

Commonly Used Asset Management Definitions

Term	Definition	Source	Comments
Acquisition	The process by which an entity obtains / acquires an asset capability for its stated purpose.	Asset Management Council, Asset Management Body of Knowledge (AMBoK).	
Active Maintenance Time	That part of the maintenance time during which a maintenance action is performed on an item, either automatically or manually, excluding logistic delay.	ISO14224 (Maintenance & Reliability Data).	
Asset	A resource controlled by the entity as a result of past events and from which future economic benefits* are expected to flow to the entity. (*in the context of non-profit entities and government organisations, "economic benefits" are equivalent to service potential).	AASB 116	The ISO55000 definition for assets ("Item, thing or entity that has potential or actual value to an organisation."). Asset management also applies to non-financial assets.
Asset Life	Period from asset creation to asset end-of-life.	ISO55000 (Asset Management)	The ISO55000 definition for asset life has been accepted to generally align with cradle to grave (non-financial view).
Asset Management	Coordinated activity of an organisation to realise value from assets.	ISO55000 (Asset Management)	
Asset Management Plan	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.	ISO55000 (Asset Management)	
Asset Management System	Management system for asset management whose function is to establish the asset management policy and asset management objectives.	ISO55000 (Asset Management)	The majority of jurisdictions state a requirement to delineate between an IT system and a management system (being broader than an IT system). The ISO definition achieves the latter, and a management system can include any number of IT systems to support the broader management system.
Asset Portfolio	Assets that are within the scope of the asset management system.	ISO55000 (Asset Management)	
Asset Type	Group of assets having common characteristics that distinguish those assets as a group or class. Types may be	ISO55000 (Asset Management)	
Asset Class	A 'class' of non-current assets is a financial grouping of assets of a similar nature and use in an entity's operations.	AASB116	This is distinct from a technical asset class or grouping (defined here as "asset type") which is used to apply common lifecycle management strategies.
Common-cause Failure	Failures of different items, resulting from the same direct cause, occurring within a relatively short time, where these failures are not a consequence of each other.	ISO14224 (Maintenance & Reliability Data)	
Computerised Maintenance Management System	Computerised Maintenance Management System (CMMS) software that contains a central database for all maintenance information and activities ensuring regulatory compliance, co-ordination of scheduled maintenance activities, record management, reporting and spare parts.	Northern Territory Health	
Condition-based Maintenance	Preventive maintenance which include a combination of condition monitoring and/or inspection and/or testing, analysis and the ensuing maintenance actions.	British Standards (BS) EN 13306:2010	
Configuration Management	The management of the physical and functional attributes (data) of a system/asset and its part sub-system and assemblies.	AMBoK	
Conformity	Fulfilment of a requirement.	ISO55000 (Asset Management)	

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Corrective (Reactive) Maintenance	Unintended maintenance carried out to put an item into a state in which it can perform a required function.	BS EN 13306:2010	
Corrective Maintenance or Specific Maintenance	Primarily the maintenance required to restore or continue the integrity of an asset to a good operational condition.	ISO14224 (Maintenance & Reliability Data)	
Critical Asset	Asset having potential to significantly impact on the achievement of the organisation's objectives.	ISO55000 (Asset Management)	
Critical Failure	Failure of an equipment unit that causes an immediate cessation of the ability to perform a required function.	ISO14224 (Maintenance & Reliability Data)	
Deferred Corrective Maintenance	Corrective maintenance which is not immediately carried out after a fault detection but is delayed in accordance with given rules.	BS EN 13306:2010	
Degraded Failure	Failure that does not cease the fundamental function(s), but compromises one or several functions.	ISO14224 (Maintenance & Reliability Data)	
Demand Analysis	The process where stakeholder demands/requirements are tested and documented to establish sound relationships with stakeholders and to push back against an infinite level of expectation and matching demand.	AMBoK	
Demand Management	The establishment of sound relationship with stakeholders who may be external or internal to the organisation.	AMBoK	
Disposal	Process of removing assets from service and handling end-of-life. The process by which an entity removes an asset, from service, and extinguishes liability, as it is no longer useful or functional for its stated purpose.	International Infrastructure Management Manual (IIMM)	Includes recycling and decommissioning.
Down State	Internal disabled state of an item characterised either by a fault or by a possible inability to perform a required function during preventative maintenance.	ISO14224 (Maintenance & Reliability Data)	
Effectiveness	Extent to which planned activities are realised and planned results achieved.	International Infrastructure Management Manual (IIMM)	
Equipment Data	Technical, operational and environmental parameters characterising the design and use of an equipment unit.	ISO14224 (Maintenance & Reliability Data)	
Failure Data	Data characterising the occurrence of a failure event.	ISO14224 (Maintenance & Reliability Data)	
Failure Mode	Effect by which a failure is observed on the failed item.	ISO14224 (Maintenance & Reliability Data)	
Failure on Demand	Failure occurring immediately when the item is solicited to start (e.g. stand-by emergency equipment).	ISO14224 (Maintenance & Reliability Data)	
Generic Reliability Data	Reliability data covering families of similar equipment.	ISO14224 (Maintenance & Reliability Data)	
Hidden Failure	Failure that is not immediately evident to operations and maintenance personnel.	ISO14224 (Maintenance & Reliability Data)	
Idle Time	Part of the up time that an item is not operating.	ISO14224 (Maintenance & Reliability Data)	
Incident	Unplanned event or occurrence resulting in damage or other loss.	ISO55000 (Asset Management)	
Incipient Failure	Imperfection in the state or condition of an item so that a critical or degraded failure might (or might not) eventually be the expected result if the corrective actions are not taken.	ISO14224 (Maintenance & Reliability Data)	

