless the manager responsible for the capital asset specifically requests a variation to the default rate.

## 6. IMPAIRMENT OF ASSETS

- An asset could be considered impaired where its carrying amount exceeds its recoverable amount.
- Any impairment loss on a non-revalued asset shall be recognised immediately in the Statement of Financial Performance. Any impairment loss on a revalued asset is recognised directly against any revaluation reserve to the extent that the impairment loss does not exceed the amount in the revaluation reserve for that asset. If the impairment loss exceeds the balance in the revaluation reserve, then the excess shall be recognised immediately within the statement of financial performance.
- The finance department will review the carrying amounts of all property, plant and equipment on an annual basis.

## 7. DISPOSAL OF ASSETS

- a) All asset disposals must be in accordance with the NMIT Delegations Policy.
- b) On disposal of an asset, the finance department must be notified that an asset is being disposed of.
- c) The finance department shall ensure that the fixed asset register is updated to reflect the disposal and that any remaining book value less disposal receipts is accounted for in the Statement of Financial Performance.

## Pūrongo me te Whakapūmau | Reporting and Assurance

<b>Regular reports will be submitted to Council and/or a committee of Council:</b>	
Submitted by	Director Digital, Finance & Risk
Submitted to	Audit and Risk Committee
What must be reported	A regular report on progress against the annual capital expenditure budget will be provided within the monthly financial report to the Committee/Council. Impacts to asset valuation, including material impairment, will be reported to the Audit Committee as the impact is identified.
Reporting cadence	Capital expenditure progress report will be monthly Other reporting is completed as required.

Is immediate escalation required for material events?	No
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## Ngā Haepapa | Responsibilities

Role	Responsibilities
NMIT Council	<ul style="list-style-type: none"> <li>Adopts/approves the policy and asset management objectives</li> <li>Approval of the overall capital expenditure budget</li> </ul>
Chief Executive Officer (CEO)	<ul style="list-style-type: none"> <li>Overall responsibility for ensuring the delivery of the NMIT asset management system meets the criteria of expectations from NMIT Council and any external monitoring agency requirements (e.g. Treasury, TEC)</li> </ul>
Senior Leadership Team	<ul style="list-style-type: none"> <li>Responsible for the design of the asset management objectives ensuring they align with the organizational objectives</li> <li>Preparation of the annual capital expenditure budget for recommendation to NMIT Council</li> </ul>
Managers and Team Leads	<ul style="list-style-type: none"> <li>Responsible for the management of the assets within their area of responsibility as determined under asset management plans</li> <li>Report on under-performing assets</li> <li>Ensuring staff in their areas are aware of this policy and facilitating the organizational approach to planning and managing assets</li> <li>Completing the requests for capital expenditure within the budget process</li> </ul>
Finance team	<ul style="list-style-type: none"> <li>Monitoring the spend against the approved capital expenditure budget including providing reports to NMIT Council and managers as required</li> <li>Monitoring the day-to-day compliance with this policy</li> </ul>
Director Digital, Finance & Risk	<ul style="list-style-type: none"> <li>Developing policies and procedures for asset management at NMIT</li> <li>Developing the Strategic Asset Management Plan (SAMP) for achieving asset management objectives</li> <li>Publishing an annual Asset Management Plan that aligns with NMIT’s strategic direction</li> <li>Facilitating the delivery of the Asset Management Plan</li> <li>Developing the skills and competencies of NMIT staff to deliver better asset management activities</li> <li>Facilitating the management of risk and the assessment of asset performance to ensure delivery of NMIT’s objectives</li> <li>Facilitating the management of asset information to ensure that the right people have the right information to make the best decisions</li> </ul>

## Ngā Tikanga | Definitions

The use of consistent asset management terminology throughout the organisation will align the asset management activities delivered by staff. The following definitions should be used by staff members at all levels of the organisation.

Term	Definition
Asset	An item, thing or entity that has potential or actual value to an organisation. Value can be tangible or intangible, financial or non-financial, and includes consideration of risks and liabilities.
Asset life	The period from asset creation to asset end-of-life.
Asset management	The coordinated activity of an organisation to realise value from assets. Realisation of value will normally involve a balancing of costs, risks, opportunities and performance. The term “activity” has a broad meaning and include, for example, the approach, the planning, the plans, and their implementation.

