

# Asset Management Policy

MSC057E

Authorised by:	Internal/External:	External
Date:	Minute No:	
Review timeframe:	4 years	
Review due date:		
Department:	Asset Management	
Document Owner:	Chief Engineer	

## Table of Contents

1. Policy Objective .....	3
2. Risks being assessed .....	3
3. Scope .....	3
4. Definitions .....	5
5. Policy Statements .....	6
6. Roles, Responsibilities and Delegations .....	7
7. Dispute Resolution .....	7
8. Related Documents .....	8
Legislation and Guidelines .....	8
Policies and Procedures .....	8
Other Supporting Documents .....	8
9. Version History .....	8

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## 1. Policy Objective

The purpose of this policy describes Muswellbrook Shire Council's commitment to develop and maintain an asset management system to achieve the best possible value for the community. Council will establish a framework for structured sustainable and coordinated asset management to provide the agreed levels of service to the community as described in the Community Strategic Plan (CSP) and the Delivery Program (DP).

This Policy is designed to:

- Provide the community and our team clear direction for asset management (AM) and define the key principles that underpin AM for Council
- Ensure a consistent approach to AM to enhance our financial sustainability including systemised procedures between asset stakeholders
- Determine through community consultation that asset needs are understood and suitably prioritised
- Accurately model and implement required service levels for expected demands on all infrastructure and matches community needs
- Assess and predict asset lifecycle implications as well as their maintenance and renewal requirements
- Define efficient and effective management of the assets through long term planning
- Provide sustainable infrastructure through planning and leadership
- Be financially responsible by providing appropriate resources for the delivery of services
- Develop AM proficiency and expertise within our teams for the assets they manage
- Manage our assets in a manner that represents the best sustainable outcomes for the community for present and future users in terms of benefits and cost
- Ensure the long-term viability of infrastructure assets for financial, service, environmental and physical demands
- Ensure roles and accountabilities for the management of assets are clearly delineated
- Provide assets that are functional and fit for purpose at an acceptable cost

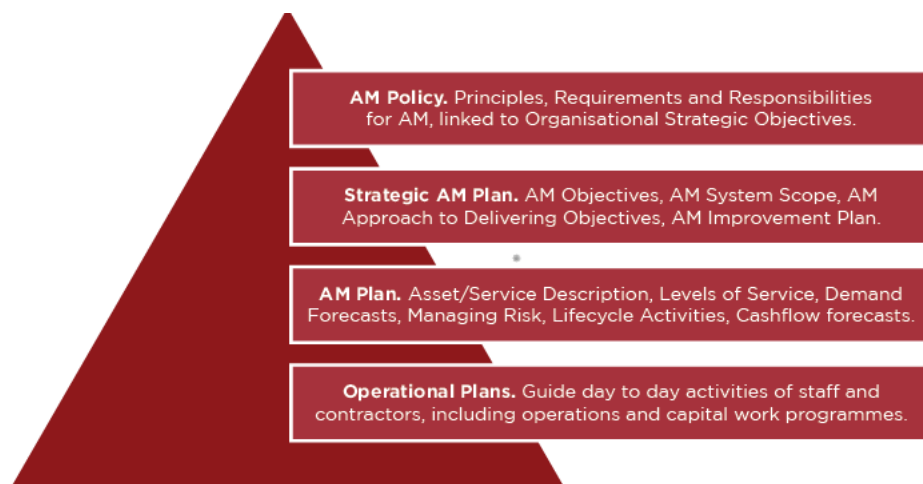
## 2. Risks being assessed

The asset management system will:

- Provide lifecycle management of Council's assets including acquisition, renewal, upgrade, maintenance, operation, and disposal.
- Mitigate failures and expensive reactive maintenance.
- Provide an accurate, consistent, costed, and current asset inventory.
- Inform insurance cover.
- Provide for levels of service agreed with the community.

## 3. Scope

Muswellbrook Shire Council has responsibilities under the NSW Local Government Act 1993 for the responsible and sustainable management of infrastructure assets to comply with the Integrated Planning and Reporting (IP&R) framework, in particular the asset management planning documents:



Asset Management Functions and Processes



Figure 1: Plans in the Asset Management Framework<sup>1</sup>

Asset management responsibilities will be clearly and appropriately allocated through the organisation.

## Application of this Policy

The Policy applies to all areas of Council that have the responsibility to manage assets and related land and infrastructure under the control and jurisdiction of Council. The Policy refers to all fixed assets owned or managed by Council.

The physical asset classes covered by this policy are categorised as follows:

- Roads – includes bridges, major culverts, causeways and kerb and gutter
- Drainage – includes rural and urban stormwater
- Transportation – includes footpaths/shared paths, lighting and street furniture
- Buildings – includes Aquatic Centre and Rural Fire Services
- Open Spaces and Reserves – includes parks, sporting fields, cemeteries
- Water Supply – includes treatment plants
- Sewer Network – includes treatment plants

## 4. Definitions

Term	Definition
Asset Management	The combination of management, financial, economic, engineering, and other practices applied to physical assets with the objective of providing the required level of service in the most cost-effective manner.
Asset Management Plan	A guide for each asset group to acquire, operate, maintain, renew, and dispose of assets in the most cost-effective manner possible while providing the agreed level of service.
Community Strategic Plan	Represents the highest level of strategic planning undertaken by a local council. All other plans developed by the council as part of the Integrated Planning & Reporting Framework must reflect and support the implementation of the Community Strategic Plan.
Council	Muswellbrook Shire Council.
Level of Service	Level of Service Statements describe the outputs or objectives an organisation or activity intends to deliver to customers.
Life Cycle Cost	The total cost of ownership of an asset or project throughout its entire lifespan, from acquisition to disposal.
Long Term Financial Plan	A ten-year financial plan that contains financial strategic and accompanying performance indicators for financial resource allocation.
Policy	A statement of Council's approach and preference of direction.
Regenerative design	Regenerative design enhances resource efficiency, reduces waste, and increases resilience to climate change impacts.
Resourcing Strategy	Three documents which outline resources required to achieve the Community Strategic Plan includes: <ul style="list-style-type: none"><li>• the Long-Term Financial Plan (LTFP)</li><li>• the Workforce Management Plan</li><li>• the Strategic Asset Management Plan (includes this policy and respective asset management plans)</li></ul>

