

## COUNCIL POLICY LG526

### ASSET MANAGEMENT

KEY FOCUS AREA    LEADERSHIP AND GOVERNANCE

#### Purpose

To efficiently manage the Town of Claremont's physical assets by setting guidelines for implementing consistent asset management processes throughout.

For the purpose of this policy and subsequent documents an 'Asset' is defined as:

*'An individual or group of physical objects, which has value, enables services to be provided and has an economic life of greater than 12 months.'*

#### Policy

The Town of Claremont recognises its role as custodians of all assets relating to the Towns provision of services to the community. Council is committed to implementing a systematic asset management methodology in order to apply appropriate asset management best practices across all areas of Council.

The Town owns and uses a vast number of non-current assets to support its core business of service delivery to the community. Asset management practices impact directly upon this and appropriate policy, processes and resources are required to achieve our strategic plans service delivery objectives.

This requires that assets are planned, created, operated, maintained, renewed and disposed of in accordance with Council's priorities for service delivery.

The Town's goal is to ensure adequate provision is made for the long term and cost effective replacement of major assets by a strategic approach to asset management that will deliver the highest appropriate level of service of its assets. This will provide a positive impact on:

- Members of the public and staff
- Council's financial position
- The ability of Council to deliver the expected level of service and infrastructure
- The political environment in which Council operates
- The legal obligations of Council, and
- Controlling the risk associated with the use of these assets.

The Town of Claremont's objectives relating to the management of its assets are:

- To ensure that Council's services and infrastructure are provided in a sustainable manner, with the appropriate levels of service to ratepayers, residents, businesses, visitors and the environment.
- Safeguard Council assets including physical assets and employees by implementing appropriate asset management strategies and appropriate financial resources for those assets.
- Create an environment where all Council employees take an integral part in overall management of Council assets by creating and sustaining an asset management awareness throughout the Council.
- Meet all legislative requirements for asset management.
- Ensure resources and operational capabilities are identified and responsibility for asset

management is allocated.

- Demonstrate transparent and responsible asset management processes that align with demonstrated best practice.

The Town of Claremont will meet these objectives through the following guiding principles:

- A consistent Asset Management Strategy must exist for implementing systematic asset management and appropriate asset management best-practice throughout all Departments of Council.
- All relevant legislative requirements together with political, social and economic environments are to be taken into account in asset management.
- Asset management principles will be integrated within existing planning and operational processes.
- An inspection regime will be used as part of asset management to ensure agreed service levels and safety are maintained and to identify asset renewal priorities.
- Asset renewals required to meet agreed service levels and identified in infrastructure and asset management plans and long-term financial plans will be fully funded in the annual budget estimates.
- Service levels agreed through the budget process and defined in Infrastructure and Asset Management Plans will be fully funded in the annual budget estimates.
- Asset renewal plans will be prioritised and implemented progressively based on agreed service levels and the effectiveness of the current assets to provide that level of service.
- Systematic and cyclic reviews will be applied to all asset classes and are to ensure that the assets are managed, valued and depreciated in accordance with appropriate best practice and applicable Australian Standards.
- Future life cycle costs will be reported and considered in all decisions relating to new services and assets and upgrading of existing services and assets.
- Future service levels will be determined in consultation with the community.

Adoption of this Policy will require the creation of an Asset Management System including work procedures that ensure that Asset Management is in accordance with Policy.

The setting and review of Policy Priorities and outcomes will be required to be referred to the Council on a regular basis.

Development of the Asset Management System (including individual Asset Management Plans) will require ongoing and dedicated effort over an extended period to achieve long term Asset Objectives. Initially, an Asset Management Strategy will guide the development process.

<b>Document Control Box</b>			
<b>Legislation:</b>	<i>Local Government Act 1995</i>		
<b>Organisational:</b>	Community Strategic Plan Renewal Program Asset Management Strategy (yet to be completed) Asset Management Strategy Guidelines (yet to be completed) International Infrastructure Management Manual 2006		
<b>Version #</b>	<b>Decision:</b>	<b>OCM Date:</b>	<b>Resolution Number:</b>
1.	Adopted	19 July 2011	151/11
2.	Reviewed	10 December 2013	360/13
3.	Reviewed	9 December 2014	203/14
4.	Reviewed	15 December 2015	226/15
5.	Modified	13 December 2016	206/16
6.	Reviewed	18 December 2018	228/18