Asset Management Plan (AMP)	Documented information that specifies the activities, resources and timescales required for an individual asset, or a grouping of assets, to achieve the organisation's asset management objectives.
Asset Management System	Management system for asset management whose function is to establish the asset management policy and asset management objectives.  Note: The asset management system is a subset of asset management.
Asset portfolio	Assets that are within scope of the asset management system. Multiple asset portfolios can be encompassed by an asset management system.
Asset type	A grouping of assets having common characteristics that distinguish those assets as a group or a class.
Attractive asset	Comprises: <ul style="list-style-type: none"> <li>i. <i>Computing Equipment</i>: Includes printers, scanners, and plotters.</li> <li>ii. <i>Desktop Equipment</i>: Includes all components of a personal computer unit, laptops and tablet computers. This includes the monitor, base computer unit, mouse, keyboard, speakers, and the standard application/operating software, cables and freight.</li> </ul> <p><i>Specified Item</i>: Is an asset that doesn't meet the capitalisation criteria but is recorded as a fixed asset through the asset register because it is prone to accidental or deliberate loss due to its portability and attractiveness e.g. mobile telephony, cameras, televisions and audio equipment.</p>
Capability	The asset management measure of capacity and the ability of an entity (system, person or organisation) to achieve its objectives.  <b>Note</b> : Asset management capabilities include processes, resources, competencies and technologies to enable the effective and efficient development and the delivery of asset management plans and asset life activities, and their continual improvement.
Consumables	Goods used by individuals and organisations that must be replaced regularly because they wear out or are used up.
Corrective maintenance	Activities performed to repair defects, damage or address a shortfall in performance in order to restore the asset to a defined standard and keep it operational.
Critical asset	An asset having potential to significantly impact on the achievement of the organisation's objectives.
Inspection, testing and monitoring	Activities to confirm the safety and integrity of assets and to provide information for determining maintenance and renewal needs.
Life cycle	The stages involved in the management of an asset. NMIT will define these stages as: <ul style="list-style-type: none"> <li>i. Acquire</li> <li>ii. Operate</li> <li>iii. Maintain</li> <li>iv. Dispose</li> </ul>
Level of service	Parameters, or combination of parameters, which reflect social, political, environmental and economic outcomes that the organisation delivers. The parameters can include safety, customer satisfaction, quality, quantity, capacity, reliability, responsiveness, environmental acceptability, cost and availability.
Nonconformity	The non-fulfilment of a requirement. Nonconformity can be any deviation from asset management system requirements, or from relevant work standards, practices, procedures, legal requirements, etc.
Performance	A measurable result, noting that: <ul style="list-style-type: none"> <li>a) Performance can relate to either quantitative or qualitative findings.</li> </ul>

	<p>b) Performance can relate to the management of activities, processes, products (including services), systems or organisations.</p> <p>For the purposes of asset management, performance can relate to assets in their ability to fulfil requirements or objectives</p>
Preventative maintenance	Planned activities to prevent or reduce the impact of faults, failures or excessive deterioration. Preventative maintenance is based on risk, and related to the maintenance regime being applied to an asset (time-based, condition-based, usage/duty-based).
Risk	The effect of uncertainty on objectives.
Strategic Asset Management Plan (SAMP)	Documented information that specifies how organisational objectives are to be converted into asset management objectives, the approach for developing asset management plans, and the role of the asset management system in supporting achievement of the asset management objectives.
Sustainable	Achieving or retaining an optimum compromise between performance, costs and risks over the life cycle, whilst avoiding adverse long-term impacts to the organisation and the community from short-term decisions.

## Ngā Hononga ki Tuhinga kē | Links to other documents

### NGĀ KAUPAPA-HERE E HANGAI ANA | RELATED POLICIES

NMIT Delegations Policy  
NMIT Procurement Policy  
NMIT Information and Records Management Policy

### NGĀ TUKANGA ME NGĀ HĀTEPE | RELATED PROCESSES, PROCEDURES

NMIT Delegations Register

### TURE WHAI TAKE | RELEVANT LEGISLATION

[Public Records Act 2005](#)  
[Education and Training Act 2020](#)