Term	Definition
Strategic Asset Management Plan	<p>The plan shows how Council's assets will support the levels of service into the future (10 – 30 years). The strategy includes:</p> <ul style="list-style-type: none"> <li>• A description the current state of Council's assets</li> <li>• Actions to improve / enhance Council's AM capability.</li> <li>• Resources required to achieve the objectives</li> <li>• Actions to achieve Council's strategic objectives</li> </ul>

## 5. Policy Statements

Council commits to the following:

### 1. Accountability and Transparency

- Ensure assets provide the best value to the community, balancing financial constraints, environmental, and social outcomes.
- Establish priorities for service delivery via the strategic planning process to address community needs and requirements for assets demonstrating a clear line of sight to strategic objectives
- Manage asset related information in accordance with best practice standards and policies.

### 2. Asset Information Management

- Allocate Asset Management (AM) responsibility and accountability, ensuring staff are competent and well-trained.
- Integrate the AM system with other business systems, in particular financial planning.

### 3. Lifecycle Management

- Apply a 'life cycle' approach whilst aligning with legislation, standards and agreed levels of service. Future lifecycle costs will inform decision about planning, acquisition, operation, maintenance, renewal, and disposal of assets.

### 4. Long-term Financial Management

- Clearly quantify and consider whole-of-life costs, benefits and risks as part of investment decision making.
- Ensure condition assessments and valuation assessments are both current and useful including Fair Value indexation to allow strategic planning.

### 5. Service Level Management

- Adopt regenerative asset management, developing levels of service beyond compliance delivery standards to alternative approaches that address adaptive planning, future capacity building, and service delivery methods

### 6. Risk Management

- Apply Integrated Risk Management Framework to minimise the risk exposure and to manage risks associated with infrastructure assets.

### 7. Performance Management

- Develop quantifiable performance indicators to monitor asset performance.
- Report on financial indicators within Council's long-term financial plan and annual budget.

### 8. Monitoring and Implementation

- Plan and renew resilient assets to withstand acute shocks and chronic stresses.
- Monitor the process of review, update and implementation of Asset Management Plans.

### 9. Decision Making Framework

- Provide current information to support evidence-based decisions to balance performance, cost, and risk.

- Develop a decision-making process to identify how best to operate and maintain all of Council's assets over their whole life and how to prioritise the outcome for the community.

#### **10. Compliance**

- Comply with all State and Federal legislation pertaining to asset management.

#### **11. Continuous Improvement**

- Audit and review processes and procedures including objectives noted by the Audit, Risk and Improvement Committee (ARIC) to ensure continuous improvement.

## 6. Roles, Responsibilities and Delegations

Role	Responsibility
Mayor	To lead Councillors in their understanding of and compliance with this policy, its notes, and guidelines.
General Manager	To lead staff (directly and through delegated authority) in their understanding of, and compliance with this policy and guidelines.
Management Leadership Group	To communicate, implement and comply with this policy and related guidelines.
Chief Engineer	Responsible (directly and through delegated authority) for leading and coordinating the development and maintenance of the AM system in accordance with this policy.
Corporate Asset Management Steering Group	Oversee the implementation of the AM policy and related procedures to ensure best practice asset management, value for money, and integration into Council's financial, information technology, and reporting systems.
Asset Managers	Relevant Asset Managers are custodians of the assets and may be users of the assets. They are responsible (directly and through delegated authority) for implementing the AM policy.
All Council Officers	Responsible for implementing relevant parts of the policy.
Audit, Risk and Improvement Committee	Responsible for providing independent assurance to Council by monitoring, reviewing, and providing advice about the Council's compliance, risk management and control frameworks regarding this Policy.

## 7. Dispute Resolution

For not urgent matters resolution of disputes are to be determined by the Corporate Asset Management Steering Committee, for urgent matters, these are to be resolved by the General Manager in consultation with the Chief Engineer.

## 8. Related Documents

### Legislation and Guidelines

NSW Local Government Act 1993

Local Government (General) Regulation 2021

Security of Critical Infrastructure Act 2018 (SOCI Act)

NSW Office of Local Government Integrated Planning and Reporting Guidelines and Handbook

WSA 03 2011-3.1 Water Supply Code of Australia (Regional NSW Edition) Version 1.0

Institute of Public Works and Engineering (IPWEA) Asset Management Guidelines and publications, including the International Infrastructure Management Manual.

ISO 55000 - 55002 Standards of Asset Management.

Water Management Act 2000

Waste Avoidance and Resource Recovery Act 2001

### Policies and Procedures

Asset Accounting Policy

Asset Disposal Policy

Financial Strategy

### Other Supporting Documents

Community Strategic Plan

Delivery Program

Operational Plan

Enterprise Risk Management Framework

Disability Inclusion Action Plan

Other MSC strategies

## 9. Version History

This section identifies authors who reviewed the Policy and the date that it became effective.

V.	Date	Modified by	Amendments/Previous adoption details
1.	09/04/2025	Chief Engineer	First draft for consultation

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