

Asset Management Policy



1. This CEO approved policy applies to all Chorus people.

Purpose and Overview

2. At Chorus we aim to “Make New Zealand Better” by creating an environment for our customers and our people that optimises today’s business and allows us to innovate for the future.
3. This policy sets out how we will achieve this with respect to the management, maintenance and development of all Chorus assets. Chorus’ assets referred to in this policy include our physical assets, plus anything that has potential or actual value to Chorus, including financial, human resources, intellectual property and intangible assets.
4. Effective Asset Management underpins our vision. Our Asset Management objective is to:

“Optimise our assets to Make New Zealand Better, deliver effortless customer experience, and innovate for growth to ensure we maximises the long-term value for our customers & shareholders whilst minimising our total cost of ownership.”

Background

5. As Chorus moves beyond UFB and RBI build, and regulation moves toward a more utility-style construct, focus on the management of our substantial asset base will naturally increase.
6. This policy also provides a foundation for a Chorus wide, federated Asset Management capability which will develop and evolve over time.

Policy statement

7. Investment and operation of our assets will be planned and implemented in a manner that optimises the costs against the risks and standard of performance we seek from our network. We will deliver a network that customers and RSPs wish to connect and remain connected to.

8. Our asset management decisions will be based on a detailed understanding of our assets; including their condition, location, function, capacity and performance delivered. We will invest in the right technology at the right time to consistently deliver the level of performance we have committed to our customers, while innovating for growth.

Asset Management Standards

9. Chorus has aligned to the international standard ISO 55000:2014 series to provide a framework for Asset Management, and this policy is aligned to that standard.

Guidance

10. All Chorus staff are accountable, within their area of responsibility, to build and operate a network that our customers want to connect and stay connected too. The network is required to provide services to our customers with the availability, reliability, capacity, and resilience they seek. This requires Chorus to have a deep understanding of the assets and systems we rely on to meet customer needs. It also requires Chorus to continuously improve capability and optimise our business to achieve these outcomes in a sustainable manner over the long term.
11. Network investment and planning will consider the whole of life costs of providing services over our assets, optimising between cost (capital and operating), quality and risk.
12. This policy means that Chorus will invest in ensuring the right information is available to support efficient investment decisions on our assets and develop accurate forecasts of expected expenditure.
13. To implement this policy Chorus will need to continue to evolve and improve. All staff have the ongoing responsibility to identify areas where they can improve the short- and long-term efficiency of Chorus' investment and operational processes, the quality of investment forecasts, and Chorus' Asset Management capability.
14. Our Asset Management Policy forms the underlying basis for our expenditure forecasts. All staff who are responsible for capital and operational expenditure have the responsibility of ensuring expenditure forecasts and expenditure decisions:
 - a. Comply with all applicable laws and regulations.
 - b. Ensure the safety of staff, contractors and the public
 - c. Align with our corporate vision, purpose, strategy and goals
 - d. Are closely tied to Customer service quality requirements
 - e. Minimise the total cost of ownership
 - f. Maximise the long-term return on investment for the shareholder
 - g. Apply Chorus' Risk Management framework
 - h. Account for the commercial environment in which we operate
 - i. Ensure the rights and obligations under existing commercial agreements are retained and met

Roles and Responsibilities

Chief Technology Officer:

- Develop and maintain the Asset Management Policy.
- Ensure planning for all asset classes is carried out in accordance with this policy.
- Ensure deployment and operation of Network and IT assets is carried out in accordance with this policy.

General Manager Network and Field Maintenance:

- Ensure Field Operations, including maintenance of Layer 1 and 2, facilities assets, and deployment of Layer 1 assets, are carried out in accordance with this policy.

General Manager Product Sales & Marketing:

- Ensure product roadmaps are reflective of customer quality of service requirements.

All:

- Familiarity and compliance with this policy.

	Person
Owned by:	Chief Technology Officer
Reviewed by:	Chief Technology Officer
Approved by	Chief Executive Officer 
Due for next review:	Every 2 years or as otherwise required