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Indenture Level	Level of subdivision of an item from the point of view of maintenance action.	ISO14224 (Maintenance & Reliability Data)	
Inspection	Examination of assets to assess condition and performance.	IIMM	Supports maintenance planning.
Learning Organisation	An organisation that actively seeks change in environment or domain knowledge and adapts to improve its products and services.	AMBoK	
Level of Assurance	Quantifiable levels of assurance in the delivery of a capability.	AMBoK	
Level of Service	Statement that describes the outputs or objectives an organisation or activity intends to deliver to customers.	IIMM	The definition is high-level and can apply to multiple situations due to its general nature (can apply to both clinical service levels and maintenance service levels).
Level of Service	Statement that describes the outputs or objectives an organisation or activity intends to deliver to customers.	IIMM	
Life cycle	The stages through which an asset passes from identification of need, planning and acquisition or creation, commissioning, operation, maintenance, renewal or replacement, and eventual decommissioning and disposal.	ISO55000	
Lifecycle Costing	Total cost of ownership over the life of an asset.	ISO 55000	Includes acquisition, operation, and disposal costs.
Logistic Delay	That accumulated time during which maintenance cannot be carried out due to the necessity to acquire maintenance resources, excluding any administrative delay.	ISO14224 (Maintenance & Reliability Data)	
Maintainable Item	Item that constitutes a part or an assembly of parts that is normally the lowest level in the equipment hierarchy during maintenance.	ISO14224 (Maintenance & Reliability Data)	
Maintenance	All actions intended to retain an item in, or restore it to, a state in which it can perform a required function.	AMBoK	<p>AMC has a streamlined definition for maintenance (as listed to the left). Subsets of maintenance can then align with this definition based on common understanding:</p> <ul style="list-style-type: none"> •Statutory Maintenance •Scheduled Maintenance. <p>Maintenance includes the combination of technical, administrative, and supervisory actions undertaken to retain an asset in, or restore it to, a condition in which it can perform its required function. For financial reporting purposes, maintenance expenditure comprises costs incurred to maintain an asset at its current level of service potential and is recognised as operating expenditure rather than capital expenditure.</p>
Maintenance Man-Hours	Accumulated duration of the individual maintenance times used by all maintenance personnel for a given type of maintenance action or over a given time interval.	ISO14224 (Maintenance & Reliability Data)	
Maintenance Outsourcing	Contracting out of all or part of the maintenance activities of an organisation for a stated period of time.	BS EN 13306:2010	
Maintenance Strategy	Approach to maintaining assets to meet performance requirements.	IIMM	Includes preventive, predictive, and reactive maintenance.
Monitoring	Ongoing observation of asset performance and condition.	ISO 55000	Supports proactive maintenance.
Needs Analysis	The process by which stakeholder demands/requirements are analysed and documented.	AMBoK	
Nonconformity	Non-fulfilment of a requirement.	ISO55000 (Asset Management)	

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Non-critical Failure	Failure of an equipment unit that does not cause an immediate cessation of the ability to perform its required function.	ISO14224 (Maintenance & Reliability Data)	
Non-Financial Assets	Non-financial assets are assets valued below the recognition threshold that can be either tangible (physical) assets such as property, plant and equipment or intangible.	Adapted from Northern Territory Treasurer's Directions Accounting - Assets Section A2.1: Overview - Guidance documents Non-Financial assets.	Non-financial assets may also be referred to as non-capital assets, portable and attractive assets, minor assets, non-recognised assets, managed assets, or equipment. The terms non-capital or non-recognised are both accurate substitutions. Portable and attractive items are a specific subset of non-financial assets, whereas managed assets describes the entire asset portfolio under management regardless of value.
Organisational Objective	Overarching objective that sets the context and direction of an organisation's activities. Organisational objectives are established through the strategic level planning activities of the organisation.	ISO55000 (Asset Management)	
Outsource	Make an arrangement where an external organisation performs part of the organisation's function or process.	ISO55000 (Asset Management)	
Performance	Measurable result. Can relate to the management of activities, processes, products, systems or organisations. It can also relate to assets in their ability to fulfil requirements or objectives.	ISO55000 (Asset Management)	
Planned Maintenance	Timescales, resources and maintenance activities to be carried out in accordance with a specified time and date period.	ISO 14224:2016 (Petroleum, petrochemical and natural gas industries - Collection and exchange of reliability and maintenance data for equipment).	
Predictive Action	Action to monitor the condition of an asset and predict the need for preventive or corrective maintenance or repair.	ISO55000 (Asset Management)	
Predictive Maintenance	Maintenance carried out following a forecast derived from condition monitoring and/or performance data evaluation	Queensland Health	
Preventive Maintenance	Maintenance carried out at predetermined intervals or according to prescribed criteria and intended to reduce the probability of failure or the degradation of the functioning of an item.	BS EN 13306:2010	
Asset Recognition	Recognition is the process of capturing, for inclusion in the statement of financial position or the statement(s) of financial performance, an economic resource controlled by the entity as a result of past events. For an asset to be recognised it must: - be probable that the future economic benefits embodied in the assets will flow to the Agency; - possess a cost or other value that can be measured reliably.	AASB Conceptual Framework for Financial Reporting	
Redundancy	Existence of more than one means for performing a required function of an item.	ISO14224 (Maintenance & Reliability Data)	
Remaining Useful Life	Remaining Useful Life (RUL) is the estimated length of time an item is expected to operate before it requires significant repair or replacement	Northern Territory Asset Management Framework / ISO14224 (Maintenance & Reliability Data)	The Northern Territory Government uses RUL to plan and schedule replacement of assets. This can be seen as reliability assessment as indicated in ISO14224

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Scheduled Replacement or Planned Replacement	Scheduled/Planned asset replacement preventing critical assets from running to failure	ISO14224 (Maintenance & Reliability Data)	Northern Territory Government proactively replace critical element items. Element items are the systems that support both critical and non-critical assets that are otherwise unusable. Critical items may consist of air-conditioning, switch boards, fire systems, generators etc.
Reliability	Probability that an asset performs its intended function without failure.	ISO 55000	Key performance indicator.
Renewal	Capital intervention such as refurbishment, rehabilitation, restoration or like-for-like replacement that returns the asset to as-new condition.	Asset Management Council, Asset Management Body of Knowledge (AMBoK).	Note that in general use, renewal typically also refers to intervention that extends asset life without necessarily bringing an asset to "as-new" condition. The intervention may apply to an asset or part of an asset but will typically result in an improvement beyond the originally assessed condition, resulting in extension of useful life, and will therefore be capital in nature.
Renewal Planning	Forecasting and scheduling asset replacements.	IIMM	Supports long-term sustainability.
Stakeholder Engagement	Involving stakeholders in asset management decisions.	ISO 55000	Improves transparency and buy-in.
Strategic Asset Management Plan	Documented information that specifies how organisations 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.	ISO55000 (Asset Management)	
Surveillance Period	Interval of time (calendar time) between the start date and end date of reliability and maintenance data collection.	ISO14224 (Maintenance & Reliability Data)	
Systems Engineering	An interdisciplinary, collaborative approach to derive, evolve and verify a lifecycle balanced system solution which satisfies customer expectations and meets public acceptability.	AMBoK	
Tag Number	Number that identifies the physical location of equipment.	ISO14224 (Maintenance & Reliability Data)	
Top Management	Person or group of people that directs and controls an organisation at the highest level. Top management has the power to delegate authority and provide resources within the organisation.	ISO55000 (Asset Management)	
Up State	State of the item characterised by the fact it can perform a required function, assuming that the external resources, if required, are provided.	ISO14224 (Maintenance & Reliability Data)	
Up Time	Time interval during which an item is in an up state.	ISO14224 (Maintenance & Reliability Data)	
Useful Life or Estimated Useful Life	Useful Life (UL) or Estimated useful life (EUL) is the expected period of life from an asset. Period over which an asset is capable of fulfilling it's purpose.	ISO14224 (Maintenance & Reliability Data)	The Northern Territory government uses EUL terminology
Whole-of-Life Cost	Total cost of an asset over its entire lifecycle.	ISO 55000	Used for investment evaluation.